# THE HAIG REPORT®

## Q2 | 2024

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

HAIG PARTNERS

MAXIMIZING THE VALUE FOR DEALERS™

# OVERVIEW



We are leaving a period in auto retail where conditions were almost too good to be true. Profits at dealerships more than tripled from 2019 to 2022 thanks to high gross profits on new vehicles and low expenses. Today, gross profits on new vehicles are declining and expenses have risen. As a result, we estimate average profits per dealership have declined 32% in the first six months of 2024 compared to the same period in 2023. The good news? Average profits are still about double what they were before the pandemic.

The pandemic made OEMs and retailers appear to be very successful. Vehicles sold quickly for high prices. But, as Warren Buffett once said, now that the tide is going out, we can see who has been swimming naked. The strategies that the OEMs have been pursuing in recent years are now having dramatic effects on performance at the retail level. Brands that raised their prices too much or who failed to introduce compelling products are suffering big declines in sales. OEMs who build vehicles that customers want at price points they can afford are gaining share and reaping big profits.

In terms of the buy-sell environment, the last three-and-a-half years have been boom times. We have seen well over 2,000 dealerships trade hands, about double the normal rate of buy-sells. The large public company acquisitions get a lot of headlines, but by far the biggest part of the market are family-owned groups that are handing over some of their savings to other family-owned groups that have chosen to exit the industry at record high prices. Even at premium values, dealers are confident they will earn a high rate of return on their investments as they see a bright outlook for auto retail.

Just like profits at auto retail, however, we are beginning to see a slight slowdown in buy-sells. At the current rate of buy-sells, 2024 will be the fourth most active year in buy-sells with around 500 stores sold, which is still 49% higher than the average number of stores that sold from 2016-2019. The types of transactions, and the values of dealerships, are also evolving from the boom times.

We have had the good fortune to have been involved in setting record high prices for franchises such as BMW, CDJR, Honda, Kia and Toyota over the past two years. And we are still seeing strong prices for most of these brands, but they are coming to market in smaller numbers, perhaps as prices decline a bit. Where our practice has dramatically expanded is on the divestiture side. We have been engaged to sell over 30 dealerships owned by a number of groups, public and private. These are stores that were profitable during the pandemic, but for various reasons no longer fit with their owners' future. Some are losing money, some are in outlying areas, and some are brands that are weakening. Dealerships that remain nicely profitable are selling for less today than they were at the end of 2023, a reflection of their reduced profitability.

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 get up!

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™.

## HIGHEST PRICE EVER PAID FOR A KIA DEALERSHIP

### HOLLYWOOD KIA

"I'm grateful to my buy-sell advisors, who helped make this deal come together. Alan Haig, Derek Garber and Matt DeSantis of Haig Partners lived up to their impressive reputation. **They have relationships with leading buyers around the country and they delivered in terms of price, confidentiality and speed."**

***- Joe Levy, Former Owner, Hollywood Kia***

# BUY-SELL TRENDS

## Buy-Sell Activity Cools in Q2 After Record-Setting Q1

In Q2, an estimated 84 rooftops traded hands, a 48% decline from the first quarter. While a steep drop on a percentage basis, it is important to note that Q1 2024 was the busiest quarter on record for dealership buy-sells. Transaction volume for the first six months of year is only down 14.5% from the same period in 2023. The market remains busy, with a sustained appetite for strong franchises in attractive markets.

Est. 248 rooftops traded hands,
**14.5%**
decline from YTD Q2 2023

Private dealers, as usual, represented the majority of buy-sell activity in Q2. Private dealers acquired 82 dealerships in the quarter. Only one public company, Lithia, was active in Q2, acquiring two GM stores.

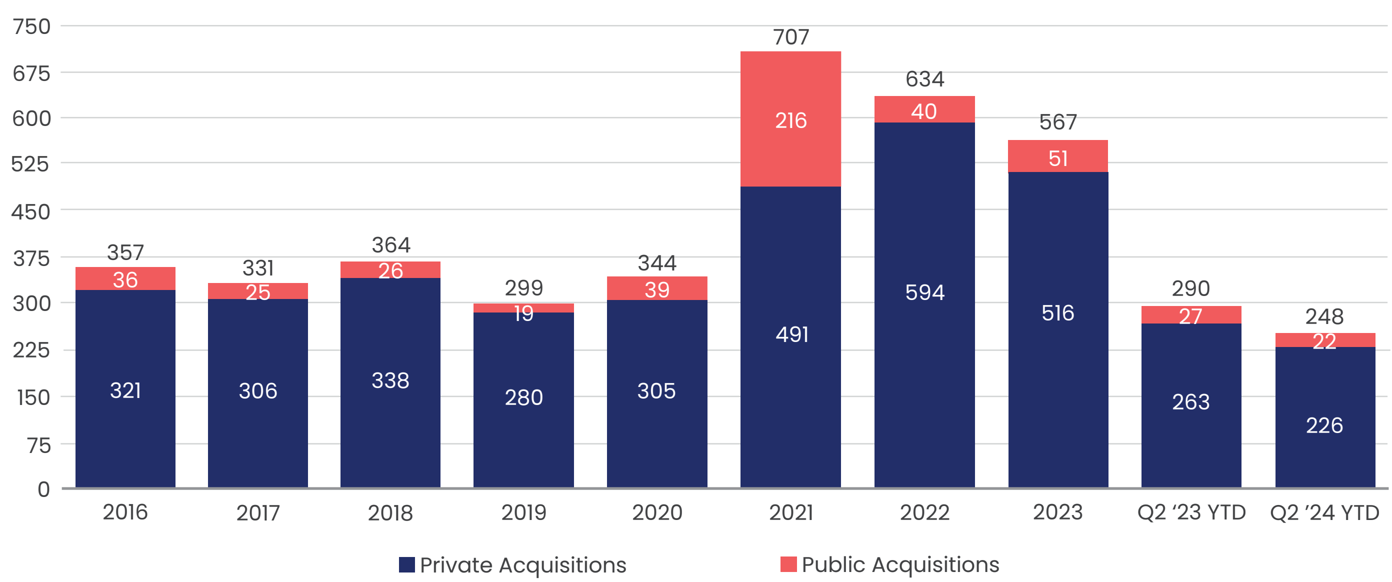
In their Q2 earnings calls, essentially every publicly traded auto retailer stated that they are continuing to evaluate the landscape for "accretive acquisition opportunities." They believe that prices will fall, and so they are being patient. Michael Manley, CEO and Director of AutoNation, noted the normalization of franchised dealership pricing in the marketplace in their Q2 earnings call. "There is no doubt that we are seeing and will continue to see for a period of time a normalization of asset prices in the marketplace. And as such, they become more attractive than they were, for example, 12 months ago," he said.

Many smaller consolidators are not on the sidelines. Public companies can choose to invest in dozens of markets or repurchase their stock, but local dealers have fewer options for their capital. When the right dealership comes up for sale in their market, private dealers are still aggressive. Their logic is simple: "This asset might not become available for another 20 years. If I have the right person to run the dealership, and the price is fair, I'm going to buy it."

Given the decline in earnings, the era of record high blue sky values is behind us. Buyers are still paying strong prices for strong franchises. For instance, our firm expects to close on the sale of five Toyota stores in four separate transactions and the sellers have been pleased with the terms. But a lot of the buy-sell activity we will see over the next six months or so will be smaller dealers buying weaker brands from larger dealers. Many CDJR and Nissan stores are no longer profitable and some larger dealers have decided they don't want to invest the time, money and talent to fix them. Smaller dealers have the capital and the confidence to tackle these stores, believing they are "buying low" and will be richly rewarded when the brands return to more typical performance. While we hate to see the value destruction in these brands, we do like to see the next generation of dealers gain opportunities to grow and create their own legacies in the auto retail industry.

We do not expect transaction volume in 2024 to match the record years of 2021, 2022 or 2023, but we predict this year will rank as the 4th busiest year for U.S. dealership buy-sells in automotive history.

### 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*

## Public Company Acquisitions Slow as They Divest Underperforming Assets

Public company acquisition activity in the US fell steeply in Q2. Only Lithia was active, spending just $79M on U.S. franchised dealership acquisitions. This level of investment was a 94% decrease from Q1, which had one of the higher quarterly spends on record at $1.2B. These groups did spent about $200M in Q2 on investments in non-US auto dealerships, such as heavy truck and European acquisitions. (Haig Partners represented the owner of a Freightliner heavy-duty truck group in a sale to Penske in June.)

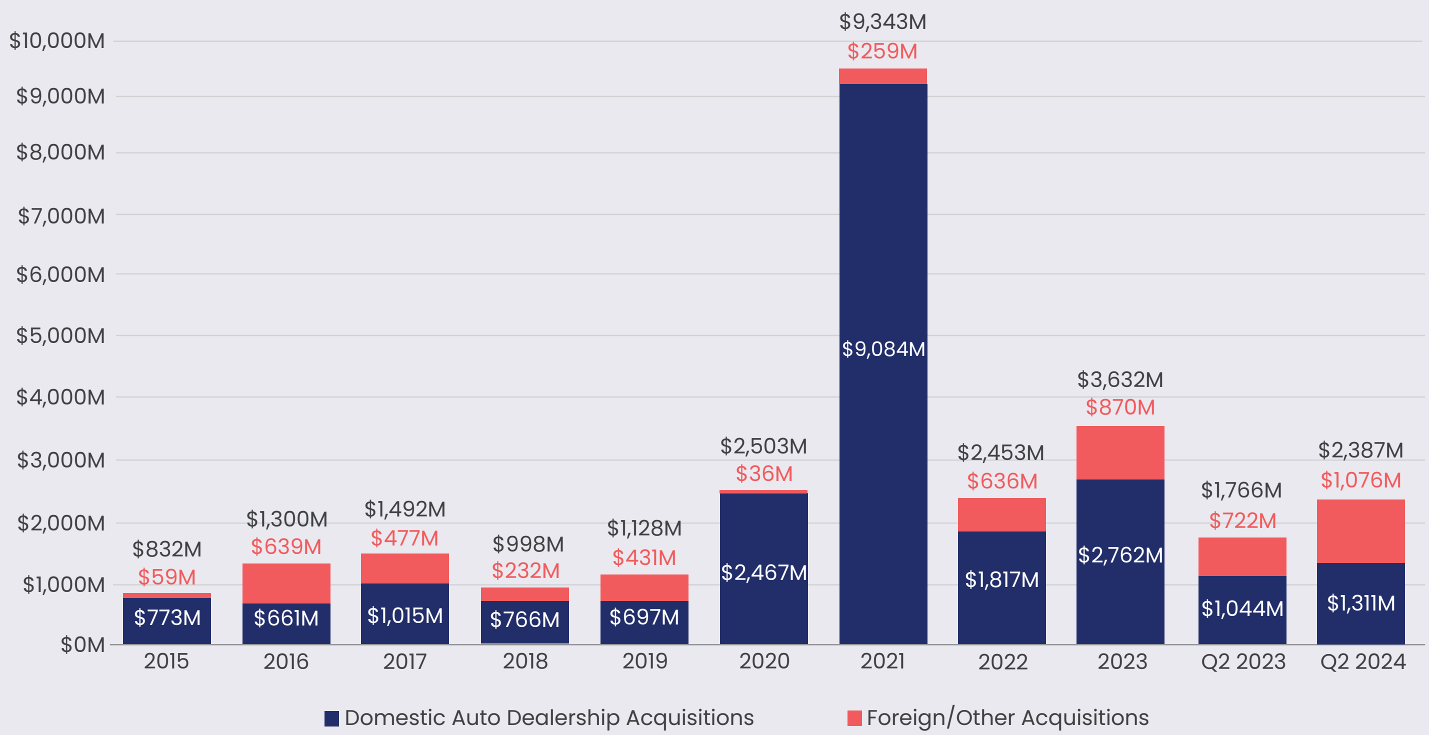
Publicly traded auto retailers are spending more time selling auto dealerships than buying them in this environment. These divestitures include poorly performing dealerships such as CDJR and Nissan, but also sometimes dealerships from leading brands due to concentration issues for companies such as Lithia or Group 1 which have done large transactions in 2022 and 2023. In the second half of 2024, the public companies may be shrinking more than growing as they sell weak stores and wait for prices to fall on strong ones.

As these companies shed assets, they improve their profits and generate additional capital for new acquisitions or stock repurchases. And once these firms feel that blue sky values are in-line with expected future profits, we expect the public companies to return to the market and resume their acquisition activities.

LITHIA

"**Acquisitions continue to be a core competency, and we remain disciplined as we look for accretive opportunities that can improve our network focused on the United States.** As a reminder, we target a minimum after-tax return of 15% or greater and acquire for 15% to 30% of revenues or 3x to 6x normalized EBITDA." *- Bryan DeBoer, President and CEO (Source: Q2 2024 Earnings Call)*

### PUBLIC COMPANY ACQUISITION SPENDING




*Source: SEC Filings*

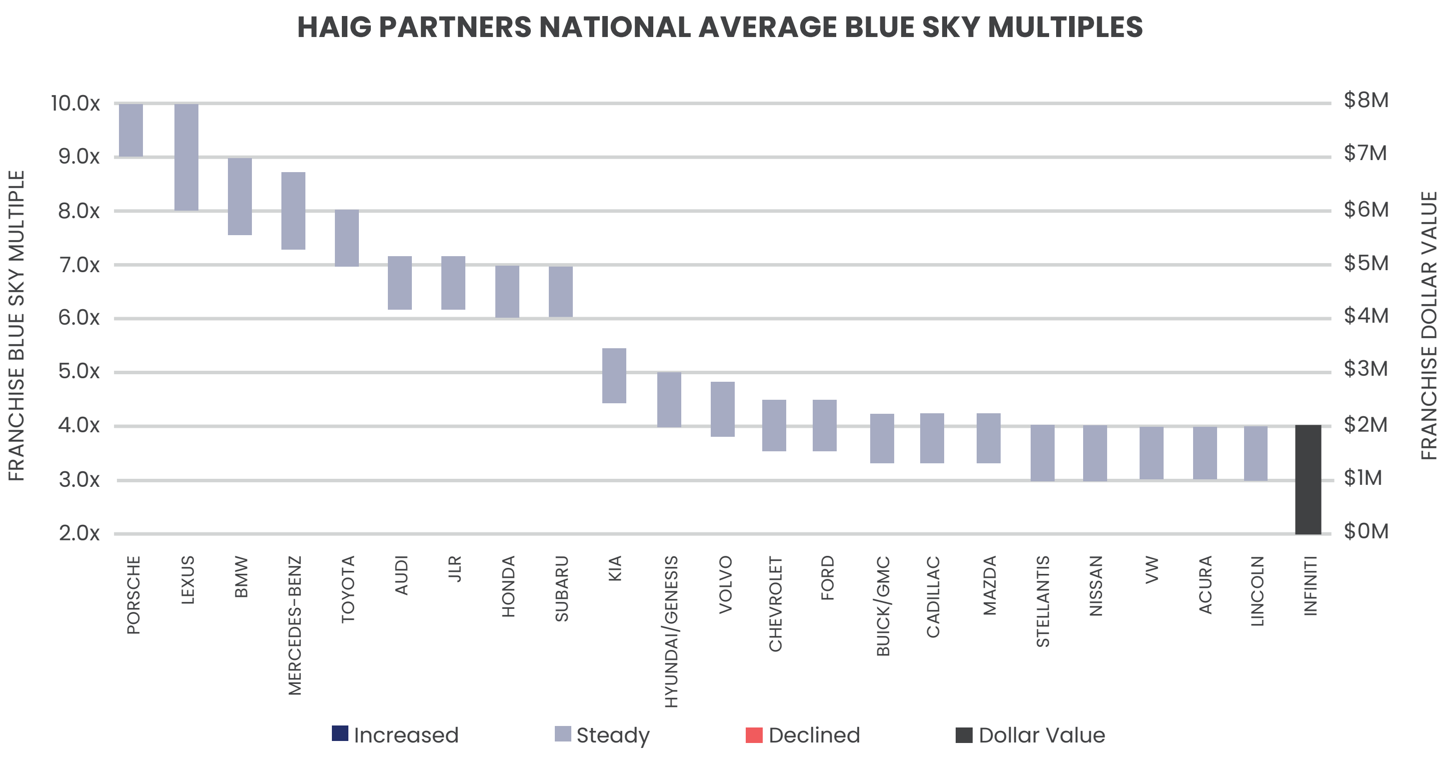
## Haig Partners National Average Blue Sky Multiples

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

Most buyers base their blue sky offers on a multiple of the expected future cash flows. The amount of goodwill they are willing to pay is based upon what their targets are for return on investment, internal rate of return, payback period, or other valuation methodologies buyers choose to use. In general, franchises that provide high profits, growth, and safety bring the highest multiples. Franchises that are declining or offer lower profits bring the lowest multiples. It's important to note that these multiples are our estimate of what the most motivated buyer would pay for an average franchise. The right brand in the right market, Ford in Texas, for instance, will bring higher multiples than what we set forth here.

Based on our team's observations and research through August 2024, we agreed to leave the blue sky multiples unchanged from our Q1 2024 Haig Report. We came close to reducing the multiples of two franchises, Nissan and CDJR. We ultimately decided against changing the multiples for these two franchises due to the significant drop in earnings that have occurred at these dealerships. We believe profits have fallen by more than 50% for these dealerships. For those Nissan and CDJR dealerships that are still profitable, we see the multiples as unchanged from before. For those Nissan and CDJR stores that are unprofitable, buyers are still ascribing value to them. And the value can still be significant in strong markets. For instance, we are selling one of these dealerships today in a major market in TX that is on track to lose $3M, but the market is putting a value of $9M in blue sky on it. We are selling a CDJR dealership in another strong market in TX and we are expecting offers to be in the $8M-$10M range. These values tell us that buyers believe that these brands are going through a tough spell, but will recover and provide them with a strong return on investment to offset the risk/losses they are assuming.

We caution potential sellers to not simply take the multiples and apply them to their current earnings to estimate goodwill. Market conditions are highly variable today, so having access to data from many other transactions that have occurred recently is essential to understand and predict value. We regularly provide valuation information to our clients and potential clients. **To learn more about what your business could be worth, please contact us to have a confidential, no-obligation conversation.**




*Source: Haig Partners*

## Blue Sky Values Are Declining But Remain Elevated

We believe that the average estimated blue sky, or goodwill, value of a publicly owned franchised auto dealership was $21.8M in Q2 2024. This value represents an 11% reduction from the blue sky value observed at the end of 2023, which we now perceive as the peak of the market. We would have expected a bigger decline by now, but earnings for most brands remain well above pre-pandemic levels.

Let's take a look back at the exceptional times sellers have enjoyed. More than five large dealership groups traded hands for more than a billion dollars over the past few years. And record high values were paid for many franchises. We were proud to play a key role in many of these precedent setting transactions. For our clients, 2023 kicked off with the sale of Lake Norman CDJR which set the record for the most ever paid for a Stellantis franchise. In June 2023, the sale of Al Hendrickson Toyota to Morgan Automotive Group set the record for the highest amount paid for a single dealership, regardless of franchise, at the time of the sale. We believe the price paid remains the highest ever paid for a Toyota franchise. Earlier in 2024, we set more records. The sale of South Motors Honda and Vista Motors BMW in January claimed the title for most ever paid for those franchises. In June 2024, we advised on the sale of Hollywood Kia, which claimed the record for the most ever paid for a Kia franchise. Other franchises also attracted record setting prices. The purchase of Ussery Motors (Mercedes-Benz of Coral Gables) is believed to be the most blue sky ever paid for a single dealership, reportedly at over $300M in blue sky.

This stretch of record-setting sales has likely come to an end as earnings for all franchises declined in the first half of 2024 compared to the same period in 2023, according to data we have seen. This doesn't mean sellers have missed the window, however, as pricing is still excellent for most dealerships. Our data indicates that the average blue sky value for the publicly traded dealerships at the end of Q2 2024, at $21.8M, is still more than twice the value of average dealerships in 2019, at $9.5M. This is because average earnings per dealerships today are also about twice as high as they were at the end of 2019, so the perceived return on investment is about the same: dealers are paying twice as much blue sky because they are getting twice as much profit. Averages can be misleading, however! Some brands like Toyota and Lexus have seen little downward trend in value, while Nissan and CDJR dealership values have fallen much more than average.

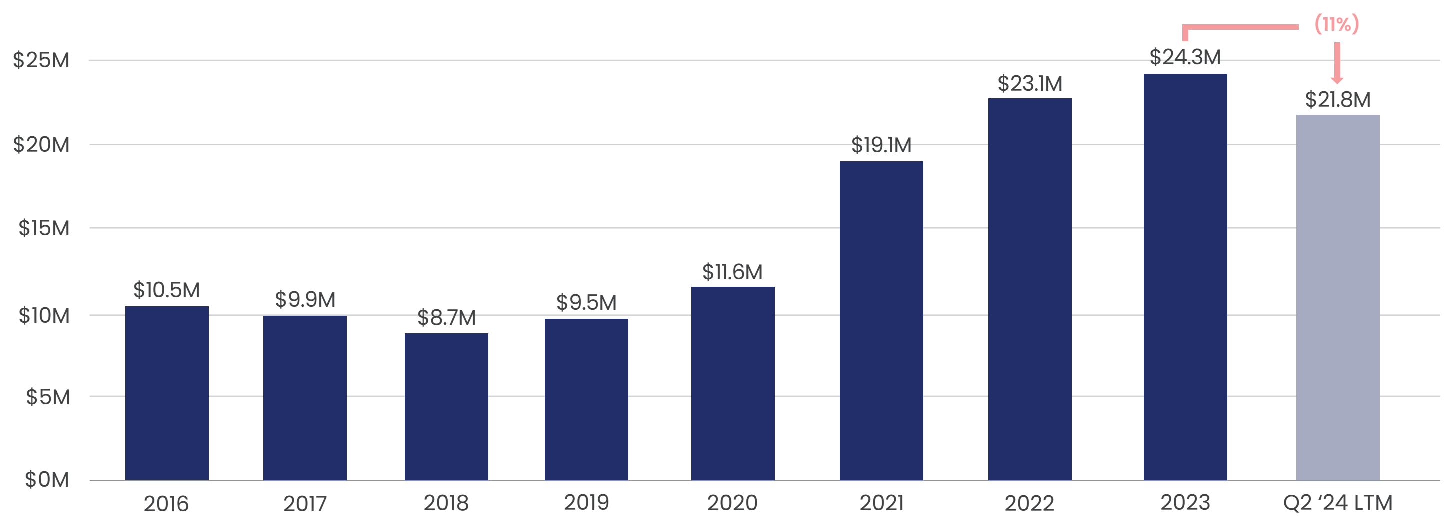
Looking ahead, we believe that blue sky values will continue to trend downward so long as profits are declining. Buyers will adjust their blue sky values to the franchises, markets and projected performance of each dealership. **For owners of dealerships curious about the value of their business, please reach out to us! As we mentioned on page five, we regularly provide valuation information to clients or potential clients. We would be happy to have a confidential, no-obligation conversation with you and your team.**

ASBURY AUTOMOTIVE GROUP

"**We are committed to creating opportunities in our capital allocation approach across share purchase** — buybacks, M&A and organic investment opportunities." - *David Hult, President (Source: Q2 2024 Earnings Call)*

**ESTIMATED AVERAGE BLUE SKY VALUE**

Based on Public Group Earnings




*Source: Haig Partners & SEC Filings*

# TRENDS IMPACTING AUTO RETAIL

What is happening in our economy today provides an excellent lesson in macroeconomics. The Federal government has been trying to guide the economy to a soft landing after the massive stimulus spending that occurred during the pandemic, doing its best to raise interest rates enough to tamp down inflation, but not raise them so much that we suffer an economic contraction and the accompanying job losses. Here is the latest data that impacts auto retail.

## Interest Rates Remain High

At its August meeting, the Fed chose to keep the Federal Funds rate within the target range of 5.25% to 5.50%, maintaining the highest rates seen over the past two decades. However, with inflation approaching the Fed's 2% target and jobs growth slowing, Fed Chair Jerome Powell signaled rate cut is likely in September. "The time has come for policy to adjust... the direction is clear," Powell said. Many experts expect an initial 25 basis point cut, followed by two additional rate cuts in November and December.

## Fed to Reduce Rates Soon to Boost Labor Market

Back in 2022, the Fed announced a strategy that involved raising rates to reduce the rapid inflation that occurred during the pandemic. While this strategy coincided with a reduction in inflation rates, the rates reached over the past few years have begun suppressing the labor market.

The Fed is now discussing cutting rates to improve job growth, which has faltered in recent months. U.S. unemployment rose from 3.7% in January to 4.3% in July, which we believe increases the likelihood of a rate cut during the next FOMC meeting in mid-September.

## Inflation Slows, Nears Fed's 2% Target

The Personal Consumption Expenditures price index ("PCE"), a key inflation measure tracked by the Federal Reserve, was 2.5% in June 2024, in-line with economists' expectations and creeping ever-closer to the Fed's 2% target. A similar metric that removes volatile food and energy prices pegs inflation at 2.3%, even closer to the Fed's goal.

## GDP Growth Accelerates in Q2, Beats Expectations

Real GDP grew
**2.8%**
in Q2 2024

Real GDP grew 2.8% in Q2 2024, doubling the growth observed in the previous quarter and calming concerns about the slow growth observed through April 2024. This "advance" estimate from the U.S. Bureau of Economic Analysis came in above economists' expectations and contains other promising data for the auto retail industry. Disposable personal income increased by $186 billion, or 3.6%, suggesting an increase in the total dollars available for spending on automotive goods or services.

## RECORD-SETTING PRICES PAID

**Highest Price Paid for BMW Franchise**

VISTA Vista Motor Company

HAIG PARTNERS Advised on the Sale

**Highest Price Paid for CDJR Franchise**

LAKE NORMAN

HAIG PARTNERS Advised on the Sale

**Highest Price Paid for Honda Franchise**

South Motors

HAIG PARTNERS Advised on the Sale

**Highest Price Paid for Kia Franchise**

HOLLYWOOD KIA

HAIG PARTNERS Advised on the Sale

**Highest Price Paid for M-B Franchise**

Mercedes-Benz of Coral Gables

No Advisor on the Sale

**Highest Price Paid for Toyota Franchise**

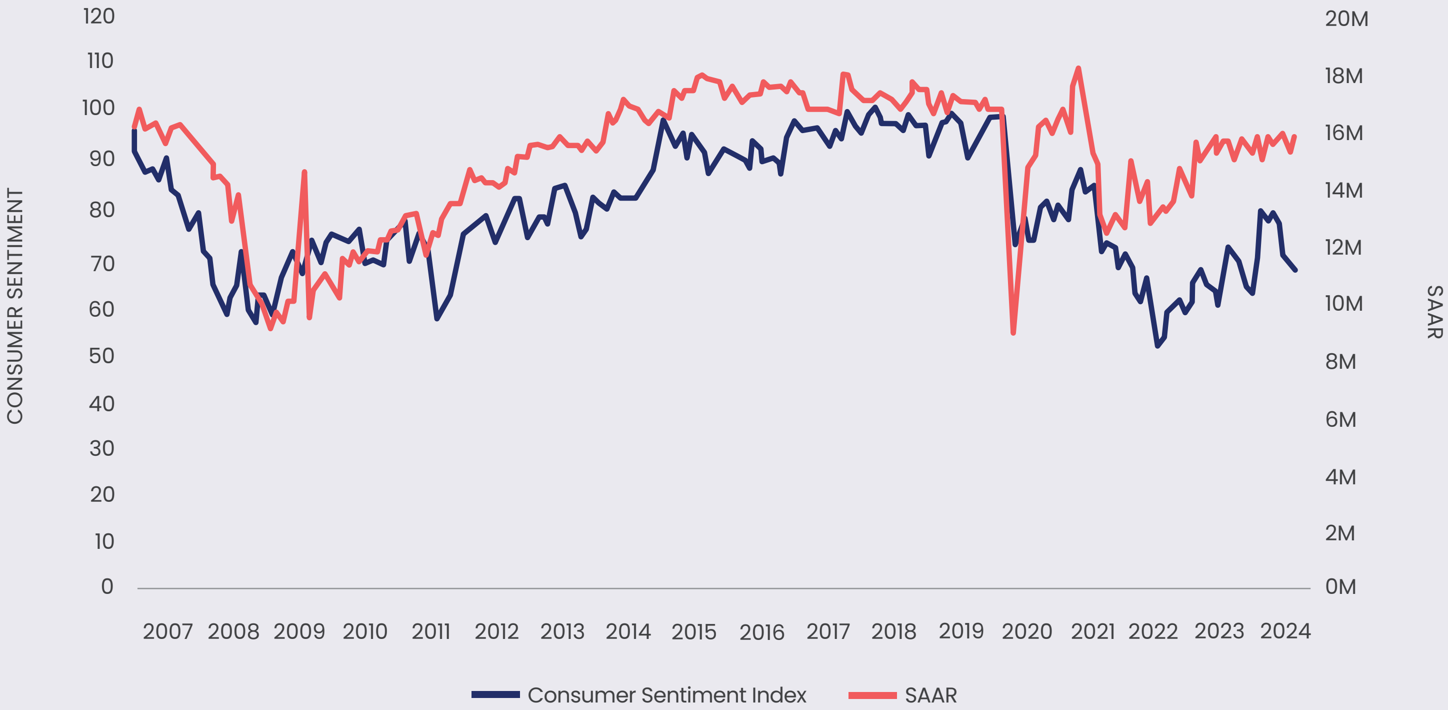
Al Hendrickson TOYOTA

HAIG PARTNERS Advised on the Sale

## Consumer Confidence Wavers in July

The Consumer Sentiment Index and the Consumer Confidence Index are critical indicators of economic health. They both gauge how consumers feel about their financial situation and the overall economy in the short-term and long-term. In July, the University of Michigan Consumer Sentiment Index dropped 18% to 66.4, reflecting a decline in economic optimism. This feels correct to us, as vehicle sales have been pretty flat for the past six months, even though there is a lot of inventory for consumers to choose from.

### CONSUMER SENTIMENT VERSUS SAAR




*Source: Thomson Reuters/University of Michigan; FRED*


**TOYOTA of North Charlotte**

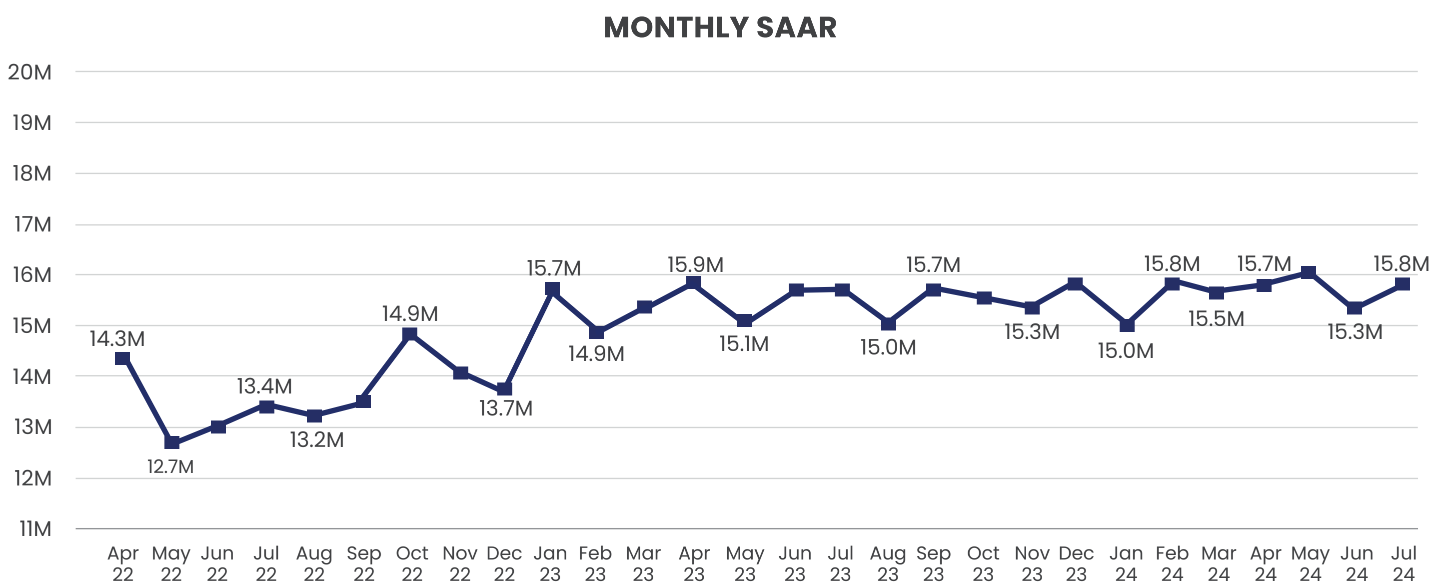
**"It wasn't an easy decision to sell,** but my sons and I have decided we want to expand our operations in Florida to complement our other two Toyota stores in the Orlando area. **Selling Toyota of North Charlotte provides us with greater resources and an increased focus on growth** in Florida. I'd like to thank Haig Partners who **know the buy-sell world backwards and forwards**, including all the leading buyers. **I trusted them, and they helped me to achieve my objectives. They are true professionals."**

***- Joe Siviglia, Former Owner of Toyota of North Charlotte***

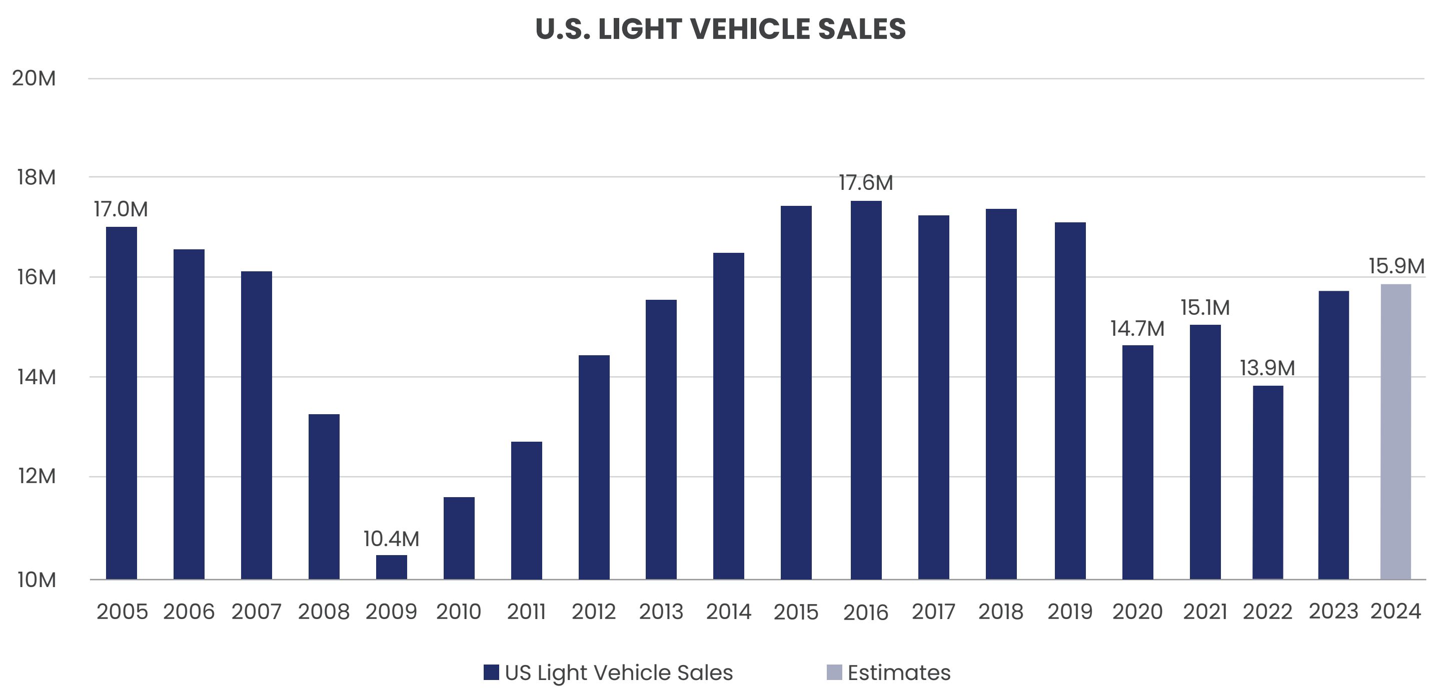
## SAAR Is Hovering Around 16M

In Q2 2024, the SAAR (Seasonally Adjusted Annual Rate) of new vehicle sales was 15.6M, 0.2M higher than levels recorded in the first quarter. The SAAR jumped slightly to 15.8M in July, perhaps due to a catch up on sales that were delayed in June due to the CDK outage.

NADA is projecting sales of 15.9M light vehicles in the U.S. this year, an estimate broadly supported by other industry titans like Cox Automotive (16.0M). SAAR could accelerate later this year if the Fed reduces interest rates as that would make vehicles more affordable for consumers, and there is plenty of inventory now for most consumers to find a vehicle of their liking.




*Source: NADA*




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

## Inventory Levels Reach Dangerous Heights for Many Franchises

**68**
days' supply across the industry

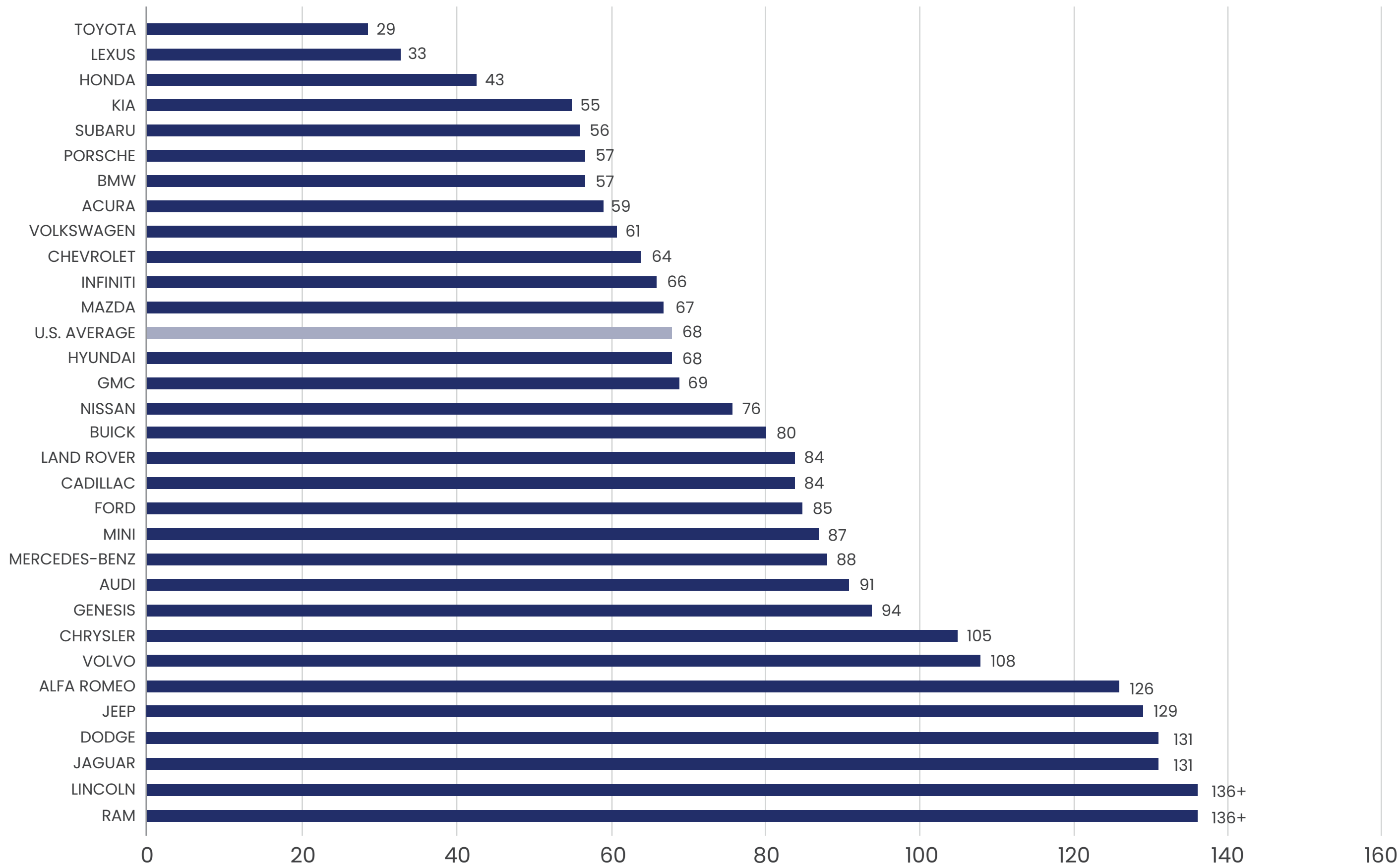
The CDK outrage created a degree of havoc with auto sales, as dealers had a difficult time processing deals. This led to a particularly high supply of new vehicles at the end of June. July brought dealers strong sales, partly as a result of catching up on sales that were postponed from June. At the end of July, the average days' supply of new vehicle inventory was 68, a 43% drop from June according to Cox Automotive. In our Q1 report, we reported that Cox Automotive was showing a 76-day supply of new vehicles, so the average days' supply has dropped by about 10%.

Model year 2025 ("MY25") vehicles are now arriving on dealer lots. In fact, 40% or more of current Honda, Subaru, Jaguar, Genesis and Volvo dealer inventories are already taken up by MY25 units.

Where we haven't seen a lot of MY25 vehicles is at CDJR dealerships. Many dealers are turning down these fresh units to focus on sales of their 2024, 2023 and even some 2022 units. High prices have turned off demand and current incentives are too little. Three of the five franchises with the highest inventory levels as of July fall under the CDJR umbrella. Ram has over double the industry average days' supply (136+, which begs the question, how much higher could it be?), with Dodge (131) and Jeep (129) not far behind. Dealership inventory levels, illustrated in the chart below, can broadly correlate with dealership earnings. Franchises suffering from higher days' supply are also those with by lower sales, lower front end grosses, higher advertising expenses, and floor plan expense (high rates x high MSRPs). These conditions reduce profits, while franchises with less inventory on dealer lots avoid that same fate.

Some good news for Nissan dealers: days' supply of new vehicles dropped 32% from 112 days to 76 days.

**DAYS' SUPPLY BY FRANCHISE**
As of July 2024




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

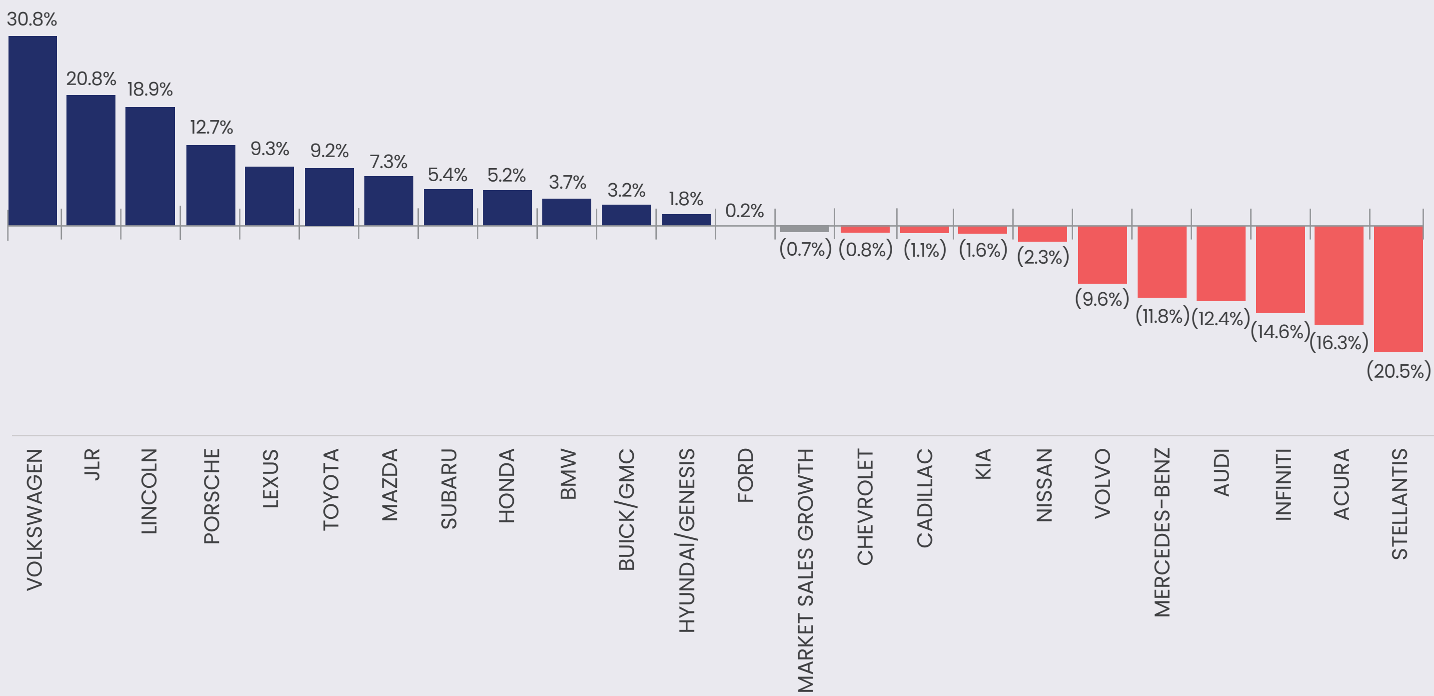
*Source: Cox Automotive - vAuto*

## Industry Sales Stagnated in Q2

New vehicle sales
**0.7%**
lower than Q2 2023

New vehicle sales in Q2 2024 were 0.7% lower than Q2 last year, with a wide spectrum of sales performance at the franchise level. In a continued trend from Q1, franchises that have recently been plagued by production challenges saw sales increase the most, whereas franchises with readily available inventory saw sales slip the most. Volkswagen (+30.8%), JLR (+20.8%) and Lincoln (+18.9%) experienced the greatest lift in sales, while Stellantis (-20.5%), Acura (-16.3%) and Infiniti (-14.6%) saw sales decrease the most. There is some noise in Q2 due to the CDK outage.

### YEAR/YEAR SALES PERFORMANCE: Q2 2024




*Source: Automotive News (Q2 2024 Data)*

**CELEBRATING 10 YEARS**

"We were introduced to Alan Haig and his team nearly 10 years ago as we were contemplating the sale of our company, which had a Volkswagen, Subaru, Audi, and Mercedes franchise. The sales process went pretty much as described from the start, although not without some minor hiccups along the way. In the end, the transaction was competitive, successful, and relatively painless. Alan and his associates were very experienced giving us a good deal of comfort along the way." *- Charlie Fenwick, Former Owner of Valley Motors*

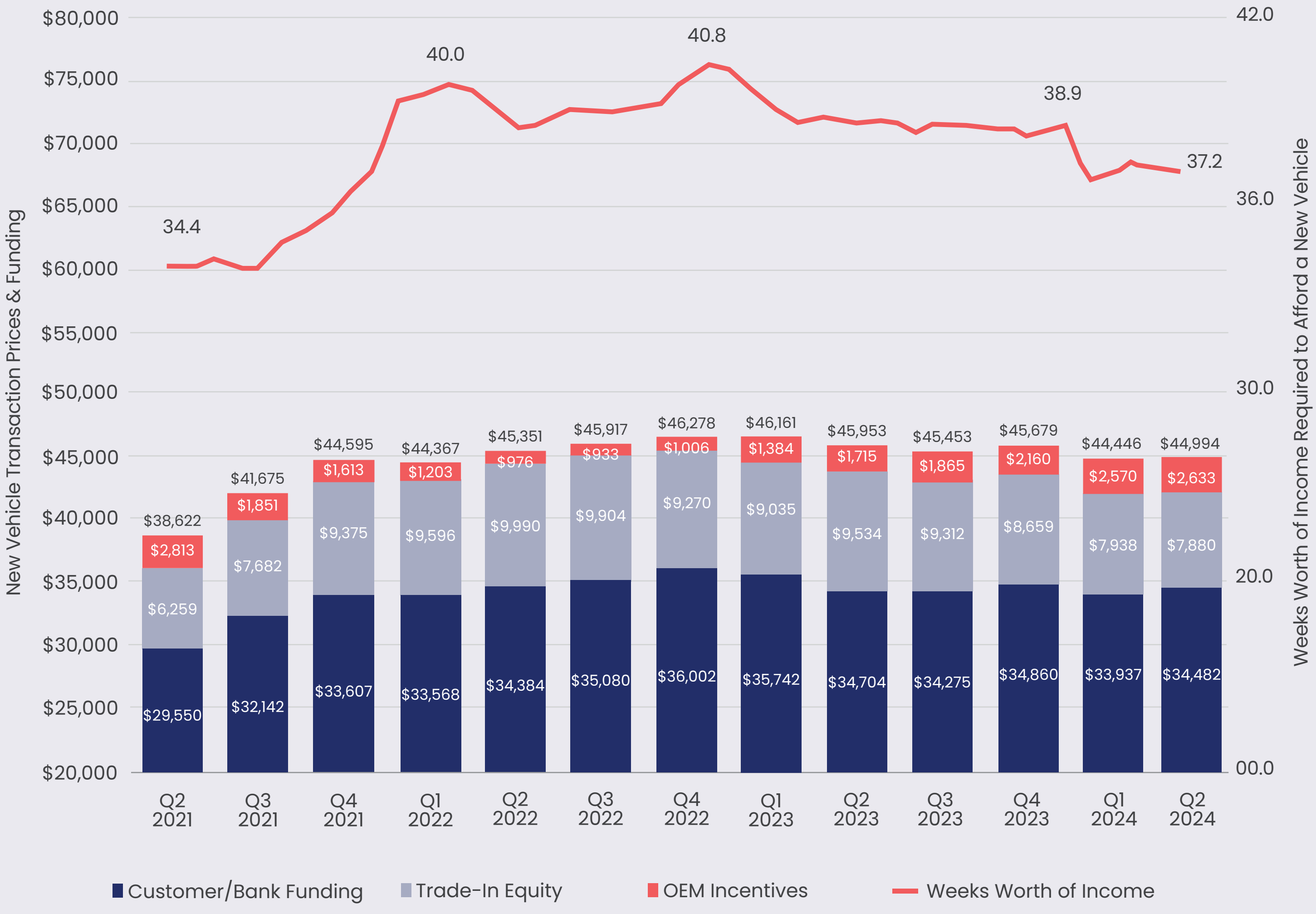
## Affordability Remains a Challenge

New vehicle affordability has been a major challenge in the past four years but has shown consistent improvement since Q4 2023. In Q2 2024, the average transaction price (ATP) for new vehicles was $44,994, marking a 1.5% reduction from Q4 2023 and a 7.5% decrease compared to Q2 2023, according to J.D. Power.

Since October 2023, the weeks' worth of income required to purchase a new vehicle ("WWI") has steadily declined, representing an improvement in consumer affordability. In Q2 2024, WWI had declined 11% from Q2 the year prior.

Looking ahead throughout 2024 and into 2025, we believe that affordability will continue improving for a variety of reasons. We believe that OEM incentives will continue rising to help move dated inventory, and that interest rates should fall later in the year, reducing monthly payments. Mass-market brands like Toyota remain starved of affordable, low-trim units, and when production rises to meet demand, we predict further improvements to affordability.

### NEW VEHICLES: PRICING, FUNDING AND AFFORDABILITY



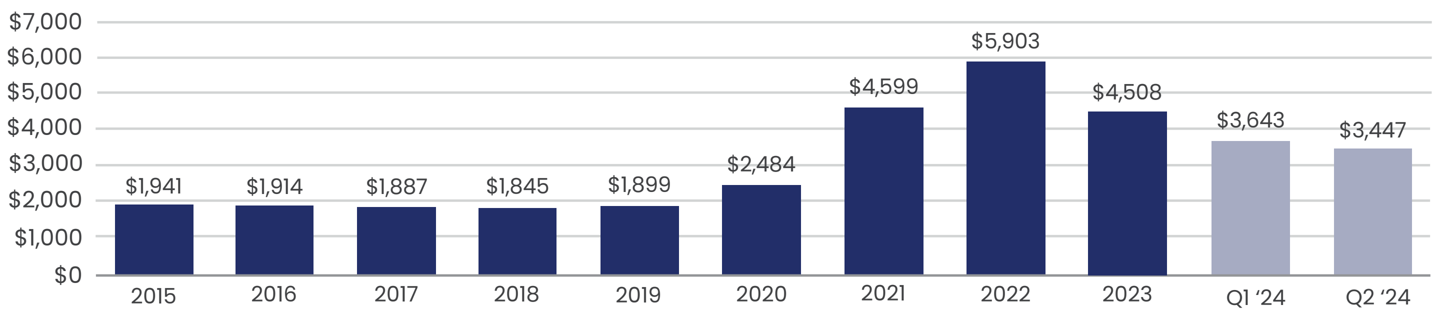

*Source: J.D. Power, Haig Partners, Federal Reserve Economic Data ("FRED"), Cox Automotive/Moody's Analytics*

## New Vehicle Gross Profit Declines for 9th Consecutive Quarter

Front-end gross profits on new vehicle sales continued their downward trend in Q2 2024, but the decline has slowed down from previous quarters. Publicly traded auto retail groups earned an average of $3,447 in gross profit per vehicle retailed ("PVR") on new unit sales in Q2 2024, a 26.9% decrease from Q2 2023 but a 5.4% drop from Q1 2024.

Dealers are still achieving nearly double the gross profits in 2024 compared to pre-pandemic levels ($3,447 vs. $1,899). These higher profits are a key reason that overall dealership profits also remain elevated above pre-pandemic times.

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

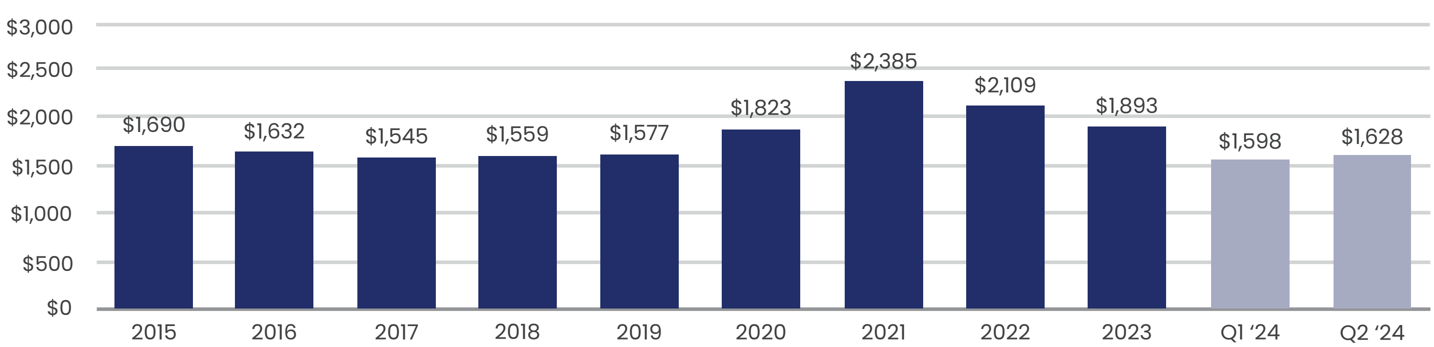



*Source: SEC Filings*

## Used Vehicle Gross Profits Have Normalized

In the second quarter of 2024, the publicly traded auto retailers earned an average of $1,628 in gross profit per used vehicle retailed. Q2's results reflect a 1.9% increase from Q1 2024, but a 23% decrease from the same period last year. We would expect a higher profit per used vehicle given that the value per used vehicle sold has gone up so much over the past few years. But dealers tell us there is significant competition to acquire used units because the supply of 2-4 year old vehicles has dropped so much, which puts pressure on margins.

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




*Source: SEC Filings*

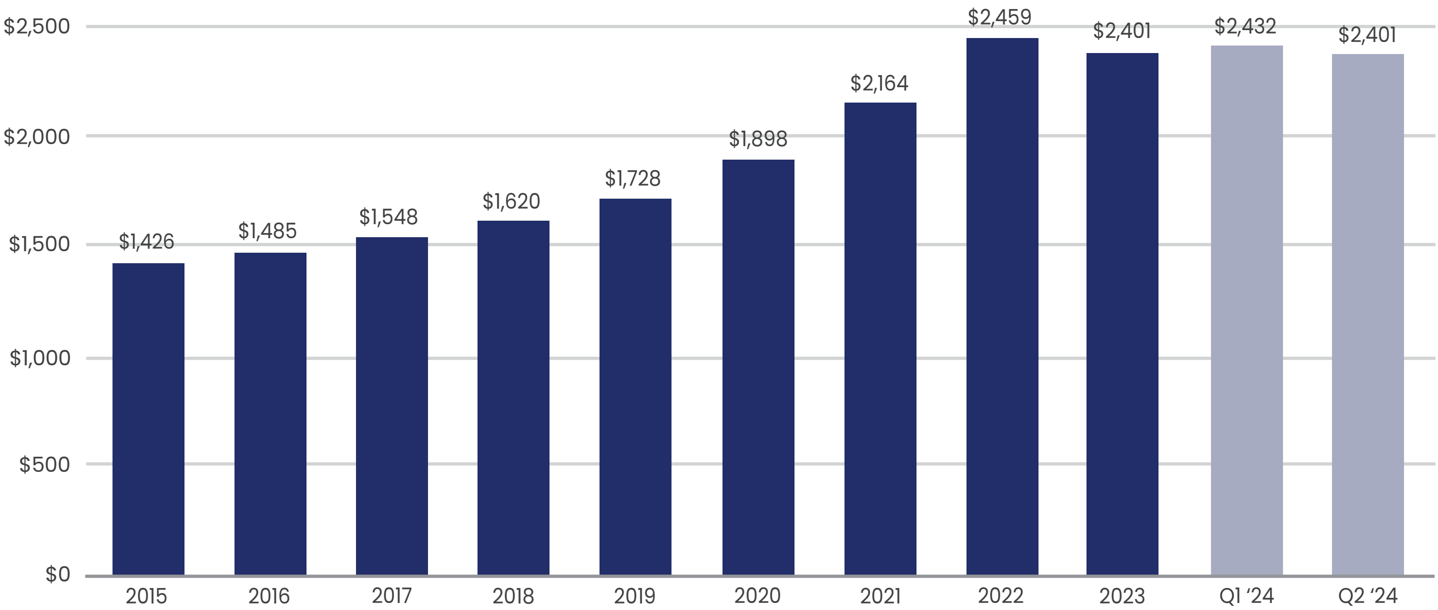
Sonic Automotive

"We expect this decline in new vehicle GPUs to continue throughout 2024 and exiting the fourth quarter in the low $3,000 range, but **we continue to believe that the new normal level of new vehicle GPU will remain structurally higher than it was pre-pandemic, normalizing around $2,500 to $3,000 per unit range in 2025.**" *- David Smith, CEO (Source: Q2 2024 Earnings Call)*

## F&I Gross Profit is Also Under Pressure

The average publicly owned dealership made an average of $2,401 in F&I gross profit per vehicle retailed in Q2, a 1.3% decrease from the first quarter of 2024. F&I profits have been relatively flat for the past 18 months, after growing steadily for many years. We predict that F&I gross profit will resume its growth trajectory by year-end as interest rates decline and other factors improve consumer affordability, alleviating pressure on F&I sales.

**F&I GROSS PROFIT PER VEHICLE: PUBLIC COMPANY DATA**
Weighted Average Same Store Performance - In Current Dollars

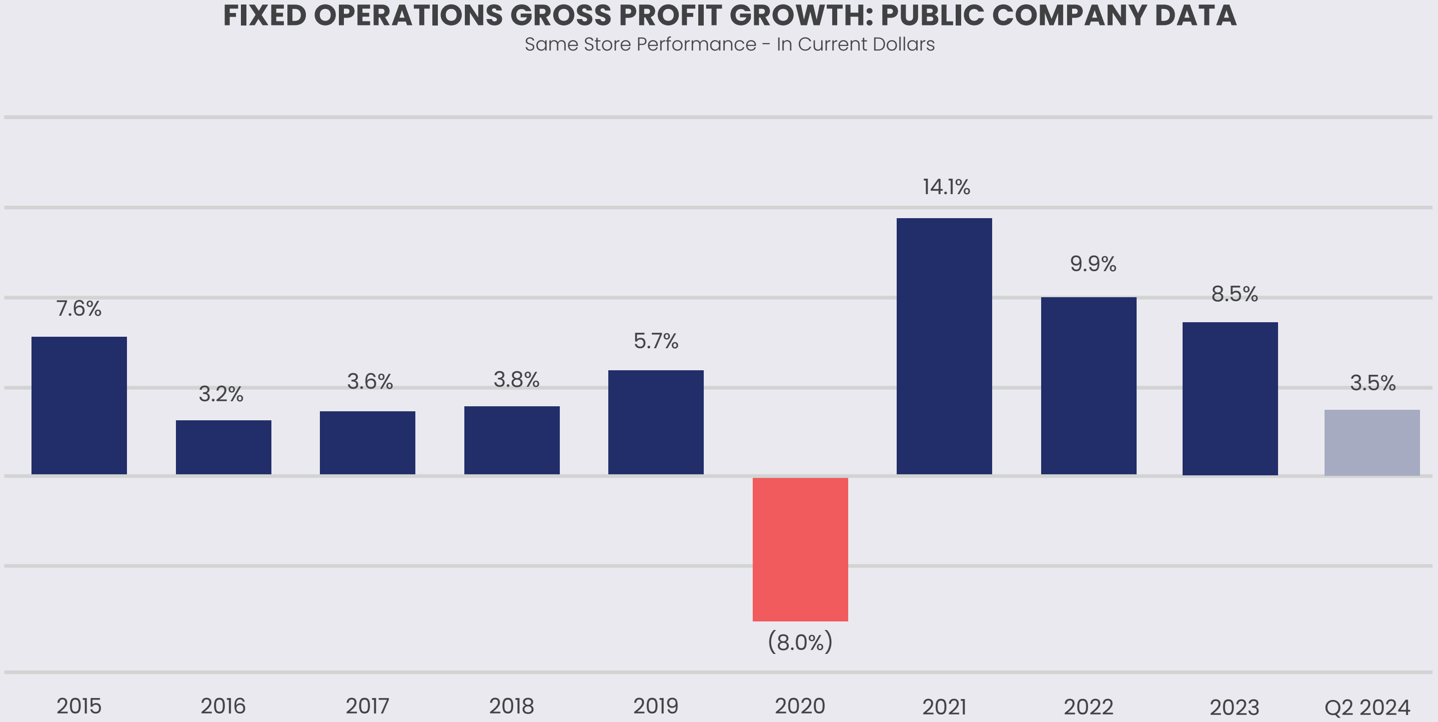



*Source: SEC Filings*

## Fixed Operations Gross Profit Growth Slides Due to DMS Outage

In YTD Q2 2024, fixed operations gross profit among the publicly traded auto retailers increased 3.5% compared to YTD Q2 2023. Had it not been for a major DMS outage that significantly hampered service departments around the country, this growth would have likely been significantly higher, and possibly in-line with the 6.1% year-over-year growth observed in the first quarter of this year. Some retailers told us they had to turn away customers as they couldn't write up repair orders or even find the parts they needed in their inventories.

According to the Q2 earnings calls of these public retailers, most were able to make up for any lost sales due to the DMS outage, but fixed operations departments took a hit that they could not make up. Technician salaries were paid regardless of if they had vehicles in the shop, leading to unrecoverable lost earnings. Looking ahead, we predict that gross profit from fixed operations will resume its steady growth, and we remain bullish on and impressed by the fixed operations of these retailers. The growing complexity of vehicles could drive more work to franchised dealers. The concern that many had that EVs would hurt fixed operations does not appear to be valid so far. Wards issued a report showing that EV service work per vehicle was running higher than ICE vehicles. We encourage every retailer to be carefully monitoring their hourly labor rate they charge for service work. Some dealers are well over $300 per hour, while others are in the mid-$100s.




*Source: SEC Filings*

"...**our average miles driven increased again** this quarter for cars coming through our service department. **And the average dollars continue to rise**, mainly, I believe as a result of the age of the vehicle population. So that... **means good things for parts and service in the future.**" *- Daryl Kenningham, President and CEO (Source: Q2 2024 Earnings Call)*

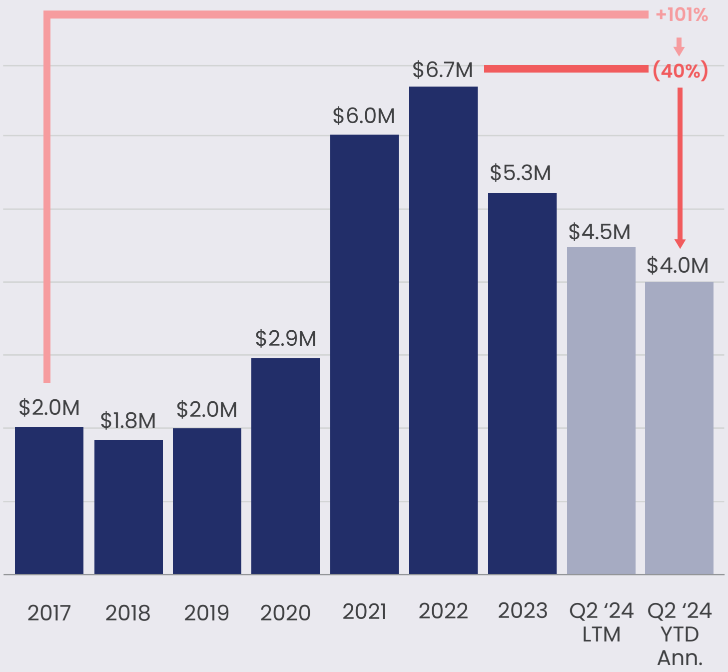
## Dealership Profits Continue to Decline

**35%**
decline in profits from Q2 2023

In Q2 2024, we estimate that the average dealership owned by the public retailers made $1.0M in pre-tax income, a 35% decline from Q2 2023. Over the last twelve months ("LTM"), the average publicly owned dealership made $4.5M in pre-tax income, a 27% decrease from 2023 and a 33% drop from 2022, the peak year, when the average dealership owned by the publics made an estimated $6.7M in pre-tax income. If we take the first six months and annualize them (meaning we double them), we get $4.0M in pre-tax income per dealership, a decline of 25.5%. Compared to these publicly owned stores, the performance of privately owned dealerships is highly similar, based upon our review of hundreds of such financial statements over the past year.

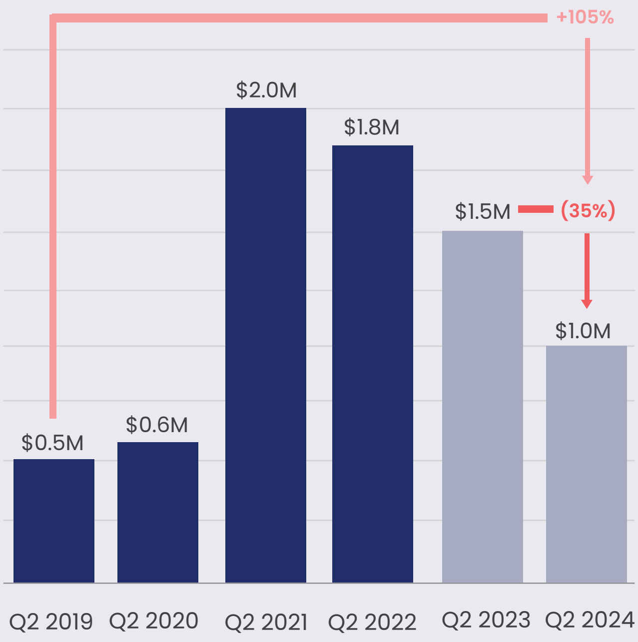
Looking ahead, we believe that average store profits will continue their moderate decline for the remainder of 2024. Variable operations departments are expected to see gross profit on new vehicle sales continue to drop. Sonic Automotive said they are expecting a new gross PVR in the $3,000 range by year-end. Based on our review of public company filings and private dealer financial statements, we believe that used gross profits have largely normalized and F&I gross profits will resume growth as interest rates come down and average sales prices continue to fall. The ongoing growth in fixed operations gross profit should help offset decreasing profits from variable operations. We believe $4M in pre-tax profit is a reasonable projection.

**ADJUSTED ANNUAL EARNINGS PER DEALERSHIP**
Based On Public Group Earnings




Source: *Haig Partners & SEC Filings*

**AVERAGE Q2 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 analysis.*

# FRANCHISE VALUATION ESTIMATES

## LUXURY FRANCHISE BLUE SKY MULTIPLES

### Porsche

Porsche sales jumped 12.7% in Q2 2024, the fourth best performance of the franchises we track. Products that had been stuck at the port have been arriving at dealerships. Its dealers are smiling ear-to-ear. One dealer friend of ours told us that grosses are as high as they were during the pandemic, and the brand has struck a great balance of inventory mix and days' supply. The electric Macan has provided a much-needed jolt to the brand's slumping EV sales, quieting grumbles around slowing Taycan sales. The brand has begun a full transition into hybrids, and enthusiasts are beginning to embrace this technology after driving new Porsches with big increases in torque and horsepower. **Same multiple range: 9.0x-10.0x.**

### Lexus

Lexus maintains the highest throughput of any luxury franchise thanks to its limited number of dealerships and desirable products. Jack Hollis reported Lexus had achieved the best first half ever in the brand's 35-year history. Dealers are telling us the same, as Lexus dealerships rank at the very top in terms of profits per location. Overall, Lexus achieved an 11.9% increase year over year in the first six months of the year, and electrified powertrains represent 35.9% of the total sales volume. New products include a rugged-looking GX. As a result of these strengths, Lexus dealership profits are down less than any other franchise so far this year, according to our information. Lexus is extremely well positioned for the future. **Same multiple range: 8.0x-10.0x.**

### BMW

BMW sales increased a moderate 3.7% in Q2 2024, lagging Porsche but significantly outperforming core German rivals M-B and Audi. Many dealers perceive BMW as the best high-volume German luxury brand, praising the OEM for listening to dealer feedback and their comparatively conservative EV strategy. Its hybrids are selling well. On the service side, BMW is supporting dealers with remote service work and is paying a premium for some jobs to keep customers from diverting to independent service shops. Dealers seem happy with BMW management. **Same multiple range: 7.5x-9.0x.**

### Mercedes-Benz

Mercedes-Benz sales declined 11.8% in Q2, the second-largest decrease of the German luxury OEMs. Only Audi performed worse at -12.4%. M-B's EV strategy has been disastrous for the OEM and dealers, with each party losing many thousands of dollars on each one sold. And lots of floorplan expense for dealers. Consumers have also suffered, as the EQS, M-B's flagship sedan, depreciates faster than almost any other vehicle in production today. Dealers have been dismayed and upset by M-B's strategy. M-B has begun to make changes, however. There is a new head of sales in the US and ICE allocations are improving. And profits at dealerships remain strong, despite the costs of the EV rollout. Their high-end AMG products bring big profits, and service remains healthy. Perhaps we are nearing the days that M-B dealers can begin cheering again. **Same multiple range: 7.25x-8.75x.**

### Audi

Audi had the worst year-over-year sales performance in Q2 among the core German luxury brands, selling 12.4% fewer units in Q2 2024 than Q2 2023. The product is a bit dated compared to core competition, but relief is on the way with new models expected to arrive on lots in early 2025. The brand could also benefit from having more high-end models like M-B's AMG lineup that bring in excellent gross profits per vehicle. Inventory levels are rising at many locations, but stores in large metro markets can still thrive thanks to their higher volumes. Like M-B, its EV sales are so-so, hampered by poor range compared to Tesla products. **Same multiple range: 6.25x-7.25x.**

### JLR

JLR added to a strong Q1 by increasing its sales 20.8% in Q2 2024 compared to Q2 2023. Dealers remain bullish on JLR as Defender and Range Rover products are in strong demand across the country. There is still a wait for customers to purchase a full-size Range Rover which has kept margins high. Dealers are seeing used Land Rover vehicle pricing starting to soften which may be a sign for lower pricing on new vehicles in the future. Many dealers are happy about recent factory meetings which have outlined innovative ideas that will improve the customer experience. JLR still intends to move further up-market with Jaguar as a fully electric brand – more to come next year. As always, service departments remain busy. Most dealers will continue to rake in high margins and growing volumes for the remainder of the year. **Same multiple range: 6.25x-7.25x.**

### Volvo

New unit sales decreased by 9.6% in Q2 2024 over Q2 2023. Dealers are excited about the new EX90 (electric seven seat crossover) that should start selling in Q3 but are disappointed the new EX30 (small electric crossover) introduction was pushed until a later date. Inventory management will be key for Volvo dealers over the coming months as days' supply remains above industry average at 93 days. Dealers are nervous about the brand's aggressive EV strategy so they are pleased that a hybrid strategy will be introduced before 2030. **Same multiple range: 3.75x-4.75x.**

### Cadillac

Cadillac had a split personality in Q2, with sales of cars dropping 31%, offset by strong CUV/SUV sales for an overall sales decline of 1.1%. The Lyriq is selling well, especially for an EV, and now is the second best-selling nameplate behind the Escalade. And there is a lengthy waiting list for the Escalade iQ, the EV version of that vehicle. Dealers are happy that GM is walking back plans for Cadillac to be all-electric by 2030 and have indicated ICE powertrains will be in the lineup for the foreseeable future. Cadillac is talking about aiming at higher price points in the future, to create more separation between itself and other GM brands. GM has done a nice job managing inventory during this transition with days' supply close to industry average. Cadillac dealerships in markets like TX, FL and the NY/NJ metro generate above average profits due to their high throughput, impressive margins per vehicle and strong fixed operations. Cadillac stores in many other markets suffer from low throughput, which impairs profitability. The multiples we show here are for a Cadillac dealership in a typical market. Multiples for Cadillac stores in the strong markets mentioned above will trade for 1.0x-2.0x higher. **Same multiple range: 3.25x-4.25x.**

### Acura

Acura sales were down 16.3% in Q2 2024 compared to Q2 2023, the second worst of all franchises. Acura has been a tough brand to operate recently as new front-end grosses have decreased rapidly in the past year as demand for the product remains low. On a bright note, Q2 sales were up 10.8% from Q1 and Acura days' supply remains manageable at 60 days. An engine recall helped profits at many locations. Dealers are looking for guidance on Acura's hybrid/EV strategy and still must focus on used vehicle sales to drive profits as they struggle with low throughput on new vehicles sold per franchise. **Same multiple range: 3.0x-4.0x.**

### Lincoln

Lincoln enjoyed a strong quarter with an 18.9% gain in Q2. The Nautilus is selling well supported by a strong advertising campaign and demand for the hybrid version, the only electrified vehicle currently in the lineup. Despite a strong Q2, Lincoln inventory currently sits at 2x the industry average putting huge pressure on dealer profits. After a big network rationalization that improved throughput, dealers are happy having Lincoln dualled with Ford, but few are yet interested in a stand-alone point. **Same multiple range: 3.0x-4.0x.**

### Infiniti

Infiniti volume declined 14.6% in Q2 2024 vs. the prior year, the third worst among the franchises we track. Infiniti lost 4.4 percentage points in share of luxury sales from 2018-2023 as there was limited demand for Infiniti products. Last year was one of the worst years for dealer profitability as front-end grosses declined dramatically and floor plan costs rose. The first half of 2024 is even worse, with many Infiniti dealerships now in the red. Dealers are frustrated and are waiting for new product to help boost sales. One dealer told us he has over 20 orders for the new full size Q80 that will sell for around $90K, so at least some consumers are still excited about the brand. Given the big drop in sales, there are far too many Infiniti dealerships around the country, dragging down results for all dealers. To prevent some dealers from terminating their franchises, we are told that Nissan is letting dealers put both brands under the same roof, with some differentiation. We applaud Nissan for this accommodation that will help both franchises during this difficult period. Given that many Infiniti dealerships are not profitable, we see this franchise trading for a dollar value instead of a multiple of pre-tax earnings. **Same dollar value range: $0M-$2M.**

## MID-LINE IMPORT FRANCHISE BLUE SKY MULTIPLES

### Toyota

Toyota remains the number one retail brand in the industry, and second-quarter sales have grown 9.2%. The year's first half is up 14.7%, with electrified vehicles representing 45.3% of the total sales volume. Toyota continues its dominance in just about every market in which it competes. Dealers remain excited about leadership's commitment to growing with the franchise network and about its hybrid powertrain strategy. Toyota is optimizing profitability through strong products, carefully targeted incentives, and a strong finance company. Days' supply remains at the lower end of the industry, contributing to healthy margins at dealerships. In terms of midlevel brands, Toyota dealerships enjoy the highest profits with no weakness on the horizon. And profits at Toyota stores have declined much less than at other brands, down about 10% compared to last year according to our data. Toyota is poised to continue trading at a premium overall. We are involved in the sale of six Toyota dealerships at present, and buyers prioritize transactions that include this franchise. **Same multiple range: 7.0x-8.0x.**

### Honda

Honda's strong 2024 sales performance continues in Q2 with a 5.2% YOY increase from Q2 2023. YTD sales for the first six months of 2024 are up 9.3% over 2023. The CR-V model remains its top selling model. Dealers tell us they are pleased with Honda's production, profits are very good, and like always, fixed operations remain strong. Despite concerns of cutting the dealer margin by ½% and the ongoing uncertainty surrounding the Sony-Honda Mobility distribution plan, dealer sentiment following the Las Vegas Franchise meeting has been positive. Honda remains a franchise in high demand, and we continue to represent Honda dealers in transactions that are bringing very good blue sky values. Honda dealerships trade at higher multiples than the Korean brands, due to better fixed operations and used vehicle sales, and the absence of practices like stair-step programs. The business model is more stable as it is less reliant on large grosses on new units. That said, we like the rumors we are hearing about a potential merger between Honda and Nissan. A merger would allow the companies to combine their spending on powertrains and other future technologies, helping them to compete with Toyota and Korean brands. **Same multiple range: 6.0x-7.0x.**

### Subaru

Subaru continues to be a highly desirable brand amongst consolidators, maintaining its growth trajectory with a 5.4% increase in sales volume in Q2 2024 compared to the same period last year. There appears to be plenty of inventory as dealers are sitting on a 64-day supply. As margins on new vehicles continue to normalize, profitability has decreased alongside other brands. Fixed operations are thriving, reaching a record number of repair orders and supporting profitability. Subaru is behind the game in terms of powertrains. Looking ahead, the introduction of more hybrid models in 2025 should help Subaru remain competitive. According to one dealer we spoke with, "Subaru remains a highly attractive brand because of their tight management of the dealer network and their rooftop counts." **Same multiple range: 6.0x-7.0x.**

### Kia

Kia reported its second consecutive quarter with decreased YOY sales results. Q2 2024 was down 1.6% from Q2 2023. Kia dealers tell us that margins are also down, and the inventory day's supply is on the increase, but both have improved overall recently. Profits at many Kia stores took a significant hit in Q1 2024 but seem to have rebounded some in Q2. Dealers continue to tell us they are pleased with their interactions with Kia's management and are confident in the franchise. Dealership buyers continue to show heavy interest in Kia. Although the blue sky multiples are typically lower, dealership buyer demand for Kia is approaching that of Honda. Consumers are impressed with Kia's styling and interesting line up of models. The value of Kia dealerships jumped massively during the pandemic as they had desirable products and were able to increase production, as compared to most other brands. Now that their competitors also have products, we hope that Kia will respond in a way that maintains dealership profitability, and therefore dealership value. **Same multiple range: 4.5x-5.5x.**

### Hyundai / Genesis

Hyundai's growth has cooled off from the past few years. Q2 sales increased 1.8% from Q2 2023 and YTD 2024 sales are up 1.2% over the first half of 2023. During the inventory shortages of the pandemic era, Hyundai gained significant market share by supplying dealers with a steady flow of attractive models. Key competitors like Toyota and Honda have since improved their production which has caused Hyundai's growth to slow. Dealers tell us they are still concerned with the continued push for facility upgrades at Hyundai and new showroom construction for Genesis. We have seen that some of the new Genesis only showrooms are now up to 50 new units a month, so there is hope these expensive investments will pay off. Dealers are disgruntled with the stair-step programs, worrying that they could further erode profits and reduce residual value for consumers. Despite these challenges, Hyundai remains a desirable brand for most buyers. **Same multiple range: 4.0x-5.0x.**

### Mazda

Mazda's ascent continues, following a record-setting 2023 with a 7.3% increase in Q2 units sold year-over-year. Average dealer new units sales have grown more than almost any other brand in recent years, supported by Mazda's limited dealership expansion strategy, with 548 dealerships as of August 2024. Sales at the average Mazda dealership are now higher than sales at the average Nissan dealership. Margins are slightly compressing, but volume and overall dealership revenue are rising. Mazda's partnership with Toyota is beginning to pay off, with Toyota Financial Services financing more Mazda sales, and the new hybrid CD-50 CUV coming in December that is based on Toyota technology. Dealers are increasingly pleased with the brand as they ranked it #3 in terms of dealer optimism, just behind Toyota and Lexus. **Same multiple range: 3.25x-4.25x.**

### Nissan

Nissan's sales declined 2.3% in Q2 2024 compared to Q2 2023, as it continues to lose market share. The brand is having a tough time competing. Dealers tell us many Nissan products are well engineered, but they are not priced competitively. Dealerships have no hybrids to offer customers and its one EV, the Ariya, is a good vehicle but priced far too high. Dealers are struggling with low and often negative front-end grosses on new vehicles. Automotive News reported that profits at Nissan stores declined an average of 70% from the same period last year and 38% of Nissan dealers are losing money. Inventories are at 95 days' supply, far higher than the average but at least down from Q1 2024. Some larger dealers are giving up on their Nissan stores and divesting them. The stores will trade for far less than they were worth even a year ago. Smaller buyers will target these divestitures, in the hope of buying what was once a competitive franchise for a low price, and then holding on for better times. Those holding onto their stores are calling for Nissan to reduce its dealer count, to allow sales per dealership to increase to the point where stores can be more profitable. As we stated above, we believe Nissan would benefit from a merger or other collaboration with Honda to allow it to introduce new technologies to its customers and save on development costs. **Same multiple range: 3.0x-4.0x.**

### Volkswagen

VW posted a 31% increase in sales in Q2 2024 over Q2 2023 which was the leading increase among the brands we track. This jump was much needed and comes from a low point in VW history. VW remains a low-volume and low gross profit per unit franchise. Gross profits on new vehicles may be the lowest in our industry. VW needs to sell the upcoming Scout through its dealer network. We also believe VW should consider paying dealers to shut down some of their stores to allow remaining dealers improve new unit sales and better compete against Japanese and Korean OEMs. Cadillac, Lincoln, Genesis, and Buick have shown that fewer dealers create stronger dealers, and we hope VW adopts this strategy soon. There is limited buyer demand for a standalone VW franchise with most sales we see being a component of a multi-franchise group. **Same multiple range: 3.0x-4.0x.**

## DOMESTIC FRANCHISE BLUE SKY MULTIPLES

### Ford

Ford sales increased by 0.2% in Q2, enough to outperform the market. The entry-level Maverick was the biggest gainer in Q2 and is now the third best-selling retail nameplate for Ford, showing the demand for more affordable products. Ford recently held its dealer meeting which reportedly showcased little new product save for more details about an entry-level EV. Ford has dropped almost all of its expensive investment requirements on dealers who wish to sell EVs: just a Level 2 charger, the same as required to run a clothes dryer. Ford also recently walked back plans to launch a large three row SUV and new EV only truck, and took a $1.9B writedown in the process. Ford is on track to lose $5B on its EV business in 2024. In Q2 alone, Ford lost $44,000 for every EV that it sold, according to the WSJ. Dealers lost thousands for each one they sold, also. Since Ford was expecting its EV business to take off, it underinvested in ICE vehicles. There are no new entry level ICE vehicles coming, and it continues to increase prices of its other vehicles, making dealers nervous and could lead to lower sales. Is "disaster" the right word to describe Ford's EV strategy? If there is good news at Ford, it is that management there appears to be finally adapting and says it will be launching hybrid versions of many of its products. This trend back towards building what the customer wants has resonated with dealers. We are starting to get calls again from dealers saying they would like to acquire this franchise. The Ford truck business remains rock solid, along with all the fixed operations. **Same multiple range: 3.5x-4.5x.**

### Chevrolet

Sales fell a little less than 1% in Q2, consistent with the market. Lower priced models had bigger gains while higher priced models showed losses. In this environment, dealers applauded Chevy's broader lineup. GM has been backing away from its EV strategy, faster than Ford. Dealers generally report being happy with no major compliments or complaints. They feel that GM management is paying better attention to dealers and that seems to be paying off for GM especially relative to Stellantis. Dealers in bigger markets lost volume from the Bolt being discontinued but they liked having electrified versions of Blazer and Equinox. GM also seems to have been more flexible with production than others helping to keep inventory below industry average. We used to hear dealers complaining that GM was producing too much. Now, the days' supply of new vehicles at Chevy stores is below the industry average. High margins are the benefit! **Same multiple range: 3.5x-4.5x.**

### Buick-GMC

B-GMC outperformed the market again with a 3.2% gain in Q2. Buick continues to lead the gains, increasing 6.3%. Dealers like the products and price points. The new Envista is already taking over as the top selling nameplate, starting at $23K. Dealers are excited for overdue updates to the popular GMC Acadia and Buick Enclave large crossovers hitting lots now. It seems the Buick network rationalization is largely complete creating a more efficient network with the average Buick point selling ~43 units in Q2 '24 compared to ~15 just two years ago. As mentioned elsewhere, GM dealers have not suffered from bloated inventories like some other brands have and that goes for Buick-GMC dealers too. **Same multiple range: 3.25x-4.25x.**

### Stellantis

The string of terrible results continues with a 20.5% decline in Q2. Stellantis market share stood at 8.5% in Q2 '24 vs 10.0% at year-end 2023, and 12.0% in 2022. We can't recall a company losing so much market share so quickly. The main challenge seems to be that Stellantis increased its prices so much that long-term loyal consumers are simply abandoning the band. And new products are not attracting many new customers. There has been significant turnover at the national level, as well as a talent drain at the regional level impacting dealer support. Dealers tell us that senior management seems out of touch. CDJR dealers are used to a roller coaster, but they report that this time feels worse. A convoluted bonus program that frustrated dealers seems to have come and gone leaving more bloated inventory. Incentives are starting to match customer demand, but progress still needs to be made on building the right product in the first place (currently $4-$6k too high across the board). The value proposition is just not there compared to competitors. Profits at CDJR dealerships have fallen more than almost any other franchise. We are seeing many larger dealer groups deciding to sell their CDJR dealerships as they have turned into money losers. We see the balance of 2024 as a time for smaller dealers to acquire CDJR stores and invest their attention and skills to help the dealerships recover. **Same multiple range: 3.0x-4.0x.**

# KEY TAKEAWAYS

The buy-sell market is evolving along with auto retail. After a record setting Q1, the number of stores that sell in 2024 is on track to be about 11% less than in 2023 if we simply double the recorded sales to date. And the average blue sky value for dealerships today is down an estimated 10% from year end 2023. Both of these figures are very strong compared to pre-pandemic times so the "water is still warm" for dealers thinking about selling in the next six months.

The performance of various OEMs has diverged significantly since the peak of the pandemic. During that era, all OEMs and dealers were thriving since there was a shortage of vehicles and they all sold quickly for strong profits. Expenses were low. Today, the balance of power is shifting to the consumers who have more choices, but are struggling with affordability. The future will belong to OEMs and the retailers that can offer compelling products at affordable prices.

Our practice remains very busy. We are excited to be advising owners of strong performing franchises like Honda and Toyota. The values for those dealerships have changed very little since the peak in 2023. And we are pleased to assist large dealer groups that are divesting poorly performing dealerships to focus on their better assets. The rest of 2024 should bring a robust market for dealers with budgets big and small looking to grow.

## CELEBRATING 10 YEARS

"I remember sitting in my office in Fort Worth back in 2014 when the first Haig Report I had ever seen landed on my desk. I liked the clear analysis that showed how dealerships like mine might be valued. Ultimately it helped build my trust in Haig Partners as advisors when I decided to sell." *- Cliff Johnson, Former Owner of Texas Motors Ford*

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"I congratulate Premier Truck Group on its acquisition of my dealerships. I know they will take great care of my team and provide them with opportunities only a national firm could offer. **I'd also like to thank my M&A advisors at Haig Partners for representing me during this sale process.** I expect a lot from those around me. **Alan Haig, Derek Garber and Erik Haig proved themselves to be honest, hard workers and good communicators and added more value than I could have expected during this transaction. They truly are experts at what they do."**

***- Joe Laux, Former Owner of River States Truck / La Crosse Truck Centers***

# UPCOMING EVENTS

**SATAE | Southern Automotive Trade Association Executives – Sponsor**
September 9-12, 2024 | Highlands, NC

**DealersEdge "Navigating Buy-Sell Due Diligence" - Speaker**
September 26, 2024 | Virtual

**National Association of Dealer Counsel Fall Conference - Sponsor**
October 13-15, 2024 | Nashville, TN

**AICPA Dealership Conferences - Speaker & Sponsor**
October 24-25, 2024 | Las Vegas, NV

**AutoTeam America Buy-Sell Summit & Dealer/CEO/CFO Forum - Speaker & Sponsor**
January 23, 2025 | New Orleans, LA

**NADA Show 2025 - Speaker**
January 23-26, 2025 | New Orleans, LA

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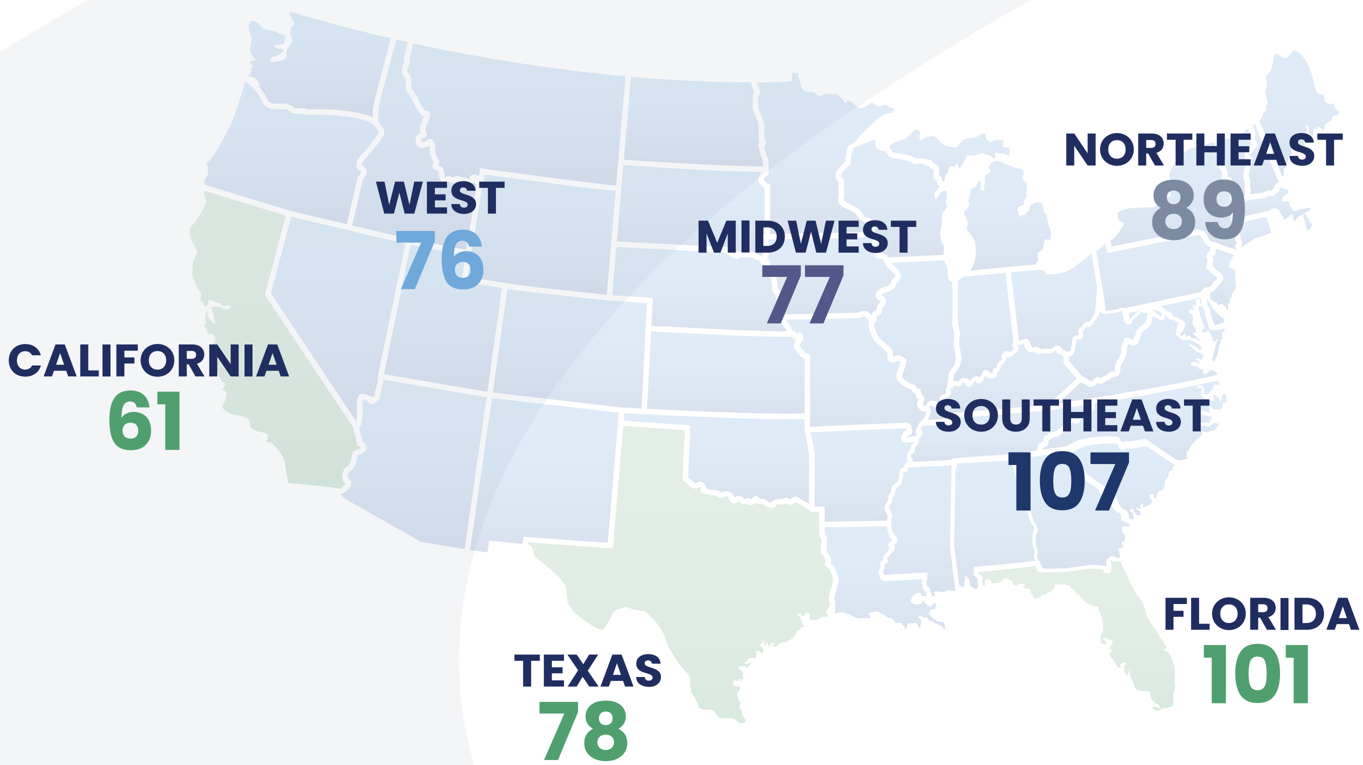

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**PENNSLYVANIA**
SALE OF
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TO
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EXCLUSIVE SELL-SIDE ADVISOR | JANUARY 2024
HIGHEST VALUE DEALERSHIP GROUP EVER SOLD IN PENNSLYVANIA

**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
AUTOMOTIVE
TO
BARNES CROSSING AUTO GROUP
EXCLUSIVE SELL-SIDE ADVISOR | MARCH 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
Al Hendrickson TOYOTA
COCONUT CREEK
TO
MORGAN AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
JUNE 2023
HIGHEST PRICE EVER PAID FOR A TOYOTA DEALERSHIP

**NORTH CAROLINA**
SALE OF
LAKE NORMAN GASTONIA
TO
PARKS AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
JANUARY 2023
HIGHEST PRICE EVER PAID FOR A CDJR DEALERSHIP

**VIRGINIA**
SALE OF
McGEORGE TOYOTA
We earn your trust every day.
TO
OURISMAN
EXCLUSIVE SELL-SIDE ADVISOR
SEPTEMBER 2023

**NORTH CAROLINA**
SALE OF
TOYOTA of North Charlotte
TO
HUDSON AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
MARCH 2024

**CALIFORNIA**
SALE OF
CROWN TOYOTA
TO
John K. Sinkard
SINCKARD AUTO GROUP
EXCLUSIVE SELL-SIDE ADVISOR
AUGUST 2022

**TENNESSEE**
SALE OF
TOYOTA of BRISTOL
TO
Springhill AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
JANUARY 2022

**VIRGINIA**
SALE OF
LUSTINE
TO
OURISMAN
EXCLUSIVE SELL-SIDE ADVISOR
JULY 2022

**IOWA**
SALE OF
TOYOTA of Iowa City
TO
McGrath Family of Dealerships
EXCLUSIVE SELL-SIDE ADVISOR
APRIL 2022

**ALABAMA**
SALE OF
TEAM GUNTHER
TO
Springhill AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
OCTOBER 2023

**VIRGINIA**
SALE OF
DAVID R. MCGEORGE CAR COMPANY
Mercedes-Benz of Richmond
Mercedes-Benz of Midlothian
TO
MURGADO AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
OCTOBER 2023

**MINNESOTA**
SALE OF
FOREST LAKE AUTO GROUP
TO
MORRIE'S AUTO GROUP
EXCLUSIVE SELL-SIDE ADVISOR
JULY 2022

**INDIANA**
SALE OF
ROHRMAN AUTOMOTIVE GROUP
Lafayette
Fort Wayne
TO
AUTO GROUP ZEIGLER
EXCLUSIVE SELL-SIDE ADVISOR
AUGUST 2023

**NORTH CAROLINA**
SALE OF
TEAM AUTOMOTIVE GROUP
TO
keffer
EXCLUSIVE SELL-SIDE ADVISOR
JANUARY 2024

**MARYLAND**
SALE OF
SHOCKLEY Honda
TO
OURISMAN
EXCLUSIVE SELL-SIDE ADVISOR
JANUARY 2024

**WISCONSIN**
SALE OF
RIVER STATES TRUCK AND TRAILER
TO
PREMIER TRUCK GROUP
EXCLUSIVE SELL-SIDE ADVISOR
JUNE 2024

**WISCONSIN**
SALE OF
LTC LA CROSSE TRUCK CENTER
ISUZU
MACK
TO
KRIETE TRUCK CENTERS
EXCLUSIVE SELL-SIDE ADVISOR
JULY 2024

**WISCONSIN**
SALE OF
LA CROSSE TRUCK CENTER
COMMERCIAL VEHICLE CENTER
TO
DAHL AUTOMOTIVE 1911
EXCLUSIVE SELL-SIDE ADVISOR
JULY 2024

**NEW HAMPSHIRE**
SALE OF
LEBANON
TO
nucar
EXCLUSIVE SELL-SIDE ADVISOR
MARCH 2024

**SOUTH CAROLINA**
SALE OF
VIC BAILEY
TO
HUDSON AUTOMOTIVE GROUP
EXCLUSIVE SELL-SIDE ADVISOR
DECEMBER 2023

**CONNECTICUT**
SALE OF
Bridgeport
TO
MAURO MOTORS
EXCLUSIVE SELL-SIDE ADVISOR
AUGUST 2023

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