



GM: A Product Renaissance

General Motors is firing on all cylinders and whirring on all electric motors. In Q1 2025, the All-American OEM posted a 17% sales gain, including double-digit sales growth for all four of its brands. This sales surge allowed GM to pick up 2% more market share in Q1.

Many dealership operations depend upon the sale of new vehicles. Want to sell more used cars? Sell more new cars. Want to sell more parts? Sell more new cars. So, when an OEM hits its stride like GM has, and customers are pouring into showrooms to check out the latest products, that demand then lifts all departments within the dealership. This combinatory effect then leads to higher dealership profits. So, we would like to send our congratulations and a collective industry "thank you" to Mary Barra and her team at GM. The Heartbeat of America is strong today!

Readers of this report may have seen GM's success coming. Since 2023, we have increased the multiples of every one of GM's four brands. Dealers have become increasingly bullish on the future earnings prospects of all GM dealerships, which have translated into stronger offers on GM dealerships when they go up for sale. We like to be right, and we also like it when dealers win. Who doesn't like to have their cake, and eat it, too?

While we commend GM on its strong performance, its recent handling of the 6.2L V8 recall could have been better. Poor communication from GM regarding the recall of their flagship 6.2L V8 led to dealers being unprepared to handle a growing number of highly frustrated consumers. And some frustrated consumers gave up their troubled vehicles and moved to other brands. Had GM adopted the Toyota standard of engine replacements, the issue would likely be resolved by now, and GM could have increased customer loyalty and residual values.



Chevrolet

14% sales gain in Q1. Fastest-growing EV brand in the U.S. with sales up 119% in Q1. "Peak Truck" is going nowhere. Leading Small SUV segment with the Trax, which saw sales grow 57% in Q1. Rapidly growing EV market share thanks to Blazer and Equinox EV. Best Q1 for the Tahoe since 2007, with a 28% gain.



Buick

39% sales gain in Q1. 9 consecutive quarters of year-over-year growth. With many Buick dealers taking buyouts, remaining Buick dealer profits are significantly higher than two to three years ago.



GMC

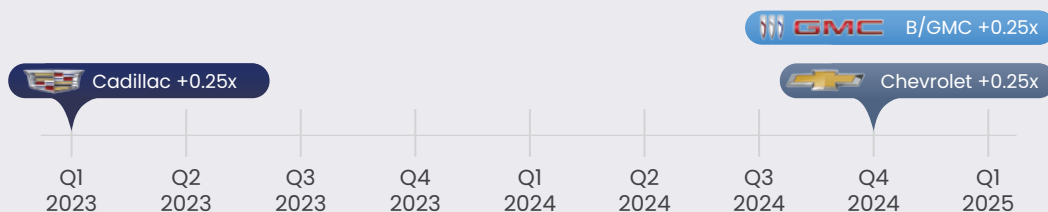
Best Q1 in brand history. 18% sales gain in Q1. Best Q1 for market share in brand history. New Acadia sales up 73%. Best-ever Q1 for EV sales.



Cadillac

Nearly three straight years of sales growth. Best Q1 since 2008. 21% sales gain in Q1. Industry leading large SUV with the Escalade, including a new electric version. Growing V high-performance division chasing the likes of Mercedes' AMG and BMW's M divisions.

GM MULTIPLES HAVE INCREASED STEADILY SINCE 2023



INVENTORY LEVEL WITHIN TARGET RANGE

Ended Q1 with inventory of 549,312 down 8% from prior quarter.

DISCIPLINED INCENTIVE SPENDING

GM incentives at ~4% of ATP, compared to industry average of ~7% (J.D. Power Pin).

CONSISTENT PRICING

Average Transaction Price of ~\$51,000 up less than 3% year-over-year (GM Estimate).