

Q1 | 2026

THE HAIG REPORT[®]

The longest-published
report in auto retail tracking
trends and their impact on
dealership values.

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OVERVIEW

Auto retailers saw a solid quarter in Q1, although conditions are weakening. Average profits per dealership in Q1 2026 were over twice the level of pre-COVID profits, but they dropped 16% compared to Q1 2025. Averages can mask underlying mixed messages that we are hearing from our friends in the industry. We are seeing big swings in performance by franchise and by region. Toyota and Nissan make many comparable vehicles, but their dealers are seeing widely different levels of profits. Many dealers in FL and the Southeast are enjoying healthy performance while our friends in the Northeast are struggling due to bad weather and an oversupply of dealerships. We are seeing these changes show up in the buy-sell market. Groups are divesting weaker franchises but are eager to buy better performing stores. And demand for stores in the Sunbelt remains elevated. As a result, the buy-sell market is highly active, and blue sky values remain more than twice as high as pre-COVID levels.

Operating highlights

- U.S. new vehicle SAAR fell to 15.9M units in April 2026, a decline of 7% from April 2025, and marking the eighth straight month of year-over-year declines. Sales in Q1 2025 benefited from a pull-ahead of demand caused by pending tariffs and the elimination of EV tax credits.
- Dealership profits in Q1 2026 averaged \$0.8M, a decline of 16% from Q1 2025.
- New vehicle gross profits per vehicle declined 9% from \$3,152 in Q1 2025 to \$2,881 in Q1 2026.
- Profits from used vehicles remain depressed due to the heavy competition to buy these units.
- Fixed operations remain elevated but are now growing at just the same level of inflation. Customers have begun defecting to independent shops, perhaps rebelling against the big lift in labor rates at franchised dealerships.







Other meaningful industry trends

- New vehicle inventory levels are increasing, up to an average of 53 days' supply in April 2026 from the 49 days' supply at the end of 2025. We are still about 6% below the five-year average for days' supply, which is helping to keep margins strong at many franchises.
- New vehicle affordability improved modestly, despite another increase in the average price per new vehicle sold.

Buy-sell market trends

- Dealership sales were strong in Q1, up 39% from a sluggish Q1 2025.
- Many of the sales were groups selling weaker franchises. The owner base for weaker franchises is turning over to opportunistic, younger dealers.
- There were also some noteworthy purchases of luxury dealerships, including Penske's acquisition of Lexus of Orlando and Lexus of Winter Park for \$646M, and Fletcher Jones' acquisition of BMW Santa Monica.
- Private groups acquired 96% of the dealerships sold in Q1, confident that good times lie ahead. Public companies spent more money on buying back their stock, believing the market was undervaluing them.

KEY TAKEAWAYS

- 
Dealers will have to work harder and smarter to maintain their profits. Pressures from declining margins and rising costs will require greater efficiency.
- 
Dealership performance varies widely by brand, much more than in recent years. Top brands remain near their COVID peak while others are barely breaking even.
- 
Macro trends appear OK, but there is a lot of noise in the market right now that could cause consumers to pull back.
- 
Dealership M&A is likely to remain strong, near record levels. There are many dealers that are flush with cash and are pursuing their growth strategies. Despite challenges, dealers see a bright future ahead and want to invest more in auto retail.
- 
Sellers of strong brands are going to be well rewarded in 2026.
- 
Sellers of weaker brands will need realistic expectations.














SETTING THE STANDARD FOR TOYOTA DEALERSHIPS

The team at Haig Partners has **advised on more Toyota dealership transactions than any other firm**, and also set the record for the highest price ever paid for a Toyota dealership

41 TOYOTA DEALERSHIPS

MORE TOYOTA DEALERSHIPS BOUGHT OR SOLD than any other team

NOTABLE AND RECENT TOYOTA TRANSACTIONS

<p>FLORIDA</p> <p>SALE OF</p>  <p>COCONUT CREEK</p>  <p>TO</p>  <p>EXCLUSIVE SELL-SIDE ADVISOR JUNE 2023</p> <p>RECORD-BREAKING PRICE FOR A TOYOTA DEALERSHIP</p>	<p>CALIFORNIA</p> <p>SALE OF</p>  <p>TO</p>  <p>SWICKARD AUTO GROUP EXCLUSIVE SELL-SIDE ADVISOR JUNE 2023</p> <p>RECORD-BREAKING PRICE FOR A TOYOTA DEALERSHIP</p>	<p>CONNECTICUT & NEW YORK</p> <p>SALE OF</p>  <p>TO</p>  <p>EXCLUSIVE SELL-SIDE ADVISOR FEBRUARY 2026</p>	<p>ILLINOIS</p> <p>SALE OF</p>  <p>TO</p>  <p>EXCLUSIVE SELL-SIDE ADVISOR JANUARY 2026</p>	<p>NORTH CAROLINA</p> <p>SALE OF</p>  <p>TO</p>  <p>EXCLUSIVE SELL-SIDE ADVISOR MARCH 2024</p>
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*"When I began to think about selling the dealerships, I researched Haig Partners. I liked what I saw about them and later learned that they have **an excellent reputation in the Toyota dealer community. It is well earned. They knew how to describe our dealerships and led a sales process that brought us an impressive buyer.**"*

- Shawn Ball, Former Owner, Ball Toyota and Advantage Toyota



BUY-SELL TRENDS

The Dealership Buy-Sell Market Surged in Q1 2026

Dealers acquired 139 rooftops in Q1. This is about the same level of activity that we saw during the record-setting years of 2021, 2022 and 2023. The level of buy-sell activity has been growing steadily from a sluggish Q1 2025, and we don't see any signs of it slowing down.

To put this level of activity into perspective, this is a 39% increase over comparable dealership sales volumes last year and is 29% higher than 2019's first quarter transaction activity, the last year before the pandemic. The bulk of first quarter activity occurred in the Southeast, where 48 dealerships were bought or sold, comprising 35% of quarterly volume. The second-busiest region was the Midwest, which saw 39 dealerships sell, making up 28% of the volume in the first quarter.

The key forces driving dealers to sell include a growing number of dealers nearing retirement age, rising competition in a normalized market that pressures margins, a wave of facility image requests across many brands, and a growing number of divestitures from mid- to large-sized dealership groups. Many owners and CEOs of these groups have decided to focus on owning only larger stores and are selling their smaller stores and/or weaker franchises. These smaller/weaker dealerships were profitable during the COVID era, but as conditions have changed, some have become money losers and are being sold.

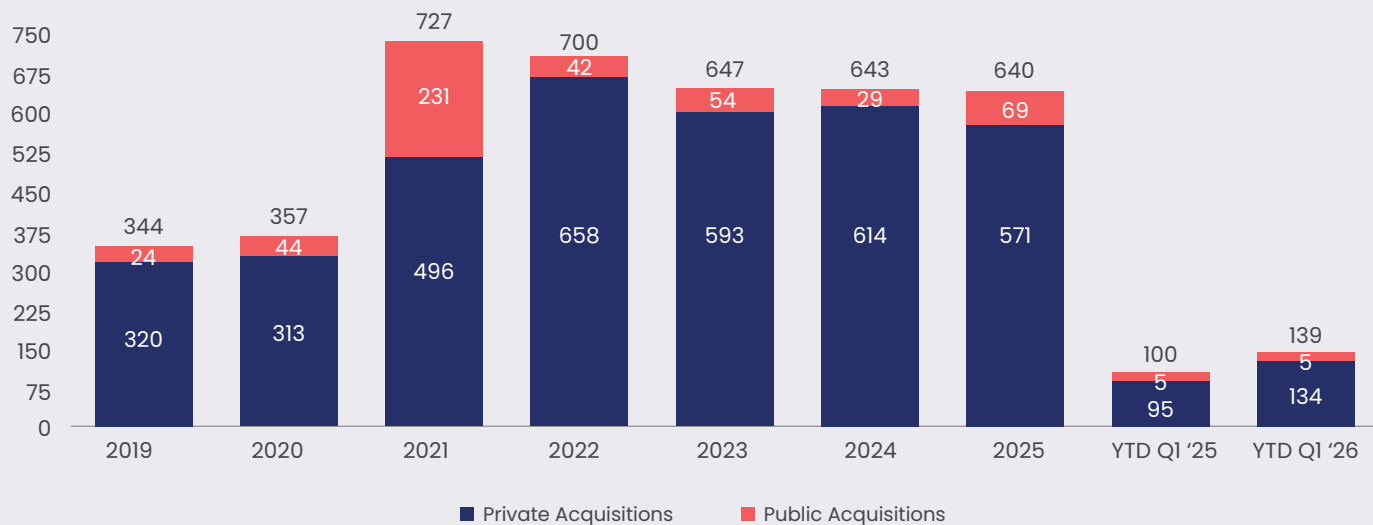
For dealership buyers, the key forces driving them to the table include large amounts of cash they have built on their balance

sheets due to ongoing high dealership profits, a push to seek greater economies of scale in a tightening market, and an ongoing "flight to quality," in which dealers are seeking to acquire more reliable and profitable franchises. Some dealers are moving away from diversification and towards concentrating on higher volume OEMs. We have also seen more buyers entering the market, sensing that the "frothiness of the market" is behind us and that there is value to be found, particularly amongst distressed franchises.

Another reason for the increase in dealership sales is that now that profits at most dealerships have leveled off, there is a greater ability for buyers and sellers to agree on blue sky values. Sellers aren't asking for blue sky based on COVID era profits, but buyers know they can't expect to buy at pre-COVID era pricing. We are enjoying this period of stabilization as we can clearly show buyers the stability of the current level of profitability for strong franchises to assist our clients to exit at strong values, in some cases higher than during COVID. For distressed franchises, however, we are having to work harder as we must now show buyers the path back to strong profits in order to get strong offers.

Looking ahead, we predict that this high level of M&A activity will continue throughout 2026, and that larger acquisition opportunities will become more common than what we saw in 2025. For example, transactions including two or more dealerships increased 54% in the first quarter of 2026 compared to the first quarter of 2025, alongside significant increases to the number of luxury and midline dealerships being sold.

U.S. DEALERSHIPS BOUGHT/SOLD



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



AutoNation

"While we did not acquire any franchises in the first quarter, we do remain active in evaluating opportunities that can add scale and density in our existing markets."

- Michael Manley, CEO & Director, AutoNation, Inc.

Haig Partners National Average Blue Sky Multiples

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

Most buyers base their blue sky offers on expected future cash flows, which are often expressed as a multiple of historical cash flows. The amount of goodwill they are willing to pay depends on their targets for return on investment, internal rate of return, payback period, or other valuation methodologies. Please note that the franchise multiples in the chart at the bottom of this page are national averages, and that multiples can be influenced by many factors. For more information on factors that can influence multiples, please review the table on page 6. Based on deal activity and market feedback, we are increasing the multiple range of Buick-GMC and changing Volkswagen from a multiple range to a dollar-value range.

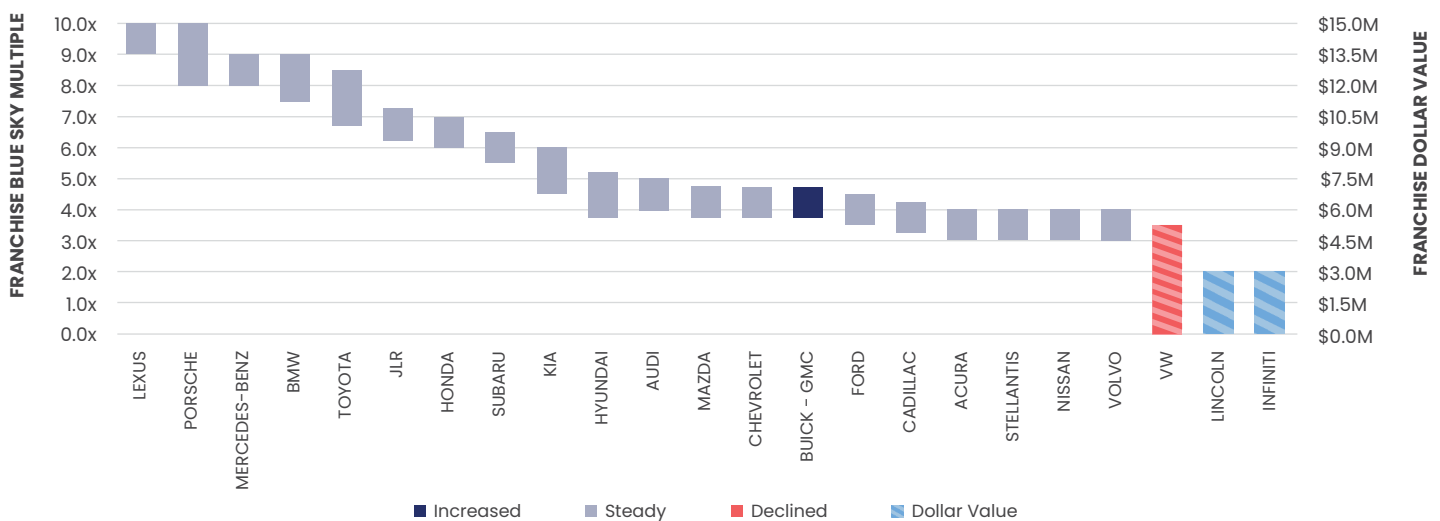
Buick-GMC is currently enjoying a product renaissance and a reconnection with its dealer body. The Buick Envista and Encore GX have become major hits with customers, with their perceived quality and affordable price points attracting new customers to the brand. On the GMC side, we hear that products like the Denali and AT4 trims have allowed many dealers to achieve double the gross PVRs of comparable Chevrolet products, and at faster turn rates. The future product pipeline for both brands is strong as well, with GM relocating production of its popular Buick Envision to the USA in 2028 and a redesigned Sierra arriving in early 2027. Factory relations are strengthening as well. One dealer we spoke with recently, who has been a GM dealer for 40+ years, said that his recent dealer meeting marked the first time in his career that he felt the factory was truly listening to its dealers. These

improvements on both the product and factory relationships side, along with our own experience marketing these rising franchises, gave us sufficient evidence to increase the Buick-GMC multiple range by 0.25x on both the low and high end of its range, bringing it in line with Chevrolet at 3.75x-4.75x.

The other change we made in this report was to shift Volkswagen from a multiple range to a dollar-value range. Since 2018, Volkswagen has slouched at the lowest rung of franchise multiple ranges: 3.0x-4.0x. But weak products have snowballed into deteriorating volumes, declining dealership profits and plummeting dealer confidence. VW's intentions to bypass its dealer network and sell Scouts directly to consumers shows little consideration for the hundreds of VW dealers who have invested hundreds of millions of dollars in VW exclusive showrooms. In NADA's Winter 2026 Dealer Attitude Survey, Volkswagen decreased more than any other brand in its Overall Index Ranking. This years-long stretch of poor performance has now materially impacted franchise value in the buy-sell market. VW is almost never targeted by dealership buyers, with acquisitions generally coming as a part of a sale of a larger group. But the franchise has weakened to the point where its inclusion in a platform could actually hurt overall transaction value. While some dealers can, and do, turn a profit with these franchises, VW is now at a point where it is more likely to trade on a dollar-value basis rather than a multiple of current earnings. For these reasons, we have downgraded Volkswagen from a multiple range of 3.0x-4.0x to a dollar-value range of \$0-\$5M.

For more information on the franchises found in the chart below, please refer to the expanded Franchise Valuation Estimates section found at the end of this report.

HAIG PARTNERS NATIONAL AVERAGE BLUE SKY MULTIPLES



Source: Haig Partners

Blue Sky Values Dip Slightly as Earnings, Multiples Decline

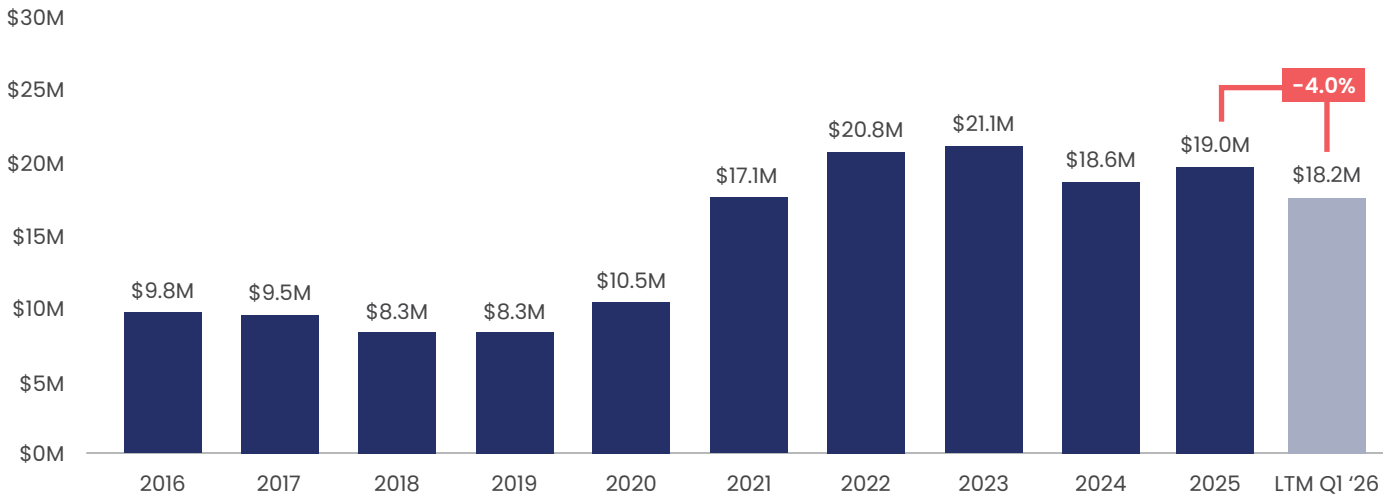
The estimated average blue sky value of a publicly owned dealership decreased 4% in Q1 2026 LTM to \$18.2M, down from \$19.0M in 2025. Despite this drop, blue sky values remain roughly double their pre-pandemic average.

The drop in blue sky values was due to two factors. Profits at publicly owned dealerships slipped 3%, driving the bulk of the 4% decline in average blue sky value. The balance of the decline, 1%, was driven by the Volkswagen downgrade which outweighed the increase made to the Buick-GMC multiple.

At this point, we are not concerned about the drop in average dealership values for two reasons. First, Q1 2025 was a particularly strong quarter for dealership profits as many customers rushed out to purchase vehicles before the tariffs were put in place and prices adjusted upwards. Many analysts believed the first impact of tariffs was to pull forward demand into Q1 2025 at the cost of future business. And second, many portions of the Eastern U.S. suffered from two major winter storm systems in Q1 2026 that kept customers home and suppressed sales and service work at dealerships. Some of this business may be picked up in April, but the storms made Q1 2026 a tough quarter compared to Q1 2025 which had a milder climate.

ESTIMATED AVERAGE BLUE SKY VALUE

Based on Public Group Earnings



Source: Haig Partners & SEC Filings

FACTORS IMPACTING MULTIPLES



FRANCHISE HIGHLIGHT:

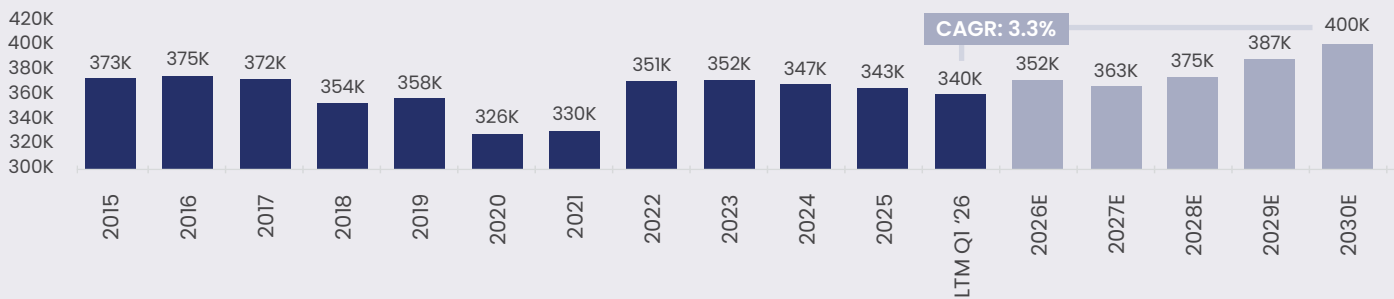


Mercedes-Benz: Buy Now to Enjoy the Ride

Mercedes-Benz dealers sound more optimistic today than they have in many years, and that optimism is coming from several places at once. Dealers are excited about the brand's renewed focus on ICE powertrains, rising lease support and incentives on core products, a return to regionalized support instead of the prior "Air, Land and Sea" system that favored larger dealers, and a more constructive factory-dealer relationship. The tone we hear from dealers today is one of partnership, a notable turnaround from the oppositional tone we heard as recently as 2024. NADA's Winter 2026 Dealer Attitude Survey supports this trend, with Mercedes increasing more than any other brand in its Overall Index Ranking.

Mercedes-Benz is also giving dealers an ambitious growth target. The brand's "Road to 400K" strategy calls for growing from roughly 340K sales for the twelve months ended Q1 2026 to 400K annual sales by 2030. That requires a 3.3% compound annual growth rate over the next five years. In a flat SAAR environment, the Silver Star must take market share, reclaiming ground it lost to BMW and other luxury brands.

MERCEDES-BENZ: HISTORICAL U.S. SALES & ROAD TO 400

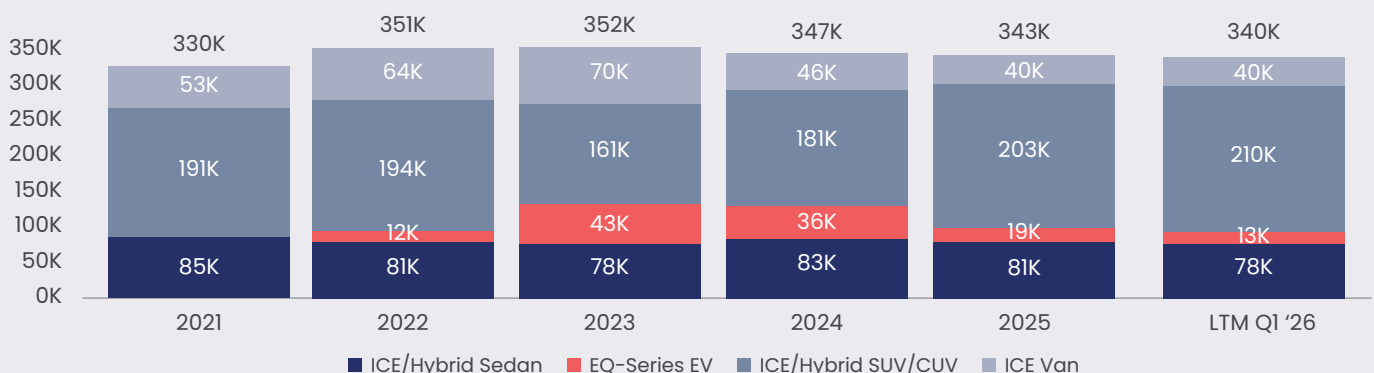


Source: Wards, Mercedes-Benz USA

The brand has room to run. Mercedes-Benz retailed 78,500 vehicles in Q1 2026, down 3.6% year-over-year, but the mix is improving. The GLC and Alabama-built GLE and GLS grew by more than 22% and accounted for 61% of retail sales in the quarter. The G-Class, SL and Mercedes-Maybach also posted double-digit gains, while AMG deliveries increased 3%. Dealers like this mix because it brings Mercedes back toward vehicles customers already understand and want: core SUVs, high-margin halo products and familiar luxury bodies.

The powertrain strategy is moving quickly in the right direction. Mercedes' earlier EV push created frustration because many customers did not want EVs packaged in unfamiliar shapes, and dealers did not enjoy having costly vehicles stuck on lots in a high-interest rate environment. Dealers increasingly believe Mercedes is moving closer to BMW's approach: offering multiple powertrains in bodies that still look and feel like the brand. BMW executed that strategy well and took market share as a result. The chart below shows money-losing EV sales have dropped by about 2/3 since 2023 while sales of highly profitable ICE/hybrid SUVs are up over 30%. These results are now showing up in improved performance at M-B stores. There are still more EV models coming to M-B stores since these products had already been in development, but they are designed to create excitement with drivers as opposed to emphasizing efficiency. The new AMG GT four door sedan has as much as 1,153 horsepower and goes 0-60 in 2.0 seconds, accompanied by a boisterous soundtrack and simulated gear changes. M-B even installed shakers in the seats to add in that V-8 rumble to the experience.

MERCEDES-BENZ NEAR-TERM SALES BREAKDOWN

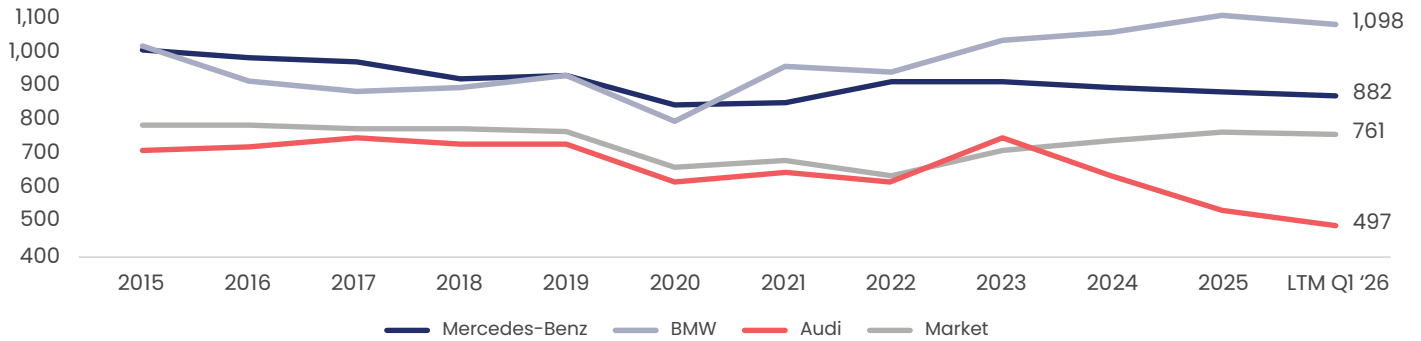


Source: Wards



The throughput chart shows the size of Mercedes’ opportunity. BMW has pulled ahead of Mercedes-Benz in average new vehicle throughput per dealership, while Audi has fallen sharply due to product-cycle problems and weakening customer perception. Mercedes sits between the two. This is one of several key reasons why Mercedes poses an attractive opportunity today: the brand has not yet caught BMW, but the dealer body believes it can close the gap. If Mercedes begins to lift volume per rooftop while keeping supply disciplined, the profit recovery could be substantial.

G3 AVERAGE NEW VEHICLE THROUGHPUT BY DEALERSHIP OVER TIME



Source: Haig Partners, Wards, Automotive News

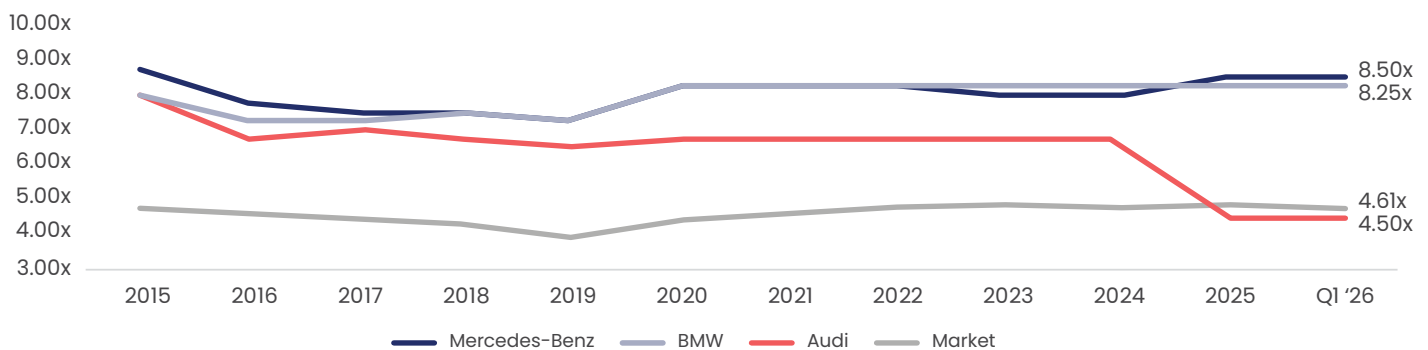
One threat to Mercedes’ recovery plan is overproduction. One dealer we spoke with worries that challenges in China and Europe could lead Mercedes to push excess global production into the U.S. Chinese brands are taking share in China, Europe remains difficult, and the U.S. is one of the most attractive luxury markets in the world. More volume is helpful only if it is the right volume. If Mercedes floods the network to chase 400K, dealers could see lower front-end grosses, higher floorplan expense and more advertising pressure. The Road to 400K works best if Mercedes balances growth with discipline.

The buy-sell story has also improved. In prior years, Mercedes was very active in deterring dealers who were not existing M-B dealers from buying M-B dealerships. M-B management used its Right of First Refusal as often as possible to steer buy-sells to existing M-B dealers. That policy effectively limited competition for stores as non-M-B dealers got the message and many chose not to bid on M-B dealerships when they became available for purchase. And since existing M-B dealers knew they were the only game in town, they might have become a little less aggressive when making offers. Mercedes is now more open to non-Mercedes dealers acquiring Mercedes-Benz franchises. This is healthy for the brand. It brings in new capital, adds operators who are excited to join the franchise, and expands the universe of buyers for existing dealers.

That broader buyer pool is already influencing values. We believe buyers have increased the blue sky multiples they are willing to pay for Mercedes-Benz dealerships. The franchise has regained its position of equal to or slightly higher than BMW. Audi remains hampered by product-cycle issues and weak dealer profitability.

For growth-minded buyers, Mercedes-Benz may be one of the best luxury franchises to pursue today. The brand is not perfect, and the 400K target will take years. Owners considering retirement or divesting stores will find today an attractive time to sell, as there are more buyers for Mercedes-Benz stores today than there have been in years and they are showing confidence in the future.

GERMAN 3 “G3” FRANCHISE MULTIPLE MIDPOINTS OVER TIME



Source: Haig Partners

TRENDS IMPACTING AUTO RETAIL

Labor Market Proves More Resilient Than Feared

The labor market improved in April after a choppy start to 2026. The U.S. economy added 115,000 jobs, well above expectations, while unemployment held steady at 4.3%. March was revised up to 178,000 jobs added, helping offset February's revised loss of 156,000 jobs. This is a better backdrop than we discussed in our previous Q4 2025 Haig Report, when job losses and downward revisions raised concerns about consumer demand. For dealers, the labor market is holding up well enough to support vehicle sales.

Inflation Reaccelerates, Driven by Energy Costs

The Fed's preferred inflation metric, the Personal Consumption Expenditures Price Index ("PCE"), rose 3.5% year-over-year in March, up from 2.8% in February and remained well above the Fed's 2.0% target. Core PCE, which excludes food and energy, remained elevated at 3.2%. The CPI report showed a similar trend, with headline inflation increasing 3.3% year-over-year. Energy was the main driver, fueled by a 21.2% month-over-month increase in gas prices. For auto retailers, stubborn inflation remains a concern: higher fuel costs pressure household budgets, reduce the odds of near-term rate cuts, and could compound affordability issues if vehicle prices, parts costs or tariffs move higher.

Interest Rates Held Steady as the Fed Waits for More Clarity

At its April meeting, the Fed kept the federal funds rate at 3.50%-3.75%, citing solid economic activity, low job gains and inflation that remains above its 2.0% target. The decision showed a split within the Fed: one official preferred a 0.25% cut, while three supported holding rates steady, but objected to language that left the door open for future cuts. For dealers, the rate environment remains manageable but unhelpful. Current borrowing costs continue to pressure both affordability for consumers and floorplan expense for dealers, and the recent uptick in inflation could push meaningful rate relief further into the future.

U.S. Economy Rebounded in Q1

The U.S. economy grew at a 2.0% annualized rate in Q1 2026, rebounding from just 0.5% growth in Q4 2025. The increase was driven by investment, exports, consumer spending and government spending, although imports also rose and offset some gains. Consumer spending increased, but at a slower pace than in the prior quarter, which is worth watching since consumers drive so much of vehicle demand. For dealers, this is still a healthy economic backdrop, but not a perfect one. Growth has improved, yet higher energy prices, elevated inflation and softer consumer spending could pressure affordability later into 2026.

CHINESE VEHICLES ON AMERICAN ROADS: A DOOR THAT MAY SOON CLOSE PERMANENTLY

What the Connected Vehicle Security Act of 2026 means for your dealership

THE BILL

Senators Bernie Moreno (R-Ohio) and Elissa Slotkin (D-Mich.) introduced the **Connected Vehicle Security Act of 2026** to defend the American auto industry from the existential threat of predatory Chinese automobiles by banning them and their connected components from the American market. This bill would prohibit the import, sale, and operation of vehicles manufactured in China—or any other country of concern—and ban the use of Chinese-developed connected vehicle technologies, such as software, and data systems on American roads.

Source: Office of Sen. Bernie Moreno



Sen. Bernie Moreno
R-OH



Sen. Elissa Slotkin
D-MI

WHAT DEALERS NEED TO KNOW

- **No Chinese vehicles in your showroom.** Any vehicle made or designed by a covered-country entity is banned, including JVs above 15% ownership.
- **Audit your supply chain now.** Telematics, modems, and Wi-Fi modules face a 2030 ban — review parts sourcing today.
- **CPO and resale warrant review.** Commercial resale of vehicles with banned components falls within scope.
- **Penalties are steep.** \$1.5M or 5x the transaction value per occurrence, accruing daily.
- **Preserving the value of your dealerships.** Limiting subsidized Chinese OEM entry reinforces U.S.-brand market share.



HEAR MORE FROM SENATOR MORENO ON WHAT THIS MEANS FOR YOUR DEALERSHIP.

Scan the QR code or visit bit.ly/ConnectedVehicleSecurityAct

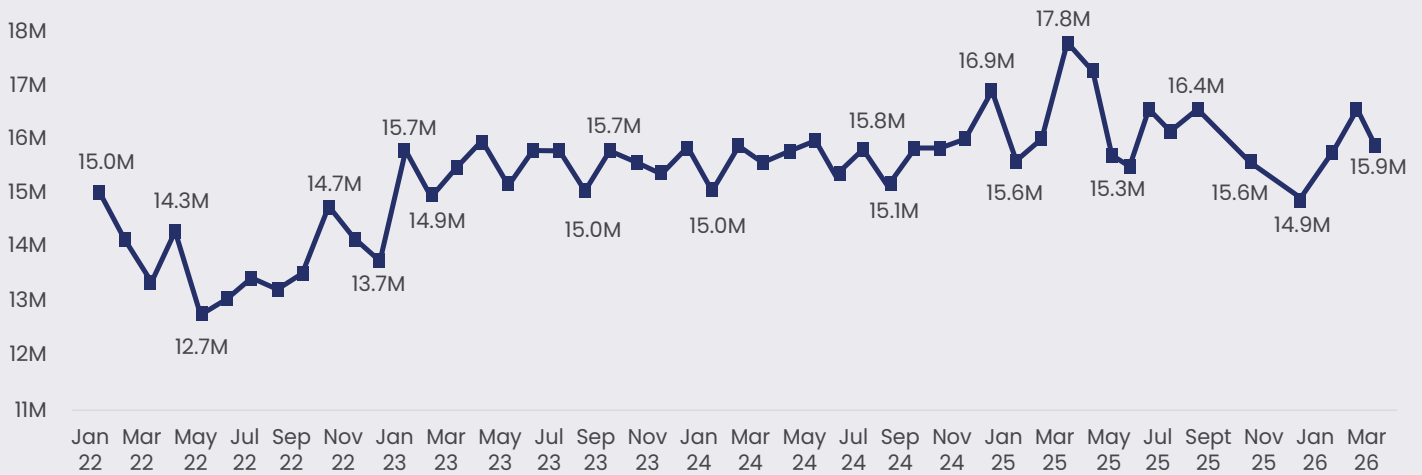
SAAR Slows Against Tough Comparisons

New vehicle sales continued to run below last year's pace through April. According to NADA, April 2026 new light-vehicle sales reached a SAAR of 15.9M units, down 7.1% from April 2025 and marking the eighth straight month of year-over-year declines. March was stronger at 16.3M, the highest monthly SAAR of Q1, but the quarter still finished at 15.7M, down 5.2% from Q1 2025. Year-to-date through April, SAAR was 15.6M, down 6.7% from the same period last year.

This comparison paints recent performance in an unflattering light because March and April of 2025 included pull-ahead sales before tariffs took effect. Weather also likely weighed on January and February sales in 2026. NADA is still forecasting 16.0M new light-vehicle sales for 2026, and Cox Automotive is not far behind at 15.8M. Affordability remains a cap on demand. J.D. Power estimates the average new-vehicle monthly payment reached \$812 in April, up 3.1% year-over-year, while average finance rates remained at 6.7%.

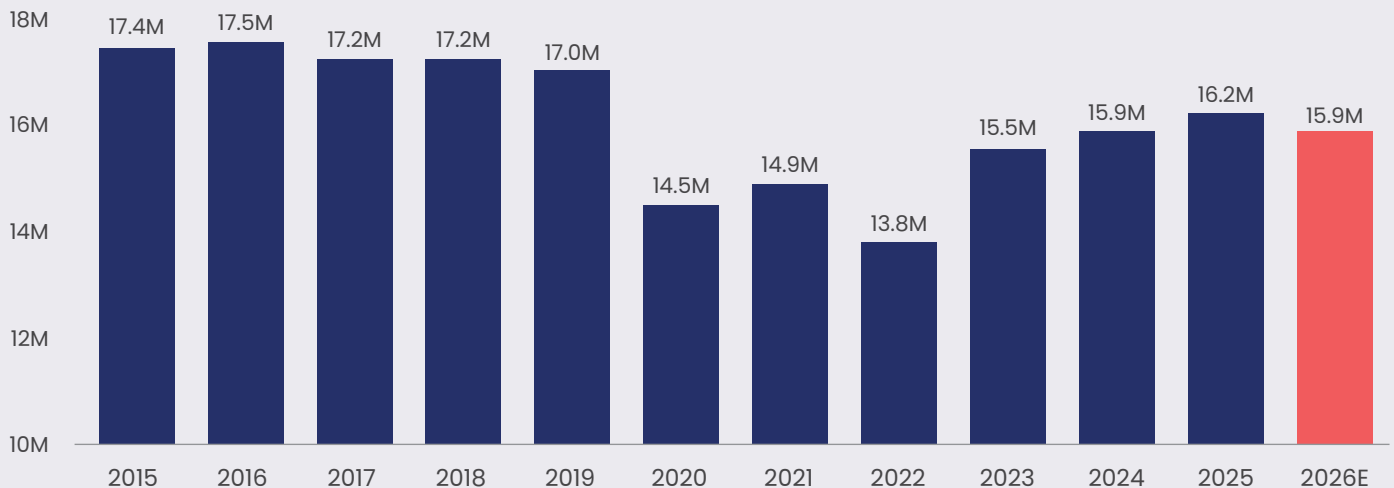
Powertrain mix is also shifting. BEV sales declined 35.5% through the first four months of 2026, with BEV share falling to 5.1%. Hybrids, however, continue to gain share, with sales up 9.2% year-to-date and market share rising to 14.5%.

MONTHLY SAAR



Source: Cox Automotive, NADA

U.S. LIGHT VEHICLE SALES



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

Inventories Remain Lean, but Not Everywhere

The brands we track averaged 53 days' supply in April, 5.9% below the five-year average*. In December, there was an average of 49 days' supply available, so the trend is upward. The OEMs are showing more production discipline than before the pandemic, so far. Toyota, Lexus and Cadillac were the tightest group. Toyota and Lexus remain constrained, and dealers continue to tell us they would sell more vehicles if they could get them. Cadillac is running far below its historical inventory level, but its inventory readout is acutely impacted by tight inventory of both Escalades and Lyriqs.

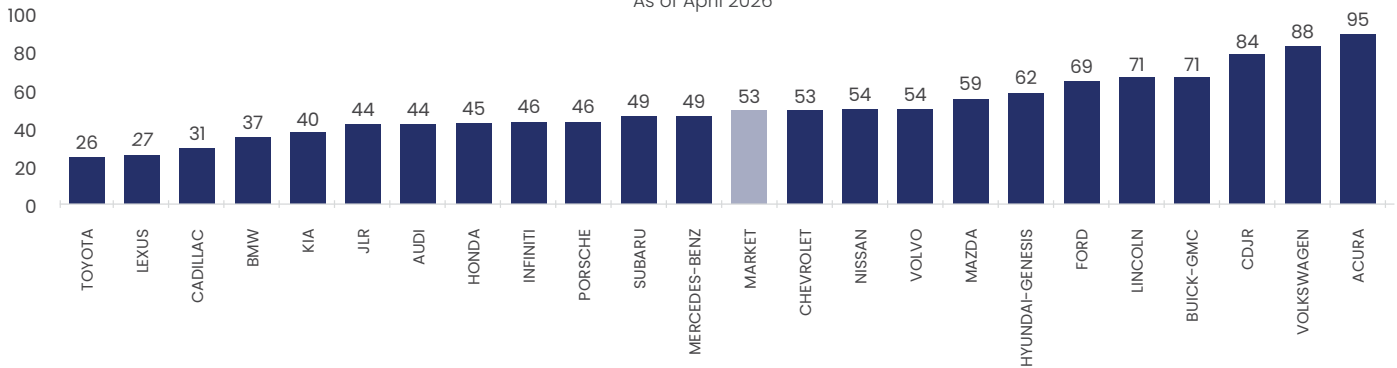
Other brands appear better supplied on an absolute basis, but with levels below their historical watermarks. Lincoln, Ford and Chevrolet all carry the same or more than the market average, but sit far below their historical inventory positions. This lines up with what we hear from Ford and Chevrolet dealers, who say production remains insufficient on fast-turning models. Buick-GMC, like Cadillac, is being significantly impacted by the days' supply of one or two models. In Buick's case, the Envision, which is imported from China, has seen its inventory balloon while sales plummet following its price increase last year. GMC is far steadier.

Over-supplied franchises are easier to spot. Acura, Volkswagen and CDJR carried the highest days' supply in April. Acura is far above its five-year average, which fits with the lack of enthusiasm we hear about the franchise. Volkswagen remains over-inventoried relative to both the market and its own history, reinforcing the notion that VW needs better U.S.-focused product and better incentives. CDJR supply is high, but not out of line with its history.

Subaru and Mazda are the odd cases. Subaru's days' supply is still below market, but it is far above its own five-year average, a sign of how much the brand has changed from its former scarcity model. Dealers are growing concerned about the slowdown in sales that has led to an increase in inventory levels. Mazda is also above its historical average as customers wait for more hybrid product and the next CX-5.

DAYS' SUPPLY BY FRANCHISE

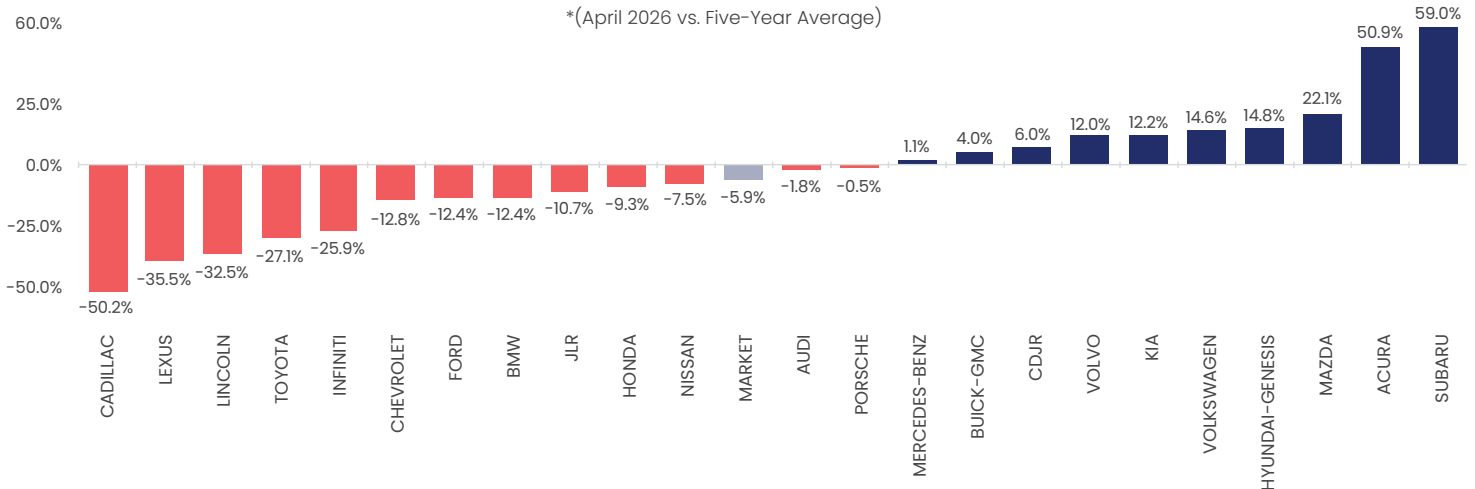
As of April 2026



Source: Wards

DAYS' SUPPLY VARIANCE FROM FIVE-YEAR AVERAGE

*(April 2026 vs. Five-Year Average)



Source: Wards

Note: *Five-year average includes inventory data from the following years: 2018, 2019, 2023, 2024, 2025. These years were selected to avoid comparisons against COVID-impacted periods.

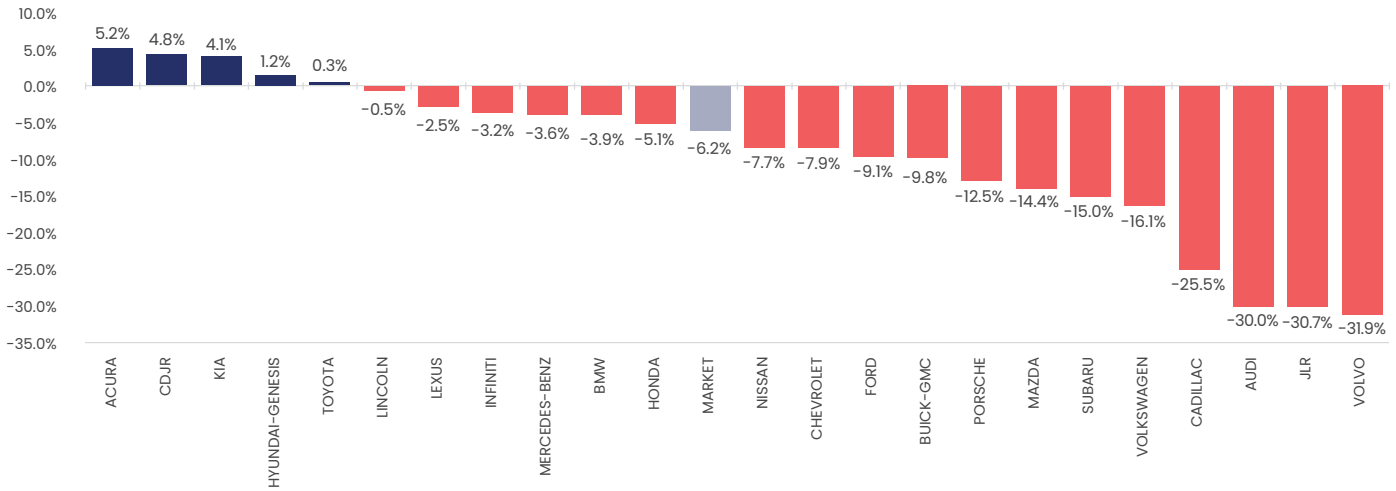
Most Brands Saw Sales Decline in Q1

Q1 was a softer quarter for the U.S. auto market, with new vehicle sales declining 6.2% from Q1 2025 to Q1 2026. The comparison was difficult since Q1 2025 benefited from consumers pulling purchases forward ahead of anticipated tariff-related price increases. A handful of brands still gained ground, led by Acura (+5.2%), CDJR (+4.8%), Kia (+4.1%), Hyundai-Genesis (+1.2%) and Toyota (+0.3%). These results show that demand remains for brands with sufficient inventory of vehicles with affordable prices, competitive features and desirable powertrains.

Most franchises, however, posted declines. The weakest performers were Volvo (-31.9%), JLR (-30.7%), Audi (-30.0%) and Cadillac (-25.5%), followed by Volkswagen (-16.1%), Subaru (-15.0%), Mazda (-14.4%) and Porsche (-12.5%). Domestic brands were also under pressure, with Buick-GMC (-9.8%), Ford (-9.1%) and Chevrolet (-7.9%) all falling more than the market average. Luxury sales were mostly down.

% CHANGE IN SALES BY BRAND

(Q1 2026 vs. Q1 2025)



Source: Wards

CALIFORNIA



VALENCIA



VALENCIA

SOLD TO



VALENCIA

SOLD TO



JERRY SEINER
DEALERSHIPS

"Alan Haig, Jayson Crouch and the Haig Partners team did a fantastic job representing the interests of all board members and securing an excellent outcome. They ran a confidential and disciplined process, executed every step with professionalism and maintained alignment across a complex group of stakeholders. They never overpromised but delivered a result that reflected the strength of the business while maintaining transparency and integrity throughout."

- Paul Walser, Partner and Board Member of Hello Auto Group and Partner of Walser Automotive Group



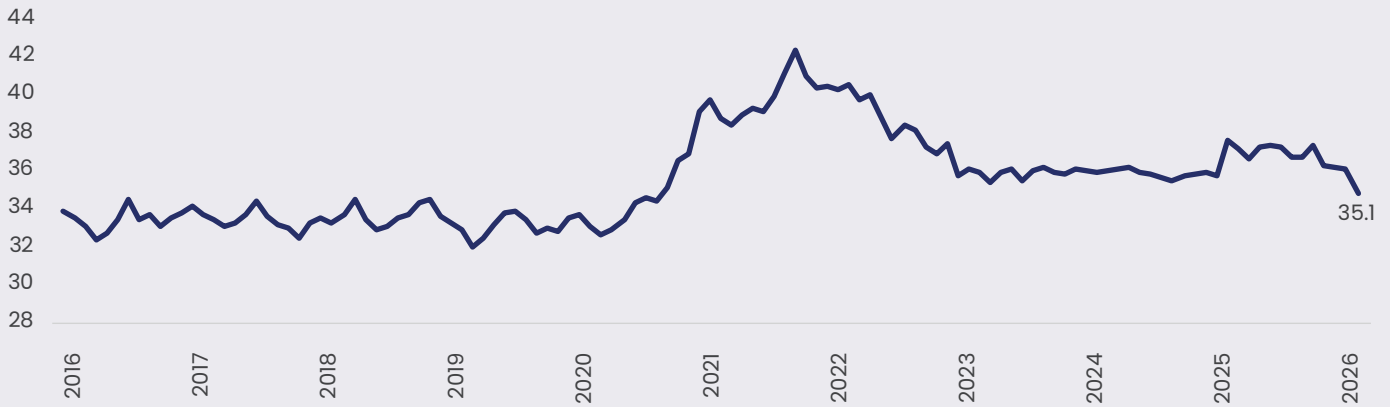
Scan the QR to learn more about the transaction and story, or visit bit.ly/HaigPartnersHelloAuto

New Vehicle Affordability Continues to Improve

New vehicle affordability improved in March for the fifth straight month, according to the Cox Automotive/Moody's Analytics Vehicle Affordability Index. The number of median weeks of income needed to purchase the average new vehicle fell to 35.1 weeks in March, down from 35.4 weeks in February and the lowest level in nearly four years. The improvement was driven by strong income growth, relatively stable new vehicle prices and loan rates, and higher incentives. The average transaction price fell 0.1% month-over-month to \$49,275, while incentives increased 5.5% year-over-year. The average monthly payment also fell 0.5% in March to \$752, although it remained 3% higher than a year ago.

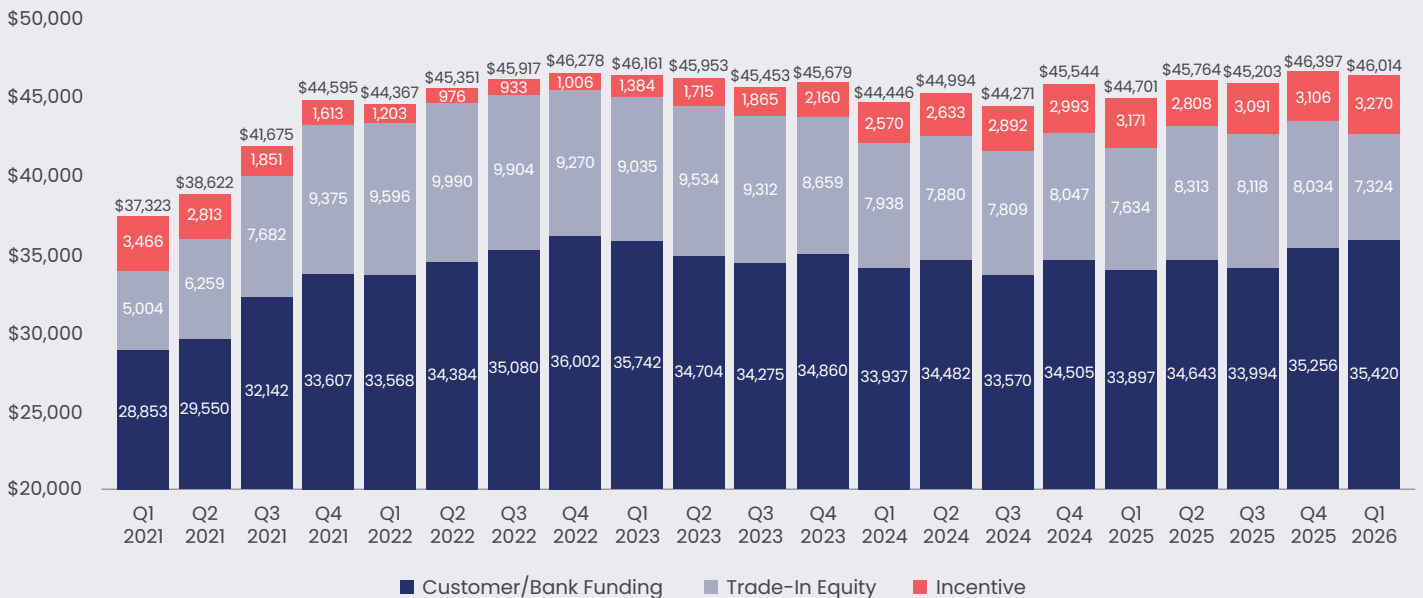
The improvement helps, but affordability is far from solved. The average auto loan rate remained high at 9.5%, up 16 basis points from March 2025. And while new vehicle affordability has improved, total cost of ownership remains a problem. Cox noted that new vehicle prices are up roughly 15% since 2021, while insurance costs have increased by nearly 60% and routine maintenance and service costs are up about 40%.

VEHICLE AFFORDABILITY INDEX



Source: Cox Automotive/Moody's Analytics

NEW VEHICLE TRANSACTION FUNDING



Source: J.D. Power & Haig Partners

Transaction Prices Drift Upwards as Tariffs Land, Product Mix Shifts

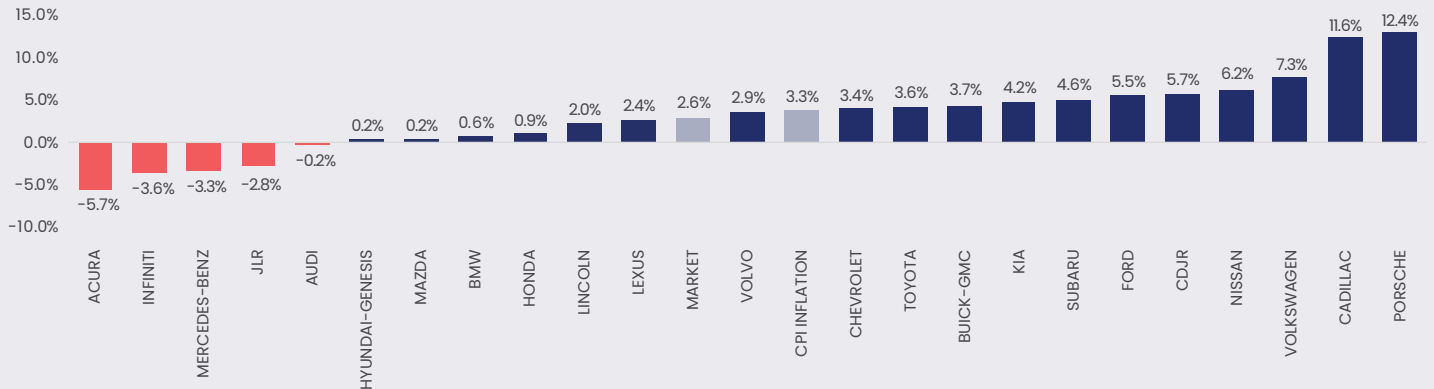
A surprising aspect of our market today is that despite tariffs, the average transaction price for vehicles is growing slower than the rate of inflation. The average transaction price (“ATP”) in March 2026 grew 2.6% compared to inflation of 3.3%. We believe the reasons that ATPs have not grown further is because many OEMs have decided to absorb the costs of the tariffs themselves instead of passing them on, and because some OEMs have shifted their mix of products to lower-priced vehicles.

Tariffs imposed on imported vehicles took effect by March 2026. OEMs with significant domestic production have avoided large losses from tariffs but smaller brands are in a tough spot. Porsche (ATP +12.4%) is an excellent example. With zero U.S. production, the OEM increased pricing on many 2026 models by 2.3%-3.6% in July 2025 – Porsche’s second price hike in four months – before hiking them a further 1.2%-1.9% in January 2026. Part of the increase in ATPs was driven by higher 911 sales and a decline in sales of lower-priced models being discontinued. This manifested both in dealer feedback on Porsche, who noted a growing frustration with the brand’s pricing, as well as in the ATP data found below. Other European luxury manufacturers (M-B, BMW, JLR) took a different approach that resulted in their ATPs growing at a below-market rate, with M-B and JLR ATPs decreasing year over year. Luxury OEMs like Acura (-5.7%) and M-B (-3.3%), which have significant domestic manufacturing footprints, were better equipped to handle the changing environment.

Product mix shifts also had a dramatic impact on ATP trends. Cadillac (+11.6%), for example, saw mix shift significantly from lower-priced ICE crossovers (XT4, XT5, XT6) to a greater volume of higher-priced EV crossovers (Lyriq, Optiq, Vistiq). Volkswagen (+7.3%) saw a shift from its lower-priced cars (Jetta, Golf) to higher-priced crossovers (Tiguan). On the other end of the spectrum, INFINITI (-3.6%) saw sales rise for its current entry level SUV, the QX60, and sales decline for its flagship QX80, reducing its ATP.

% CHANGE IN AVERAGE TRANSACTION PRICE

(March 2026 vs. March 2025)



Source: Haig Partners, Wards, Kelley Blue Book

TEXAS



SOLD TO

**BILL DICKASON
AND STEVE HALL**

“When I contacted Haig Partners, my sole goal was to find a buyer who would commit to our brand, franchise, people and community. Derek Garber lived up to the reputation for which Haig Partners is known. I congratulate Bill Dickason and Steve Hall, two highly respected operators in the Texas automotive community, on the acquisition. What stood out most, though, was that Derek was not just a broker facilitating a transaction. He acted as a true advisor throughout the entire process, from preparing the business for market, navigating diligence and driving the deal to a successful close. Haig Partners was our matchmaker and our trusted partner.”

-John Mathews, Dealer Principal of Mathews Auto Group



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New Vehicle Throughput Pressured from Many Angles

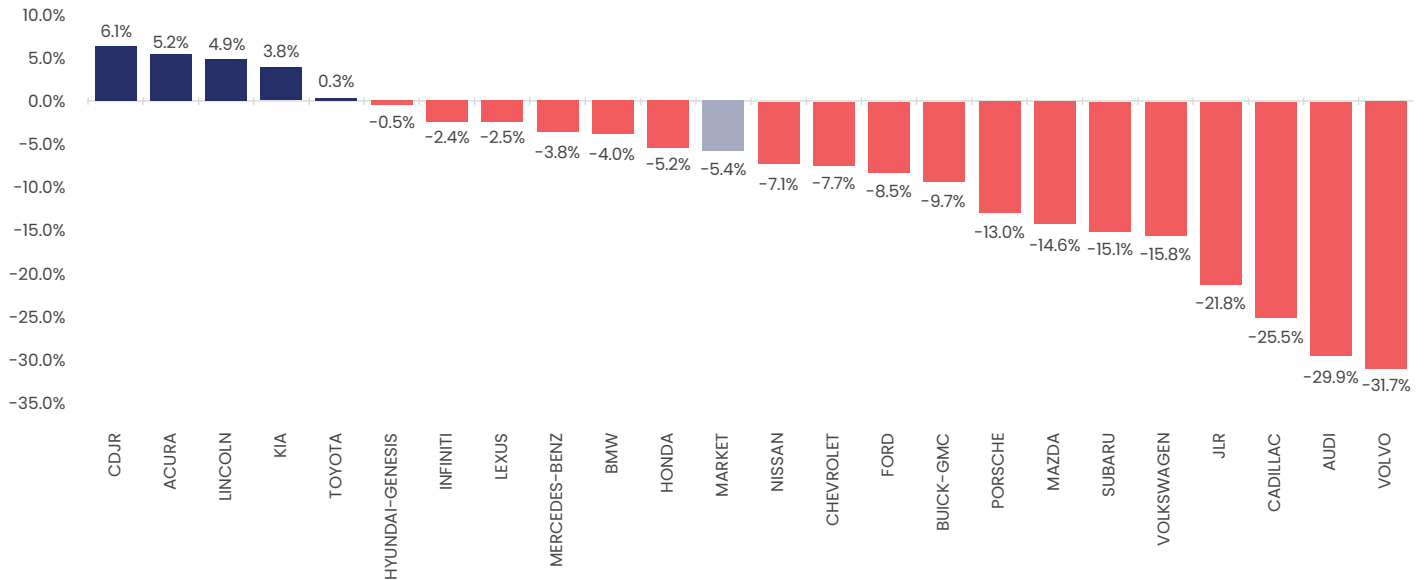
Average new vehicle throughput for franchised dealers weakened in Q1 2026. Compared to the first quarter a year prior, the franchised dealership market saw new car throughput slip 5.4%, with five franchises gaining and 18 franchises showing a decrease in new vehicle volume per dealership.

A wide spectrum of performances accompanied the overall market decline, but no franchises were safe from tough comparisons to the first quarter last year and nagging vehicle & total cost of ownership affordability challenges. The five franchises that experienced throughput gains seem to have done so through a combination of in-demand or affordable products, domestic production (which reduces tariff entanglement), inventory availability and easy comparisons to Q1 2025. The throughput losers in the first quarter, of which there were many, broadly fell victim to tariff-driven vehicle import challenges, EV volume losses, tight inventory of in-demand products and a lack of affordable products.

Q1 throughput gains were welcomed by CDJR (+6.1%) and Acura (+5.2%) dealers, who have been frustrated for years by softness in new vehicle demand. Lincoln (+4.9%) dealers also enjoyed higher throughput in a down market partially thanks to a decline in the number of Lincoln dealerships. But their comparisons were relatively easy compared to other franchises. Kia (+3.8%) and Toyota (+0.3%), for example, added gains to strong first quarters last year, highlighting their strength and bolstering their positions at or near the top of the midline import pyramid. On the other hand, Volvo (-31.7%), Audi (-29.9%) and Cadillac (-25.5%) dealers experienced significant evaporations in throughput, with overexposure to EV softness and challenging product cycles contributing to their decline.

We saw one noteworthy change with Nissan that has been working on its turnaround plan. Nissan reported an increase in retail market share by prioritizing profitable dealership sales over lower margin fleet sales. According to the OEM, it has enjoyed 12 consecutive months of growth in retail sales and localization of production has increased from 44% to 65% with a goal of reaching 80%.

% CHANGE IN AVERAGE NEW CAR THROUGHPUT
(Q1 2026 vs. Q1 2025)



Source: Haig Partners, Wards, Automotive News



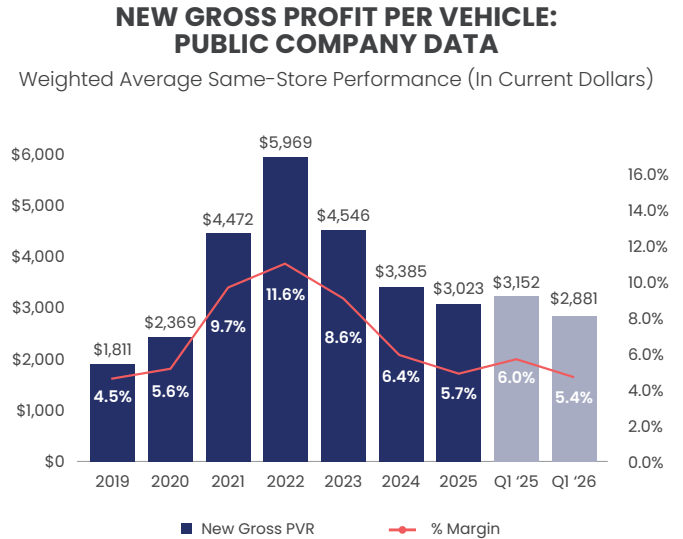
“Typically, when you see gas prices hit the levels where we are right now, it usually takes 5 to 6 months for consumers to start really changing their buying habits. We have not seen that. And what I mean by that is the consumer that is going to trade in a Chevy Tahoe for a Honda Civic or what have you. We have not seen that, but the longer the war goes, I think the closer we’re going to be getting to see a shift in consumer behavior, but we’re not there yet.”

- Dan Clara, COO & CEO, Asbury Automotive Group, Inc.

New Gross Profits Decline Potentially Due to Uneven Comparison

According to the publicly traded auto retail groups, new vehicle gross profit per vehicle retailed (“PVR”) declined from \$3,152 in Q1 2025 to \$2,881 in Q1 2026, a 9% decline. New vehicle margins fell 60 basis points, from 6.0% to 5.4%. While this is a significant drop between first quarters, it is important to note the difference in conditions between the quarters being compared.

In Q1 2025, the industry benefited from pull-ahead demand driven by tariffs, during which many customers flocked to showrooms to purchase vehicles in advance of price increases. Additionally, Q1 2026 included softness driven by reduced demand for EVs following the removal of the federal EV incentive late last year. The first quarter this year also included some abnormally rough weather, reducing showroom traffic and potentially eroding front-end profits as retailers may have let up on gross to reclaim lost volume in affected markets. We will be closely watching the results of Q2 2026 to see if this decline in gross profits is temporary or an ongoing and worrying trend. We continue to hear dealers complain that “gross has evaporated” on many models, but the data below indicated dealers are still making a lot more gross profit per new vehicle than they were before COVID. Let’s hope inventory levels remain in line with demand.



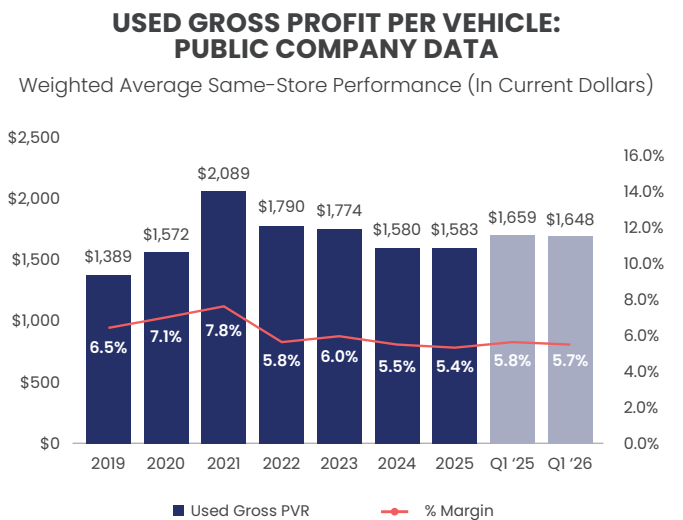
Source: SEC Filings

Used Vehicle Profits Head Sideways, with Relief on the Way

Used vehicle profits were largely unchanged between Q1 2025 and Q1 2026, with the used gross PVR of the publicly traded auto retailers declining \$11, or 1%, from \$1,659 to \$1,648. Margins tightened slightly as well, declining from 5.8% in Q1 2025 to 5.7% in Q1 2026.

In Q1 2026, the public retailers all preached discipline in their earnings calls. These retail giants are implementing AI tools to aid in used vehicle pricing, purchasing, and sales. Pricing discipline, particularly on low-mileage models, is of great importance. These factors helped lift retailers like AutoNation and Lithia to reach recent highs in their used:new ratios despite ongoing tightness in used vehicle inventory. For example, AutoNation reached a used:new ratio of 1.15x in Q1 2026, its highest ratio in two years, while Lithia climbed to 1.25x.

One bright spot in the used vehicle market is that the number of lease returns is increasing for the first time in many years. We had seen a collapse of leasing during the peak of the pandemic as many retailers opted to sell new vehicles for full sticker or above along with F&I products rather than leasing as they had in the past. As leasing began to pick up in 2024, retailers will be seeing more off-lease vehicles available for them to purchase later in 2026.



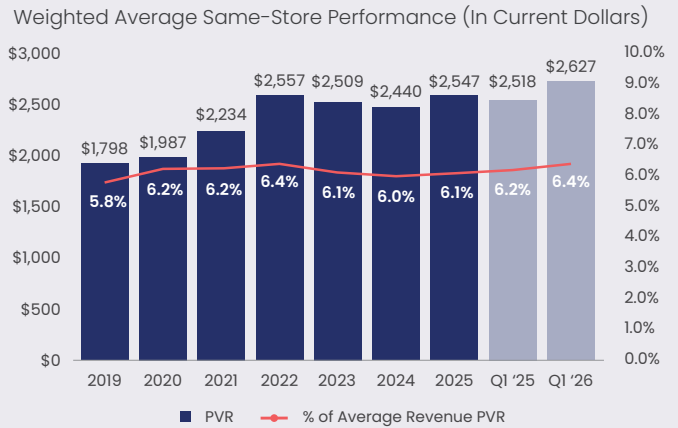
Source: SEC Filings

F&I Profits Set a New Record in Q1 2026

F&I gross profit PVR of the publicly traded auto retailers increased 4%, or \$109, from \$2,518 in Q1 2025 to \$2,627 in Q1 2026. This is the highest average F&I gross PVR in public company history. The F&I gross PVR as a percentage of average revenue PVR increased as well, rising from 6.2% of average revenue PVR in Q1 2025 to 6.4% in Q1 2026, matching the highest level recorded since 2019.

A few key factors aided public retailers in their climb to record-setting performance in Q1 2026. In their earnings calls, public company leaders pointed to increasing penetration rates, more products-per-sale, as well as innovations such as Group 1's virtual F&I managers, who can drive faster transaction times and lower compensation costs compared to in-store transactions. At a more macro level, F&I PVR continues to benefit from higher vehicle values and repair costs, as products such as VSC, GAP and tire-and-wheel protection generally carry higher dollar opportunities when vehicles are more expensive to insure, finance and repair.

F&I GROSS PROFIT PER VEHICLE: PUBLIC COMPANY DATA



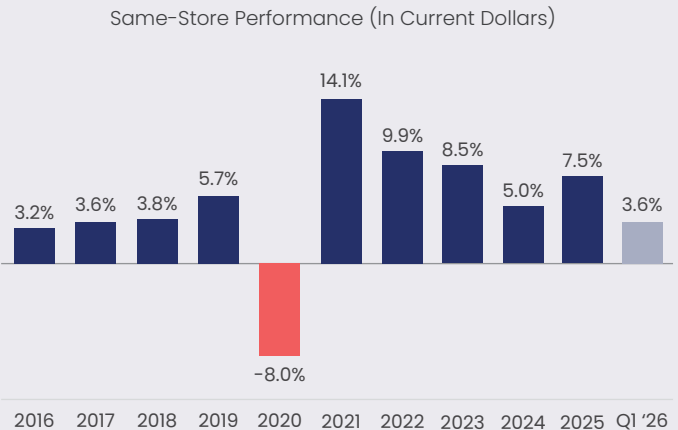
Source: SEC Filings

Fixed Operations Growth Is Slowing Down

Same-store fixed operations gross profit among the publicly traded auto retailers increased 3.6% in Q1 2026 compared to Q1 2025. This growth rate is lower than that of most recent periods, and roughly in line with March CPI inflation (3.3%), resulting in little real fixed ops profit growth. It is possible that affordability pressures are driving attrition from dealership service drives, which have experienced significant labor rate growth over the last several years. According to research & consulting firm Ducker Carlisle, independent repair facilities, quick lube shops and tire chains all gained market share from dealerships between January 2025 to January 2026. Pricing could be the primary driver.

The growth drivers in the first quarter should sound familiar: higher labor rates, more expensive parts, an aging vehicle parc, increasing vehicle complexity and better technician productivity. Sonic credited technician hiring and retention for its record first-quarter fixed ops gross profit, while AutoNation pointed to customer-pay growth and improved technician retention. Fixed ops remains the most dependable part of dealership earnings, although future gains may be harder to achieve if growth continues to come more from dollars per repair order than repair order volume.

FIXED OPERATIONS GROSS PROFIT GROWTH: PUBLIC COMPANY DATA



Source: SEC Filings



"In after-sales, we're committed to setting ourselves apart. This quarter, we increased same-store customer pay gross profits by nearly 6% -- and we're pleased that in our U.S. business, our customer pay repair order count rose by 2.5%. Our growth in after-sales is driven by marketing initiatives utilizing artificial intelligence, vertically integrated customer data management, decreased technician turnover, completion of our workshop air conditioning project, and the addition of 130 new technicians on a same-store basis. "

- Daryl Kenningham, CEO, President & Director, Group 1 Automotive, Inc.

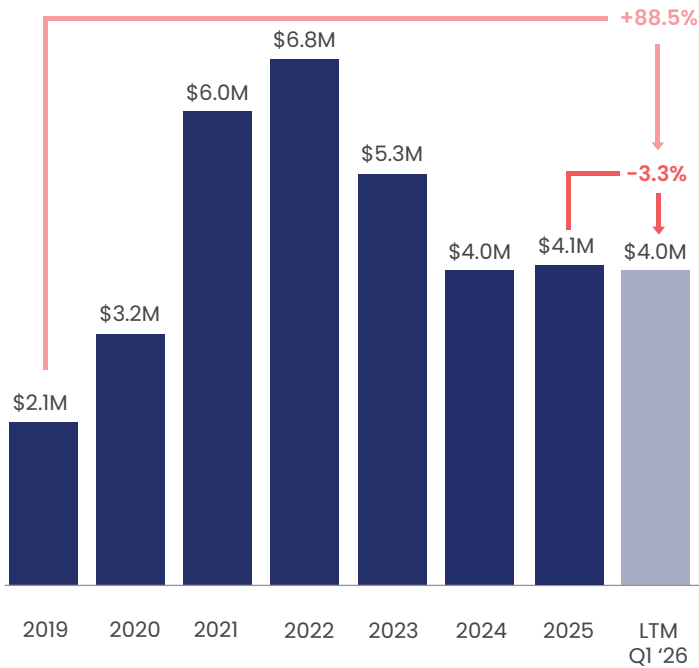
Dealership Profits Remain Healthy Despite Q1 Weakness

The result of the factors listed above is that dealers struggled in Q1 2026 compared to what they enjoyed in 2025. The average publicly owned dealership generated \$0.8M of adjusted pre-tax income in Q1 2026, down 16% from Q1 2025. Despite the tough quarter, the average amount of profit generated by an average dealership remained 109% higher than before COVID, at \$824K per dealership compared to \$394K in 2019.

Looking at the trailing twelve months, the average publicly owned dealership generated \$4.0M of adjusted pre-tax income, down just 3% from the \$4.1M recorded in 2025. This trend supports the view that dealership earnings are stabilizing after the steep post-COVID normalization. Profits are no longer

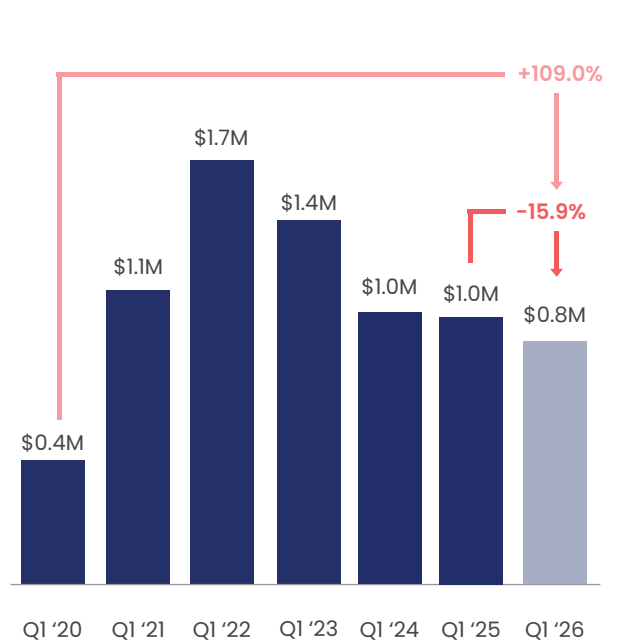
anywhere near the \$6.8M peak reached in 2022, but they also remain nearly 90% higher than the \$2.1M average generated in 2019. For dealers, the message is similar to what we noted in the Q4 2025 report: the easy gross-profit environment is gone, but the business model remains highly resilient when operators control expenses, maintain strong used vehicle operations and continue investing in F&I and fixed operations. With used vehicle inventory conditions loosening up throughout the year thanks to a significant volume of lease returns boomeranging back to dealers, and F&I gross profits surpassing previous record highs, dealership breadwinners appear prepared to carry store-level performance even during a tough new vehicle market.

ADJUSTED ANNUAL EARNINGS PER DEALERSHIP
Based On Public Group Earnings



Source: Haig Partners & SEC Filings

AVERAGE Q1 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.

ILLINOIS



SOLD TO



Scan the QR to learn more about the transaction and story, or visit bit.ly/HaigPartnersKiaHyundaiLincolnWood

FRANCHISE VALUATION ESTIMATES

LUXURY FRANCHISE BLUE SKY MULTIPLES



Lexus

Lexus sales declined 2.5% in Q1 2026 compared to Q1 2025, but dealers remain highly bullish on the franchise. The issue is not a lack of demand, but a lack of supply. Lexus dealers continue to say allocation is a struggle, and those who did, held out for high gross profits per unit but turned their inventory less than average during the past few years are finding it difficult to get allocated enough inventory to get back to sales effectiveness. With production already running near capacity and on-ground inventory levels still light, many dealers feel boxed in: they are making excellent profits but cannot grow volume.

The model lineup remains attractive. The GX550 continues to command wait lists, and dealers are doing well with the TX, RX and other core SUV products. Short inventory is helping dealers hold margin, and many are also using hard adds and accessories to increase gross profit. This is a good problem to have, but it still limits throughput and can make it harder for dealers to expand their customer base. The future product pipeline seems thin, but we expect Lexus will continue to attract customers via lease and other incentives if necessary.

The buy-sell market for Lexus remains extraordinary. Lexus stores rarely come to market, and when they do, buyers must be prepared to pay enormous prices. Penske Automotive Group's acquisition of Lexus of Orlando and Lexus of Winter Park in the first quarter appears to have set a new record, with blue sky and other intangible value reportedly at \$538M and total value in the \$646M range including real estate and equipment. Reportedly, Penske had to agree to divest a Rhode Island Lexus point prior to closing, displaying how ownership limits can affect who is able to compete for these assets. We expect we will continue to see the largest consolidators purchase the largest Lexus stores and divest their smaller ones as Lexus has a low limit on the number of stores a group can own.

According to NADA's Winter 2026 Dealer Attitude Survey, dealers are most optimistic about Lexus, followed closely by Toyota and BMW. Dealers laud the OEM relationship, have great trust in its products, appreciate the factory's disciplined approach to production, and love the support that comes from their captive lender, LFS. The only complaint we consistently hear is simple: send more inventory!
Same multiple range: 9.0x-10.0x.



Porsche

Porsche sales declined 12.5% in Q1 2026 compared to Q1 2025, but dealer sentiment remains positive as we enter the spring selling season. For many Porsche dealers in the Northeast and Midwest, April has historically been one of their best months as sports car owners emerge from their winter hibernation. The 911 remains the halo product, and production is reportedly at all-time highs, but availability is uneven. Many dealers can hold a few 911s in stock, which has been a common request for many years, while the GTS, Turbo and GT3 still have waiting lists that can stretch for years.

Dealers remain concerned about pricing. Several told us that Porsche's recent price increases have made the Cayenne and the Macan harder to lease or finance compared to competing luxury alternatives. The 911 is also creeping upmarket, and with the 718 going away, dealers worry Porsche will no longer offer a more attainable sports car that pulls younger enthusiasts into the brand. However, despite these concerns and the slight dip in volume, profits remain high thanks to a shift towards a product mix that holds higher margin for dealers.

The next 18-24 months could be choppy. Dealers worry about keeping ICE Macan customers loyal until the next comparable product arrives. Tariffs are also pressuring the franchise. But dealers give Porsche credit for listening. The factory has reduced Taycan and Macan EV wholesales, is being more thoughtful about ICE SUV allocation, and appears more aware that dealers need help competing in today's market.

Feedback on the Cayenne EV has been excellent. One dealer who drove it at the launch event in Portugal said the acceleration felt like "your face was being ripped off." Dealers are also pleased that Porsche is keeping the ICE Cayenne and adding the EV alongside it, rather than forcing a full replacement. This new model is expected to arrive in showrooms later this summer.

Facility requirements remain the biggest friction point. The facilities are beautiful, but the cost can be enormous, particularly for small-market stores and owners nearing retirement. That said, over 70% of dealers have invested or are in the process of investing in imaged facilities, pointing to strong dealer confidence in the brand. Demand for Porsche stores remains strong, including for dealerships that will require major facility investment. **Same multiple range: 8.0x-10.0x.**



Mercedes-Benz

Mercedes-Benz sales dropped 3.6% in Q1 2026 compared to Q1 2025. The decline was due to a number of factors, including a reduction in EV sales as M-B has dropped a number of its EQ models that sold slowly and incurred losses for M-B as well as its dealers. Despite this drop, many dealers say conditions are “fantastic” and are elated by the changes that the new U.S. management team is making. Profits at their stores are up nicely over Q1 2025 thanks to better programs on core models. They are also excited about updated/new products coming, like the GLC and the “Baby G-Wagon” that could bring much higher volumes. And they applaud the improvements in vehicle quality. While applauding the “comeback story” at M-B, some dealers are a little more cautious saying, “It’s going to be a long road back to where we were.” To achieve its mission of 400,000 sales by 2030, M-B will need to increase its sales by about 17%, a challenging task in a flat market. Other luxury OEMs won’t give up share easily as they also have plans for growth. Every dealer we spoke with is happy with the trends that are bringing higher dealership profits and therefore growing blue-sky values for M-B dealerships nationwide. **Same multiple range: 8.0x-9.0x.**



BMW

BMW sales declined 3.9% in Q1 2026 compared to Q1 2025. BMW retained its luxury sales crown, beating Lexus by a few thousand units. Dealers remain highly positive on the brand and its direction. The product lineup is broad, fresh and well balanced across ICE, hybrid and EV offerings. BMW continues to generate strong new vehicle volume per store which in turn shows up in growing fixed operations.

Dealers we spoke with describe the franchise as steady, desirable and easy to believe in. Several said they would pursue almost any BMW store if one became available.

BMW can produce both volume and margin, which is a rare combination in luxury auto retail. Recent U.S. sales have exceeded Lexus and Mercedes, giving BMW dealers scale that many luxury franchises cannot match. Brand loyalty remains healthy, and fixed operations provide a durable earnings base. This combination of front-end opportunity and back-end stability makes BMW dealerships attractive to both existing owners and outside buyers. NADA’s Winter 2026 Dealer Attitude Survey had BMW ranked 3rd in terms of dealer optimism, trailing only Lexus and Toyota.

BMW also benefits from a product strategy that has avoided many major traps that other luxury OEMs have fallen into. The brand has not abandoned its core enthusiast and ICE customers, while still offering competitive electrified products for buyers who want them. Dealers view this balance as one of BMW’s biggest advantages.

Buyer demand for BMW dealerships remains strong. In a market where other luxury brands are dealing with product gaps, EV uncertainty or tariff pressure, BMW remains one of the safest luxury acquisitions available. **Same multiple range: 7.5x-9.0x.**



JLR

JLR sales declined 30.7% in Q1 2026 compared to Q1 2025, one of the largest declines among the brands we track. The brand remains highly bifurcated. Land Rover continues to have loyal customers, high grosses and excellent fixed operations, while Jaguar remains a drag. Inventory also remains short, which limits volume but helps dealers hold margin on the desirable Land Rover products.

The Land Rover side of the business is the only reason buyers care about this franchise. The Range Rover remains one of the high-grossing vehicles for sale in the industry, with a loyal customer base and strong service retention. The Defender also continues to have a strong following. Dealers who have the right mix of Range Rover, Range Rover Sport and Defender inventory can still generate excellent profits, even in a lower-volume environment.

Jaguar is a different story. There is little to no Jaguar inventory on the ground, and the future of the brand remains uncertain. Dealers are frustrated that they invested in facilities for a brand that is now in transition. Many dealers have now resigned their Jaguar franchises, but it’s not clear if they have been given their increased allocation of Land Rovers as compensation.

Tariffs are another challenge. JLR has no U.S. production, leaving the brand exposed to import costs. UK-built vehicles receive a 10% U.S. tariff up to the first 100,000 units annually, with vehicles above that quota subject to the 25% auto tariff. That may pressure factory support, pricing and consumer demand, particularly outside high-income markets.

Buyer demand remains healthy as they see a franchise with high grosses, loyal customers and strong fixed operations. **Same multiple range: 6.25x-7.25x.**



Audi

Audi sales declined 30.0% in Q1 2026 compared to Q1 2025, the third-steepest drop among the brands we track. Dealership profits remain depressed, with weak new vehicle volume, limited front-end gross and widespread frustration from recent technical and software issues. Several dealers tell us those issues are largely fixed, but the brand has not yet rebuilt the momentum it lost.

Tariffs have also been a problem, though not always in the obvious way. Dealers tell us tariffs did not dramatically raise vehicle prices in 2025, but they pulled dollars away from marketing and incentive support. This pullback has weakened pricing competitiveness, a tough blow for a franchise already fighting BMW, Mercedes-Benz and Lexus in a crowded luxury segment. One dealer said consumer complaints have been far higher at Audi than at BMW or Mercedes-Benz, which makes it harder to win back traffic without more factory support.

The product pipeline is the main reason dealers are holding onto hope. Audi has several new or refreshed products arriving in the near-term, including recent launches of the redesigned A5 and Q5,

two critical volume drivers for the brand, as well as an upcoming Q9 flagship SUV aimed at North America. Dealers are hopeful the new product cadence will help Audi rebuild market share, but they also acknowledge the next several quarters could remain difficult. For now, many stores are leaning on pre-owned vehicles and fixed operations to protect earnings.

The change in leadership at Audi of America is being viewed positively. Vito Paladino, who previously led Audi Canada, became President of Audi of America and Head of Audi North America in April. Dealers who know him describe him as respected, energetic and focused on improving the U.S. business.

Audi remains challenging but some buyers see the present environment as an opportunistic entry point before the product cycle improves. Others remain cautious, viewing Audi as a franchise with Land Rover-like complexity but without Land Rover-like grosses. Audi needs better volume, fewer customer pain points, and better relations with its dealers to increase buyer confidence. **Same multiple range: 4.0x–5.0x.**



Cadillac

Cadillac sales declined 25.5% in Q1 2026 compared to Q1 2025, one of the steepest drops among the brands we track. The comparison was always going to be difficult given Cadillac's EV-driven lift last year, but the decline also reflects a franchise working through a major product transition. The Escalade remains the profit engine, while much of Cadillac's sedan and crossover lineup is in flux as GM rebalances production between ICE and EV products.

Dealer feedback on the brand is mixed, but not bearish. Cadillac remains healthy in certain markets, particularly major metros and California, where luxury demand and EV adoption run deeper. The Escalade remains a fantastic product, and dealers want more of them. One large Cadillac dealer told us they essentially have one vehicle to sell, but they sell every single one for a healthy profit. That comment encapsulates both the appeal and the risk of the franchise today.

Dealers note that Cadillac's lineup is going through a major transition: the XT4 and the XT6 have been discontinued in North America, the current CT5 is expected to end after the 2026 model year before returning in next-generation ICE form, and the XT5 appears to be continuing longer than many expected. At the same time, GM appears to be reducing EV production and shifting capacity back toward ICE vehicles. That may prove to be the right move, but it raises questions about Cadillac's future product plans after leaning heavily into EVs. Some EV buyers were payment shoppers attracted by lease programs and incentives and may not have been long-term Cadillac loyalists.

There is still buy-sell interest in Cadillac. We are seeing some buyers use the franchise as a relatively affordable entry point into the luxury segment. But other buyers are underwriting carefully. Cadillac has brand strength, an excellent Escalade franchise and upside in the right market, but it needs better product cadence and

a more balanced powertrain strategy to lift confidence beyond its top-performing stores. **Same multiple range: 3.25x–4.25x.**



Volvo

Volvo sales declined 31.9% in Q1 2026 compared to Q1 2025, the weakest performance among the brands we track. Dealer feedback is market-dependent. Dealers in markets with customers that like hybrids and EVs are doing OK. Those that prefer ICE powertrains are struggling.

Volvo's primary issue is its product mix. Dealers believe the brand became too EV-heavy, and Chinese ownership does not help perception in today's geopolitical and tariff environment. Plug-in hybrids were hot for a period, but demand has cooled. EVs also performed better when federal incentives were available, but momentum faded after those incentives expired last September. Volvo is a high-lease-penetration brand, which can help move volume, but several dealers say some markets rely too heavily on brokers and low-margin lease deals. That may support reported sales, but it can damage brand health and dealer profitability in the long run.

Dealer confidence in the factory is mixed. The new CEO has talked about growth, but dealers tell us they have not yet seen a plan that gives them confidence in the next two or three years. Many expect a painful near-term stretch while the product mix and retail strategy are recalibrated. That said, Volvo has become aggressive on lease incentives and financing, undercutting key rivals like M-B and Lexus by 1.0–3.0%, which could provide some tailwinds.

From a buy-sell perspective, Volvo is increasingly viewed as a tuck-in franchise rather than a standalone target. Buyers may take a Volvo store as part of a larger package or consider it as an entry-level luxury acquisition if the price is right. Long term, the brand still has attractive qualities: affluent customers, decent fixed operations, safety credibility and some loyal owners. The franchise needs better product balance and a clearer growth plan for buyer interest and dealer sentiment to improve. **Same multiple range: 3.0x–4.0x.**



Acura

Acura sales increased 5.2% in Q1 2026 compared to Q1 2025, a better result than the overall market and a welcome sign for a franchise that has been underperforming the market for years. Dealers are making money, but much of that profit appears to be coming from used vehicles and fixed operations rather than new vehicle momentum. The model-level data shows a mixed quarter, with the Integra and the MDX helping the comparison, while overall volume remains too low for most buyers to get excited about the franchise.

The challenge with Acura is not that customers dislike the brand. Acura still has a loyal owner base, and many customers associate it with Honda's reputation for quality and reliability. The issue is product depth. Dealers continue to wonder why Honda does not

allocate more resources, product development and marketing energy to Acura. Honda has one of the most respected retail networks in the industry, yet Acura has struggled to become a meaningful player in the luxury market. Acura needs broader product, more consistent marketing and a better reason for customers to choose it over Lexus, BMW, Mercedes-Benz, Cadillac or even well-equipped Honda models. Until then, Acura will remain a franchise with loyal customers and some earnings stability, but limited excitement.

From a buy-sell perspective, we rarely hear buyers say they are specifically looking to acquire an Acura store. More often, buyers will take Acura if it comes as part of a larger group transaction, especially when paired with stronger franchises. That does not mean Acura stores cannot make money. Well-run locations with good used vehicle processes, strong service retention and disciplined expense structures can generate acceptable profits. But the brand is not currently pulling buyers into the market on its own. **Same multiple range: 3.0x-4.0x.**



Lincoln

Lincoln sales declined 0.5% in Q1 2026 compared to Q1 2025, essentially flat in a market that was down 6.2%. At the model level, Aviator was the bright spot, up 31.4%, while Navigator increased 6.5%; Nautilus declined 11.4% and Corsair fell 14.3%, which matters given the brand's already narrow lineup.

The broader Lincoln story remains frustrating. Dealers generally agree that Lincoln makes nice products, particularly the Navigator, which continues to compete well in the full-size luxury SUV segment. But there has been little meaningful innovation or lineup breadth improvement for years, and dealers do not feel like Ford has made fixing Lincoln a priority. The upcoming loss of the Corsair creates another hole at the lower end of the lineup, while the Nautilus remains a complicated story given its China production and associated tariff exposure. The Nautilus has been one of Lincoln's most important volume drivers, so any disruption to pricing, supply or consumer perception can lead to a tangible impact.

Lincoln's network size reduction remains one of the more important developments around the franchise. Fewer dealers will help funnel demand to the remaining dealerships, which will help them to pay for some of the expensive new Lincoln facilities that have been built in recent years.

Lincoln stores in the right markets can still generate solid earnings, but the brand needs more than a nice Navigator to become broadly attractive again. Without a clearer product plan, more affordable entry points and greater focus from Ford, Lincoln will likely remain a niche franchise: valuable in the right market and with the right operator, but difficult otherwise. **Same dollar-value range: \$0M-\$2M.**



INFINITI

INFINITI sales declined 3.2% in Q1 2026 compared to Q1 2025, but recent dealer feedback indicates that brand sentiment may be at its highest point in recent memory. That may sound surprising given how far the franchise has fallen, but dealers believe the brand finally has the right management in place and, after several difficult years, has little downside left if the product pipeline arrives as expected.

The QX65 is the main reason for the recent optimism. Dealers expect it to arrive in showrooms this summer, built in Smyrna and priced around \$55,000. If that pricing holds, the QX65 could become a real volume driver and give INFINITI a much-needed entry in a segment where vehicles like the Lexus RX and Genesis GV80 have done well. Dealers also believe a hybrid mid-size SUV could arrive in 2027 or 2028, potentially based on the next-generation Nissan Rogue architecture.

The QX80 is doing reasonably well and remains the brand's current anchor. Dealers are also excited about future QX80 variants, including a sport-oriented, higher-performance version reportedly targeting the Escalade-V, BMW M and Mercedes-AMG customer. Concepts being discussed include outputs around 700HP and even 1,000HP, although pricing remains uncertain. If executed well, this could give INFINITI a performance story it has lacked for years.

Dealers are also pleased with the new facility image program. Unlike prior image programs, this one is optional and appears more cost-effective than IREDI 3.0 facilities.

INFINITI is trying to climb from a deep trough. The brand has a thin lineup, low throughput and a damaged reputation with many buyers. But dealers now see upside instead of just survival. New product, better management, a more practical facility plan and a potentially stronger QX80 strategy are giving retailers reasons to believe INFINITI may finally be turning a corner. **Same dollar-value range: \$0M-\$2M.**

MID-LINE IMPORT FRANCHISE BLUE SKY MULTIPLES



Toyota

Toyota sales increased 0.3% in Q1 2026 compared to Q1 2025, adding some growth to a positive first quarter last year. Toyota remains the most in-demand mass-market brand. Toyota led many key rankings in NADA's Winter 2026 Dealer Attitude Survey, including the 2nd highest optimism score, just behind Lexus. Dealers continue to praise the product lineup, their relationships with the factory, and the high and consistent profits they are making at their stores.

The product lineup is in excellent shape. The new 4Runner has been well received, the Camry and the Corolla remain dependable volume drivers, and the new RAV4 is extremely hot, with dealers unable to keep enough units in stock. The Land Cruiser has shown some softness, but not enough to change the overall tone around

the brand. The Supra is being sunset, but it was a low-volume halo car, so dealers are not overly concerned. We have also heard that Toyota may bring back a next-generation Supra developed in-house rather than through the prior BMW collaboration.

Toyota's decision to stick with ICE and hybrid powertrains was a well-documented success compared to other OEMs who have written off tens of billions of dollars on failed EV products. But, surprisingly, many of Toyota's upcoming products are now EVs! Dealers are watching the upcoming EV launches carefully so they don't get stuck with the same slow-moving products that hurt profits at competing dealers.

With high throughput, scarce inventory, loyal customers and excellent fixed operations, Toyota remains the benchmark franchise for most mass-market dealers and one of the hardest brands to acquire. **Same multiple range: 6.75x-8.50x.**



Honda

Honda sales declined 5.1% in Q1 2026 compared to Q1 2025. Despite the dip, the brand appears to be gaining traction with hybrids, with Q1 2026 reportedly marking the best quarter ever for Honda hybrid models. The hybrid versions of the CR-V, the Accord and the Civic are giving Honda dealers exactly what customers want right now: fuel efficiency, reliability and familiarity without the worries of full EV adoption.

Dealer feedback on Honda remains positive. Grosses are down a bit, but not enough to change the overall narrative. Dealers are still doing well, and fixed operations remain one of the strongest parts of the franchise. Honda's large units-in-operation base, high service retention and reputation for durability continue to support service and parts profits.

The biggest strength of Honda may be customer loyalty. Almost every dealer we speak with mentions it. Outside of a few luxury brands, Honda and Toyota likely have the most loyal and repeat buyers in the industry. That loyalty gives dealers a durable base of new vehicle demand, trade-ins, used vehicle opportunities and fixed operations work. Honda may not always be the most exciting franchise, but it is simple to operate, trusted by consumers and built on repeat business. That combination remains highly attractive to active dealers and prospective buyers. **Same multiple range: 6.0x-7.0x.**



Subaru

Subaru sales declined 15.0% in Q1 2026 compared to Q1 2025, a tough start for a brand that is working through a transition. Product cadence is a concern. Dealers say the lineup feels stale, with the Ascent especially aged, and they would like more hybrid options. Subaru has two hybrids in the lineup, but dealers still see the lack of broader hybrid availability as a disadvantage. Fixed operations remain strong, helped by Subaru's loyal customer base and an aging body of UIOs, but new vehicle momentum needs help from product refreshes.

Dealers remain positive on Subaru over the long term, but the tone has changed from two or three years ago. The product lineup is aging, volume is down, and the factory relationship, while still good, is not viewed as quite as special as it used to be.

A new challenge for some dealers is the push from Subaru to upgrade facilities at the same time sales are under pressure. Many Subaru stores had gone years without a major facility expansion and/or upgrades, so older stores are now undersized for today's planning volume, especially in urban markets. Dealers who are committed to the brand say the investment can be a no-brainer because upgraded stores can make good money. But dealership buyers should expect facility requests during buy-sell applications, and that capex can pressure valuations versus where Subaru stores traded a few years ago.

Despite these issues, Subaru is still a strong and in-demand franchise. Customer loyalty remains among the best in the industry, the operating model is straightforward, and many dealers still trust the factory. Despite some deterioration, most dealers still believe the relationship with their OEM is healthier than with most other brands. The near term may be choppy as dealers absorb facility investments and wait for fresher product, but the long-term outlook remains solid, particularly for well-located stores with strong service retention. **Same multiple range: 5.5x-6.5x.**



Kia sales increased 4.1% in Q1 2026 compared to Q1 2025, setting the highest first quarter sales total in the company's history. That is an impressive result given the tough comparison against Q1 2025. The Telluride was the standout, with sales up roughly 20% year-over-year, while the Sportage and the Carnival also performed well. The Carnival was named a "Best Minivan for Families" for 2026 models, and the introduction of turbo-hybrid powertrains should help Kia stay aligned with where consumer demand is moving.

Dealer feedback on Kia remains very positive. Grosses have come down somewhat, but that is true across much of auto retail. Kia dealers are still making good money, and fixed operations are becoming a larger part of the story as units in operation increase from the brand's strong sales growth over the past several years. Kia is no longer just a new vehicle story. It is developing a larger owner base that should support service, parts, F&I and repeat sales over time.

The comparison between Kia and Hyundai remains interesting. Consumers often view the two brands as similar in quality and value, but Kia tends to attract a somewhat younger buyer looking for sportier styling and design, while Hyundai can skew more traditional and comfort-oriented. In our conversations with dealers, the store-level financial performance of the two franchises can be fairly similar. The buy-sell market, however, treats them differently.

The reason appears to be the OEM relationship. Kia dealers generally speak favorably about factory management, communication and the direction of the brand. That stands in contrast to what we often

hear from Hyundai dealers. As a result, demand for Kia franchises remains stronger, even though the two brands share many product and quality advantages in the eyes of consumers. Kia's product is working, the dealer body is happy, and the franchise continues to gain respect from buyers. **Same multiple range: 4.50x-6.00x.**



Hyundai / Genesis

Hyundai-Genesis sales increased 1.2% in Q1 2026 compared to Q1 2025, a strong result considering the difficult comparison against last year's tariff-related pull-forward. Hyundai is also celebrating its 40th anniversary in the U.S. this year, and the brand

has come a long way. Consumers now view Hyundai as a quality brand, a significant evolution from where it stood 20 years ago.

The model-level data shows some healthy pockets of demand, particularly around Hyundai's crossover and electrified lineup. Hyundai has been pointing to hybrid and electric momentum, although dealers we spoke with remain more cautious. They like the volume, but some worry about residual values, pricing support and whether EV demand can hold up without heavier factory assistance.

The most interesting comparison remains Hyundai versus Kia. Consumers increasingly view the two brands as interchangeable, and their product quality, design and value proposition have both improved dramatically. We also hear from dealers that store-level financial performance can be fairly similar. But in the buy-sell market, demand for Kia franchises is much stronger than demand for Hyundai franchises. The delta is driven by OEM-dealer relations and the ongoing wave of facility image demands. Almost every Hyundai dealer we spoke to described their relationship with the factory as "difficult."

Genesis products are attractive and they can compete well against established luxury brands. But the franchise is still trying to find its footing, and some operators are questioning the economics of standalone Genesis points. Some dealers are giving points back, and others are wondering how long it will take until sales grow to the point where they can justify building a standalone facility for the franchise.

Hyundai remains a strong retail franchise with good products, growing consumer acceptance and solid sales performance. But dealer enthusiasm is held back by OEM relations and uncertainty around Genesis. Hyundai and Kia may look similar to consumers, but buyers in the dealership market are making a distinction, and that distinction manifests in the brands' respective multiples. **Same multiple range: 3.75x-5.25x.**



Mazda

Mazda sales declined 14.4% in Q1 2026 compared to Q1 2025, a softer quarter for a brand that had been gaining momentum in recent years. Some of

the decline appears tied to tougher comparisons and inventory timing, as Mazda carried more supply into last year when tariff concerns first began hitting the market. Dealers are still positive on

the franchise, but Mazda feels a little less perfectly positioned than it did a few years ago.

The brand continues to push toward a near-luxury position, and dealers generally like the direction, exhibited through Mazda's improved NADA Winter 2026 Dealer Attitude Survey results. The upcoming CX-5 looks premium and should help bring new attention to one of Mazda's most important nameplates. Dealers also report that Mazda has one of the best margin programs in the industry, and the factory relationship remains very strong. Mazda's image program is also viewed favorably, with the OEM telling dealers that Mazda stores generate one of the best profit improvements after image upgrades.

Mazda is currently navigating several challenges in the U.S. market. The OEM still has lower market share than its Japanese peers, and its product portfolio is lagging competitors like Hyundai and Kia, particularly in powertrains. The lack of EV and hybrid product has become more noticeable, though dealers expect help from upcoming launches, some of which are tied to its partnership with Toyota. Mazda has tariff exposure because several key U.S. models are imported, but the CX-50 gives the brand an important domestically produced anchor.

Fixed operations remain solid, and customer loyalty appears to be improving. The factory still has soft representation in certain markets, which should create room for growth over time. From a buy-sell perspective, many Mazda stores come to market as a part of a larger group. Owners like the factory relationship, dealer margin structure and upward brand positioning, but lower market share, narrow powertrain options and macro exposure keep valuations below its Japanese peer group. **Same multiple range: 3.75x-4.75x.**



Nissan

Nissan sales declined 7.7% in Q1 2026 compared to Q1 2025, and dealer performance remains highly uneven. Some Nissan dealers are doing well, while

others are struggling to hit stair-step targets that many describe as unrealistic. The brand has affordable vehicles, which should be an advantage in this market, but those vehicles are not generating enough gross for many retailers. But the OEM is signaling that its turnaround is underway. According to a recent release from Nissan, it was the fastest growing mainstream automotive brand in the U.S. in their fiscal year ended March 31st and reported a 19.6% year-over-year increase in retail market share over that period.

Dealership performance can vary widely. Dealers who chase the factory objective in order to qualify for OEM money have to discount their cars heavily. In some months they hit their stair-step program and can do pretty well. But if they miss their objective they can suffer badly due to high advertising expense and low front end grosses. Dealers who ignore the objective, hold gross where they can, and lean harder into used vehicles and fixed operations are more likely to make a profit. This has become the modern survival strategy for Nissan dealers: used vehicles, service and expense control first; new vehicle volume second.

There is some growing optimism in the market. Dealers believe the brand is finally moving in the right direction, and some non-Nissan operators are now looking at stores because they see upside in the product pipeline. The upcoming e-POWER Rogue Hybrid, expected toward the end of 2026, is the most important near-term product. Dealers also like the broader pipeline, even if it is arriving later than many would prefer. New product should help balance the new vehicle department and give retailers a better shot at earning acceptable front-end gross.

The OEM still has work to do. Nissan's financial health is recovering, but inventory levels are high, and production needs to be better aligned with demand. Dealers also want sales targets that reflect market reality rather than market share ambitions. For now, Nissan remains a speculative franchise. More aggressive buyers may see an attractive entry point, particularly if they are strong in used vehicles and fixed operations. Larger groups, however, are likely to remain hesitant. Nissan today may be better-suited to owner-operators, who are better equipped to navigate the shifting monthly requirements of running a profitable Nissan store. Larger groups, on the other hand, must divide their time across a number of different franchises, which makes it more difficult to hit variable monthly incentives that have a significant impact on store-level profits. **Same multiple range: 3.0x–4.0x.**

Volkswagen



Volkswagen sales declined 16.1% in Q1 2026 compared to Q1 2025, another tough quarter for a franchise that continues to struggle for footing in the U.S. Sales results amongst its models can vary widely. The Tiguan performed well following its redesign, while Volkswagen's EV lineup was hit hard; the ID.4 and the ID. Buzz both saw steep declines, and Volkswagen has paused U.S. production of the ID.4 at Chattanooga as it shifts capacity toward the Atlas and Atlas Cross Sport.

Dealer sentiment remains poor. Volkswagen dealers want hybrids, trucks and more market-relevant products, but these wishes are falling on deaf ears. Dealers found themselves highly frustrated coming out of the brand's recent NADA meeting. According to attendees, this meeting was contentious, with concerns focused on weak U.S. sales, lack of hybrid offerings and Scout's plan to sell directly to consumers outside the VW dealer network. Dealers across the country are actively suing Volkswagen over its Scout brand, alleging the company is violating state franchise laws.

The brand may also be difficult to understand for consumers. It has some nice products, like the Atlas which has an exterior and interior that looks much like an Audi, its upscale cousin. But the "fun and cool" new product introduced in 2025, the ID. Buzz, sold so poorly that VW did not produce a 2026 model. VW's roots are in nicely designed and inexpensive products that sell in large volumes. It has no such product today.

From a buy-sell perspective, Volkswagen is increasingly difficult as a standalone franchise. Many dealerships are losing money, so they often don't sell using the traditional blue sky multiple

methodology. We see limited demand unless the store is attached to a group or is being pursued by an operator with strong used-vehicle capabilities. In some cases, a VW point can hurt overall deal value if buyers view it as a drag on earnings or management attention. Volkswagen needs to shrink its U.S. dealer body to better match today's volume and improve throughput for remaining retailers. Until the factory delivers more compelling products and repairs dealer confidence, VW will remain one of the lowest value franchises. Due to years-long challenges, buyer reluctance, and recent experience marketing these franchises, Volkswagen has been downgraded from a blue sky multiple range to a dollar-value range. It's sad to see this mighty OEM allow its flagship brand to fall to such a low level. **New dollar-value range: \$0M–\$5M.**

DOMESTIC FRANCHISE BLUE SKY MULTIPLES



Chevrolet

Chevrolet sales declined 7.9% in Q1 2026 compared to Q1 2025, but dealers remain highly positive on the franchise. The year-over-year comparison was unfavorable given abnormal Q1 2025 sales velocity, and the bigger issue appears to be supply rather than demand. Chevrolet dealers describe inventory as tight across important components of the lineup, with production of key models limiting sales in several markets.

The model-level data was mixed. The Silverado held up reasonably well despite growing increasingly dated, while the Traverse was a bright spot and benefited from strong consumer reception. On the other hand, some of Chevrolet's smaller crossovers and EV models declined, reflecting both tough comparisons and a market that remains highly sensitive to affordability, incentives and powertrain mix.

Dealers are generally happy with Chevrolet's product portfolio. The brand has one of the broadest lineups in the industry, stretching from affordable entry points like the Trax and Equinox to higher-grossing trucks and SUVs like the Silverado, Tahoe and Suburban. We hear very few complaints about dated product outside of the Silverado, and even in that case, the truck continues to sell well with factory support. If managed well and located in the right market, Chevrolet can be both a high-volume and high-gross-margin franchise.

Affordability in our industry remains an issue, but Chevrolet is better positioned than many other franchises because it still offers products at attainable price points. That matters as many consumers are being pushed out of the new vehicle market by higher rates, higher insurance costs and higher average transaction prices. Dealers believe Chevrolet has momentum because it can serve both payment-sensitive customers and truck/SUV buyers who are still willing to spend.

The biggest frustration is inventory. For decades, many Chevrolet dealers were accustomed to carrying plenty of ground stock. The current environment is quite different. Dealers have now operated

with relatively light inventory for much of the post-COVID period, and many say they could sell more units if they had the right vehicles available. This is especially true in strong Chevrolet markets where truck, SUV and commercial demand remain healthy.

Chevrolet's EV strategy also appears to be shifting in a more dealer-friendly direction. GM has pulled back on some EV volume ambitions and is reallocating more production attention toward ICE products, which is where Chevrolet dealers continue to see the strongest demand and profit opportunity. Dealers generally view this as the right move. They want the factory focused on vehicles customers are ready to buy today, not just vehicles designed to satisfy a regulatory or investor narrative.

Overall, Chevrolet feels stronger than its Q1 sales performance suggests. We are hearing more positive comments about Chevrolet from its dealers than we can recall in many years. "They are actually listening to us now," some say. Dealers like the product, customers still know and trust the brand, and the franchise can produce attractive profits in the right market. If Chevrolet can improve inventory availability without returning to the bloated supply levels of the past, dealers should be positioned for another healthy year. **Same multiple range: 3.75x-4.75x.**



Buick-GMC

Buick-GMC sales declined 9.8% in Q1 2026 compared to Q1 2025, but that figure does not match the tone we are hearing from dealers, which is quite positive. Dealers like the product and the direction of the brands and feel that GM is paying more attention to their input than in the past.

Buick is being pulled in two directions. The Envista and the Encore GX are doing very well and are bringing new customers into showrooms with attractive styling and attainable price points. The Envision, however, is a problem. Since the model is built in China, tariffs have made its economics difficult and could limit its contribution unless GM finds a better sourcing solution. One dealer told us that Buick has now become a favorite brand for women and the brand is now skewing younger which is a good trend for brand retention.

GMC remains a growing profit engine for GM and its retail partners. Dealers continue to be bullish on Denali and AT4, which have lifted transaction prices and helped separate GMC from more mainstream truck and SUV alternatives. We hear that in some stores, GMC PVRs can be close to double those of comparable Chevrolet products, with Denali units turning faster and generating more gross.

The March dealer meeting appears to have helped confidence. One 40-year dealer told us it was the first time he felt the factory was truly listening. Dealers are also excited about the future product pipeline, including a redesigned Sierra expected in early 2027. A new Buick-GMC image program was recently introduced as well. It is optional today, but dealers wonder how long that

optionality will last. The new image is glass-heavy and could be expensive, particularly for lower-volume stores.

Overall, the mood around Buick-GMC is unusually upbeat. Buick has affordable products that are working, GMC has premium trucks and SUVs that customers want, and dealers feel more valued by the factory. Between these positive trends and proof in the market via excellent multiples achieved for these franchises recently, the Buick-GMC multiple has been upgraded. **Increased multiple by 0.25x on low and high end of range: 3.75x-4.75x.**



Ford

Ford sales declined 9.1% in Q1 2026 compared to Q1 2025, a soft start after a strong 2025. The biggest model-level issue was F-Series, which fell 16.0%, a significant decline for the most important profit center in the Ford network. Escape sales were also down sharply as the model winds down, while Explorer, Expedition, Ranger and Mustang posted gains.

The biggest concern we hear from Ford dealers is affordability. Most dealers have now sold through Edge inventory, and Escape is disappearing from the lineup, leaving Ford with a thinner set of affordable options at the exact moment consumers are most payment-sensitive. Dealers are trying to move Escape buyers into Bronco Sport, but that conversion is not always easy. The products appeal to different customers, and many Ford dealers are worried that too much of their future volume will need to come from vehicles priced above \$40,000. The impact varies by geography. Truck-heavy regions remain better positioned, while Northeast and other SUV/car-oriented markets are feeling the loss of lower-priced models more acutely.

Inventory is also an issue, particularly in pickups. Dealers continue to feel the impact of the Novelis aluminum plant fire, which has constrained both light-duty and Super Duty truck supply. That shortage is affecting retail and fleet, although fleet and commercial demand remain strong. Ford Pro remains a unique component of the franchise, offering attractive fixed operations potential, but some dealers say the Ford Pro Elite opportunity has not yet lived up to expectations.

Fortunately, there is some fresh optimism in the market. Ford's employee-pricing announcement has been well received, and dealers are already reporting better traffic and sales. Dealers also believe Ford is listening more closely to the network and is working to deliver future products that are more affordable and better aligned with consumer demand. The next couple of years may be tricky as Ford works through the loss of Edge and Escape, the pickup shortage, and affordability pressure, but most dealers still believe Ford stores can have a good year thanks to commercial strength, service, truck demand and improving factory engagement. **Same multiple range: 3.5x-4.5x.**



Stellantis

CDJR sales increased 4.8% in Q1 2026 compared to Q1 2025, one of the better performances among the brands we track. That is a welcome

change for a franchise that has been under pressure for several years. Overall, Stellantis may have turned the corner and begun its comeback. Dealer feedback remains highly bifurcated, however. Some operators are profitable, encouraged by recent progress and excited about the future. Others remain frustrated by execution, factory communication and the pace of improvement. In NADA's Winter 2026 Dealer Attitude survey, scores trended positively on nearly every question, with Ram and Jeep achieving the greatest gains.

The healthiest dealers appear to be those with disciplined expense structures and a good base of truck and Jeep customers. Regional performance varies quite a bit. In some markets, CDJR stores are still making money, and owners see an attractive upside story. In others, high inventory costs, quality issues and inconsistent factory support continue to weigh on results. This is increasingly a brand of "haves" and "have nots."

Dealers generally agree that focusing more attention on Jeep and Ram is the right strategy. These are the modern pillars of the franchise and offer the products most likely to bring customers back into showrooms. The Cherokee has not yet taken off in volume, but dealers are happy to have the nameplate back. On the Ram side, retailers are relieved that most half-ton trucks impacted by the recent recall and stop-sale issues have now been fixed and are saleable. Getting those units back into inventory should help near-term volume and profitability.

Frustration remains with the factory relationship. Some dealers say that every time the brand appears to make progress, another issue emerges. Others feel Stellantis has been too focused on floorplan support and inventory management rather than putting vehicles in customers' driveways. Dealer relations are still weaker than they should be for a domestic franchise, and several dealers believe the executive team needs to become more polished and more responsive.

There is some curiosity around Stellantis recruiting a new head of sales from Hyundai. Dealers hope fresh thinking helps, but some worry he may be limited in what he can actually change. CDJR appears to be turning the corner, albeit inconsistently. The franchise has pockets of profit, a few better product stories and some improving momentum. But the turnaround is still uneven, and dealers will need more consistent execution before confidence broadly returns. Many CDJR stores have been trading hands as some dealers have grown tired of enduring losses, while buyers see an opportunity to buy a major franchise at a discounted price. **Same multiple range: 3.0x-4.0x.**

**FRANCHISE BLUE SKY MULTIPLES/VALUES:
AT A GLANCE**

	9.0X-10.0X		3.75X-4.75X
	8.0X-10.0X		3.75X-4.75X
	8.0X-9.0X		3.5X-4.5X
	7.5X-9.0X		3.25X-4.25X
	6.75X-8.50X		3.0X-4.0X
JLR	6.25X-7.25X		3.0X-4.0X
	6.0X-7.0X		3.0X-4.0X
	5.5X-6.5X		3.0X-4.0X
	4.5X-6.0X		\$0.0-5.0M
	3.75X-5.25X		\$0.0-2.0M
			\$0.0-2.0M
	3.75X-4.75X		

MARKET HIGHLIGHT: FLORIDA

A Premium Market Where Scarcity Drives Value

Florida ranks among the top three states in the nation by total franchise rooftops, yet when measured by transaction frequency as a share of available stores, it falls closer to 31st. That gap is not a market inefficiency. It is an owner advantage.

3.1% Annual Transaction Rate

Low dealership turnover continues to limit acquisition opportunities across Florida.

29 YEARS Average Hold Period

Florida owners hold dealerships longer than the national average, underscoring market desirability.



Florida Dealerships Rarely Come to Market

Owners hold them. That scarcity means buyers competing to enter one of the country's largest, fastest-growing automotive markets must pay a premium to do so, and sellers are the direct beneficiaries of that dynamic. When a well-positioned Florida store does come to market, buyers know they may not see another opportunity like it for years. That urgency drives value.

The data bears this out in real transactions. Haig Partners has seen Florida stores command multiples well above national averages. This is not an anomaly, but a pattern. Certain brands carry disproportionate market share in Florida relative to their national footprint, making those franchises even more strategically attractive to buyers who want that brand in this market. For sellers, timing aligned with that buyer demand has translated directly into stronger outcomes.

FLORIDA MARKET RANKINGS

- #2** Sales per Franchise
- #3** Most Franchise Dealerships
- #3** New Vehicle Registrations
- #3** Population
- #3** Used Vehicle Registrations
- #4** GDP

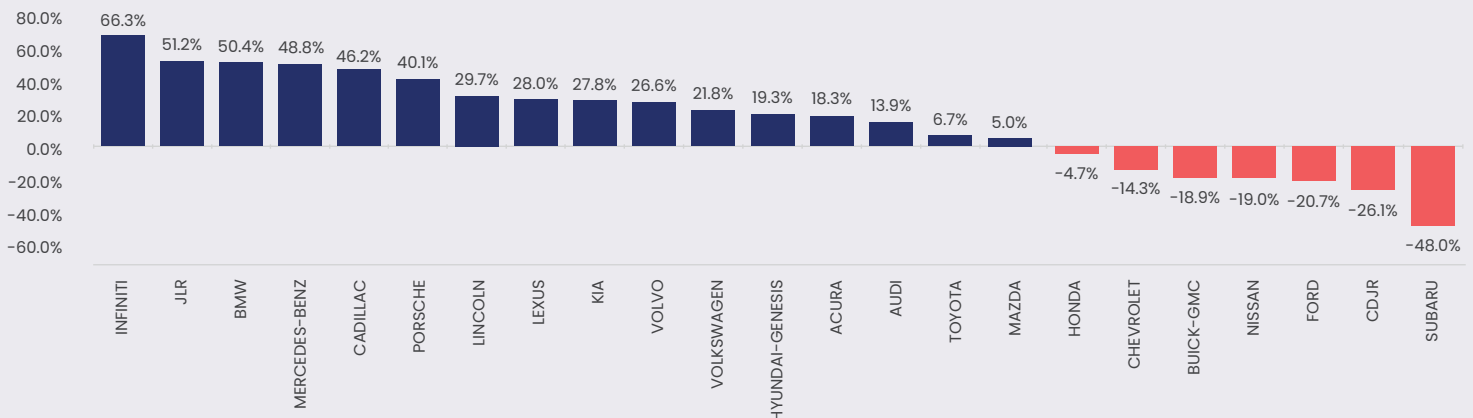
Source: U.S. Census Bureau, Automotive News, Haig Partners

LUXURY & IMPORT BRANDS OUTPERFORMING IN FLORIDA



FLORIDA MARKET SHARE VS. NATIONAL AVERAGE

(Florida market share % / National market share %)



Source: Haig Partners & Experian

Headquartered and Homegrown in Florida

The team at Haig Partners knows the Florida market better than any other buy-sell advisors. We are headquartered in Florida. About 80% of our team lives in FL and more than 40% of our team was born in FL. We have the greatest experience in the number of dealerships that have been bought and sold in FL, and our team set records for the highest blue sky amounts ever paid for five brands, all located in FL. That experience pays off for our clients. We know the most motivated buyers who want to grow in FL and how to help them Maximize the Value of Their Lives' Work.

98 Dealerships Bought or Sold in Florida

Our Team
~50% Born in Florida | **~80%** Lives in Florida

The Only Firm
HEADQUARTERED IN FL

HAIG PARTNERS ADVISED ON THE LARGEST GROUP TO SELL IN FLORIDA



Exclusive Sell-Side Advisor

"Alan Haig and the team at Haig Partners conducted a highly professional sale process that drew attractive offers from several of the largest dealership groups in the country. They knew how to describe the potential of South Motors and Vista Motors, had deep relationships with the buyers that would be most interested and worked with us on a daily basis to resolve open items all the way up to the closing day."

-Jonathan Chariff, CEO & Corporate Director: South Motors, Vista Motors

HAIG PARTNERS RECORD-SETTING TRANSACTIONS IN FLORIDA

Highest price paid for
BMW FRANCHISE



Highest price paid for
TOYOTA FRANCHISE



Highest price paid for
HONDA FRANCHISE



Highest price paid for
KIA FRANCHISE



Highest price paid for
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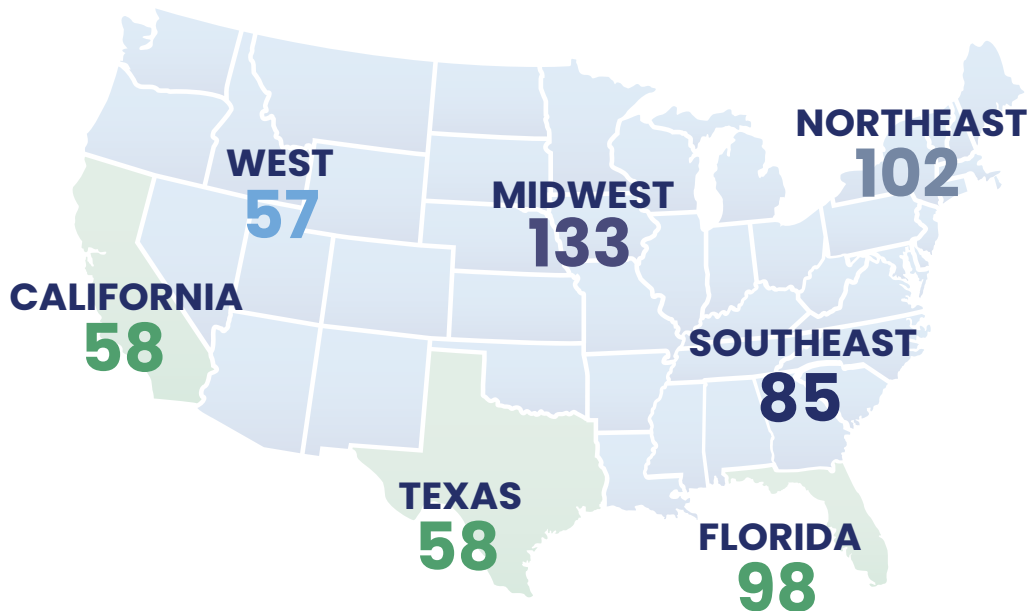
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