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MAXIMIZING VALUE FOR DEALERS™

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DEALERSHIP M&A CLIMBS 14.3% AND HAIG PARTNERS IDENTIFIES HONDA AS ONE OF TODAY'S MOST ATTRACTIVE ACQUISITION OPPORTUNITIES

In addition, in the Q2 Haig Report®, Haig Partners introduces a new Franchise Horsepower Index™ measuring franchise-level new-vehicle economics, finds buyers completing larger transactions and concentrating capital on premium franchises, and identifies Honda as one of today's most attractive acquisition opportunities.

Fort Lauderdale, FL, August 19, 2026 - The U.S. auto dealership buy-sell market accelerated during the first half of 2026 as well-capitalized buyers pursued larger groups, premium franchises and dealerships in high-growth markets, according to the newly released Q2 2026 Haig Report® from Haig Partners LLC, a leading buy-sell advisory firm to franchise auto retailers.

The number of dealerships acquired increased 14.3% in the first half of 2026 compared to the same period in 2025, while the number of transactions increased just 3.2%. Consolidators are buying more dealerships per transaction and deploying substantial capital into the franchises and markets they believe offer the best long-term returns. Five transactions involving five or more dealerships were completed during the first half of 2026, compared to none during the same period last year.

Dealership values remain well above historical norms. Haig Partners estimates that the average blue sky value of a publicly owned dealership was $18.2 million for the twelve months ended Q2 2026, essentially unchanged from the first quarter of the year and more than twice the $8.3 million average recorded in 2019. The figure is down modestly from $19.0 million in full-year 2025, reflecting softer dealership earnings, though a stronger average multiple offset much of that decline.

"There is still a tremendous amount of capital that wants to own dealerships, but buyers are becoming much more deliberate about where they put it," said Alan Haig, President of Haig Partners. "The largest groups are chasing premium luxury and import franchises in markets where they can grow for decades. Finding the buyer who values your business the most has never mattered more."

A FLIGHT TO QUALITY BY LARGE BUYERS IS RESHAPING DEALERSHIP M&A

The Q2 Haig Report® documents a meaningful shift in acquisition strategy among America's largest dealer groups.

Premium luxury franchises represented 36.1% of acquisitions by Top 20 dealer groups during the last 24 months, up from 22.8% during 2020 and 2021. Premium import franchises, including Toyota, Honda and Subaru, increased to 24.7% from 21.0%. Domestic franchises moved sharply in the opposite direction, falling from 28.7% of Top 20 acquisitions in 2020 and 2021 to just 15.1% during the last 24 months.

Domestic dealerships represented 48.3% of acquisitions by non-Top 20 groups during the same period, over three times the transaction share compared to Top 20 groups, showing how increasingly segmented the buyer universe has become.

California has also experienced a striking rebound, with dealership acquisitions up 76% during the first half of 2026 compared to the same period last year. The Southeast remains the country's most active region overall, supported by population growth and business-friendly markets.

That imbalance is also creating openings for other buyers. Reduced appetite among the largest groups for certain franchises is giving local and regional dealers a chance to acquire stores at prices that can generate attractive returns.

DEALERSHIP PROFITS REMAIN MORE THAN DOUBLE PRE-COVID LEVELS

Dealership earnings continue to normalize from post-pandemic highs but remain extraordinarily strong by historical standards.

Average dealership profits were approximately $1.1 million in Q2 2026, down 3.0% from Q2 2025 but still 119% higher than Q2 2019. New vehicle gross profit per vehicle retailed declined 15.8% year-over-year to $2,764. Used vehicle gross profit per vehicle retailed declined 2.0% to $1,634. Same-store fixed operations gross profit increased 2.3%, though that growth trailed inflation.

Despite softer earnings, average blue sky multiples have held firm, as strong buyer demand for desirable franchises continues to support dealership valuations.

Dealers are having to work harder for their profits than they did a few years ago, as new vehicle grosses come down and expenses remain elevated. Even so, the average dealership is still earning more than twice what it did before the pandemic, and operational discipline is becoming the difference-maker again.

TOYOTA AND LEXUS VALUES RISE; PORSCHE RANGE REDUCED

Haig Partners increased its estimated blue sky multiple ranges for Toyota and Lexus in Q2, reflecting continued buyer demand for both franchises, while reducing the top end of its Porsche range amid greater concerns about product, pricing, tariffs and facility requirements.

Toyota remains the highest-throughput franchise tracked by Haig Partners, averaging approximately 1,750 new vehicles per dealership annually, while Lexus averages 1,488, an unusually high figure for a luxury franchise.

INTRODUCING THE HAIG PARTNERS FRANCHISE HORSEPOWER INDEX™

Blue sky multiples get all the attention in a buy-sell conversation, and for good reason: they are the most direct read on what a buyer is willing to pay for a franchise. But a multiple is ultimately a market opinion. It reflects dealer sentiment, deal flow and scarcity as much as it reflects the underlying economics of the store. To measure those economics directly, Haig Partners built a Franchise Horsepower Index™: new vehicle throughput multiplied by average new vehicle transaction price, indexed to the market average of 1.00x.

New vehicle revenue is not the same thing as profit, but it is roughly 50% of a dealership's total revenue, and it is the engine that feeds every other department:

- **Used vehicles:** Trade-ins and lease returns are heavily influenced by new vehicle sales, so the index is a barometer for both the volume of vehicles a used vehicle department will see and the price range of the vehicles that return to it.
- **F&I:** Higher-priced vehicles support higher-dollar F&I products, which can offset the lack of volume compared to lower-priced, high-volume competitors.
- **Fixed operations:** Higher-throughput brands generate significantly more repair orders, but higher-priced brands can post significantly larger profit per RO, often more than offsetting the difference in volume.
- **Expenses:** Higher-throughput brands typically require a larger footprint, more employees and a bigger overall expense structure, one that only pays off if the volume is profitable enough to support it. Lower-volume brands need a smaller footprint and lower overhead, though that logic bends depending on factory facility requirements, since higher-priced brands often demand a higher investment per square foot than higher-volume, lower-priced brands.

The new vehicle department is the key driver for most dealerships, and dealers should weigh the economic opportunity of a franchise carefully against their strategic goals before buying in.

Blue sky multiples and the Franchise Horsepower Index™ move together more often than not: brands that generate more new vehicle revenue per store tend to command higher multiples too. But the exceptions are where the real story is.

Porsche and Nissan sit at opposite ends of the same trade-off. Nissan's new vehicle throughput is roughly 2.2x that of a Porsche store, but the average transaction price of a new Porsche is roughly 3.6x that of a new Nissan. Net those two factors together and the average Porsche store generates about 1.6x more new vehicle revenue than the average Nissan store, despite selling far fewer cars.

Four brands have managed to turn both dials up at once. Lexus, BMW, Toyota and Mercedes-Benz combine high throughput with high transaction prices, and it shows: all four post the top Franchise Horsepower Index™ scores in the industry, led by Lexus at 2.55x, BMW at 2.15x and Toyota at 2.03x, more than double the market average, with Mercedes-Benz at 1.75x. These are likely the most profitable franchises in nearly every market where they compete, a byproduct of OEMs that have managed dealer count with discipline while building vehicles that consumers are willing to pay up for.

For dealers, the Franchise Horsepower Index™ is a way to see past the multiple to the underlying new vehicle economics, and to find where a dollar of goodwill buys the most opportunity.

HONDA MAY BE THE BEST VALUE IN AUTO RETAIL

The Q2 Haig Report® identifies Honda as one of the most attractive acquisition opportunities in today's dealership market.

Honda dealerships averaged approximately 1,241 new vehicle sales per store during the twelve months ending Q2 2026, compared to an average of 774 units across all franchises tracked by Haig Partners. Honda sales increased 9.4% in Q2 2026 compared to the prior-year period, with strong results from the CR-V, Accord and Civic. Honda hybrids reached a first-half record of 213,513 units and represented

31.1% of Honda sales, positioning the brand well as many consumers continue to favor hybrids over full battery-electric vehicles.

Honda's estimated blue sky multiple remains nearly 20% below Toyota's. That valuation gap creates what Haig Partners believes is an unusually attractive buying opportunity.

"If I were looking to acquire dealerships today, Honda would be very high on my list," said Haig. "You get many of the qualities that make Toyota so attractive: high throughput, loyal customers, strong fixed operations, a factory dealers trust. But Honda's blue sky multiples are almost 20% lower. It could be one of the best values in the buy-sell market today."

KEY TAKEAWAYS FROM THE Q2 2026 HAIG REPORT®:

- **Buy-Sell Activity:** Dealership acquisitions increased 14.3% in the first half of 2026, while transactions rose just 3.2%. Five transactions involving five or more rooftops were completed in H1 2026, compared to none in H1 2025. California acquisitions increased 76% year-over-year, while the Southeast remained the country's most active region overall.
- **Buyer Strategy:** Top 20 groups have increased their focus on premium luxury and premium import franchises. Domestic franchises fell from 28.7% of Top 20 acquisitions in 2020 and 2021 to 15.1% during the last 24 months, while domestic stores represented 48.3% of acquisitions by non-Top 20 buyers.
- **Blue Sky Values:** The average blue sky value of a publicly owned dealership was $18.2 million for the twelve months ended Q2 2026, essentially unchanged from Q1 2026 and more than twice the 2019 average of $8.3 million, though down modestly from the 2025 full-year average of $19.0 million.
- **Dealership Profitability:** Average quarterly profits of approximately $1.1 million per dealership remain 119% above Q2 2019 levels despite a 3.0% year-over-year decline. Affordability remains a key risk as monthly payments and borrowing costs stay elevated.
- **Franchise Opportunities:** Haig Partners raised blue sky multiple ranges for Toyota and Lexus and reduced the top end of Porsche's range. Honda stands out as a relative-value opportunity, with a blue sky multiple nearly 20% below Toyota's despite many similar franchise strengths.
- **Franchise Horsepower Index™:** Haig Partners introduced a new Franchise Horsepower Index™ measuring new vehicle throughput multiplied by transaction price, indexed to a market average of 1.00x. Lexus (2.55x), BMW (2.15x), Toyota (2.03x) and Mercedes-Benz (1.75x) posted the highest scores in the industry, while Porsche generates about 1.6x more new vehicle revenue per store than Nissan despite far lower throughput.

Dealership values are becoming increasingly franchise- and market-specific. Buyers remain active and well-capitalized, but their preferences are shifting, and the gap between the most desirable dealerships and weaker assets continues to widen. For owners considering a sale, understanding which buyers will place the highest value on their franchise, market and earnings profile has never been more important. Dealers who would like to understand what their business may be worth in today's market are encouraged to contact Haig Partners for a confidential, no-obligation conversation.

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About The Haig Report®
The Haig Report®, the longest-published quarterly report tracking trends in auto retail and their impact on dealership values, includes data and analysis on the performance of auto dealerships, discusses noteworthy events impacting the automotive retail industry, identifies trends in the M&A market for dealerships, provides guidance on estimated value ranges for different franchises and shares an outlook for the automotive retail buy-sell market. The Haig Report® is based on data gathered from reputable public sources and interviews with leading dealer groups and dealers, bankers, lawyers and accountants who specialize in auto retail.

About Haig Partners
Haig Partners is a leading buy-sell advisory firm that helps owners of higher-value dealerships maximize the value of their businesses when they are ready to sell. The team at Haig Partners has advised on the purchase or sale of 600+ dealerships and has represented 33 dealership groups that qualify for the Top 150 Dealership Groups list published by Automotive News, more than any other firm. Clients of Haig Partners benefit from the group's collective experience as previous executives with leading companies such as AutoNation, Bank of America, Deloitte, FORVIS, J.P. Morgan, Lexus, Porsche and Toyota Financial Services. Leveraging its unmatched expertise and extensive relationships, Haig Partners guides clients to successful outcomes through a confidential and customized sales process. The firm authors the Haig Report®, the leading industry quarterly report that tracks trends in auto retail and their impact on dealership values, and co-authors NADA's Guide, "Buying and Selling a Dealership." Haig Partners team members are frequent speakers at industry conferences and are regularly quoted in reputable media outlets, including Reuters, Forbes, The Wall Street Journal, The New York Times, CNBC, BBC, Automotive News, Wards and CarDealershipGuy. Haig Partners also hosts the Maximizing Value Conference™, providing dealers with proprietary research into the auto retail industry and insights into dealership buy-sell trends, as well as content about how auto dealers can improve their operational performance. For more information, https://www.haigpartners.com.