

ADDICUS



CAPITAL ADVISORS

Automotive Market Update

THIRD QUARTER 2023

Automotive Industry Overview

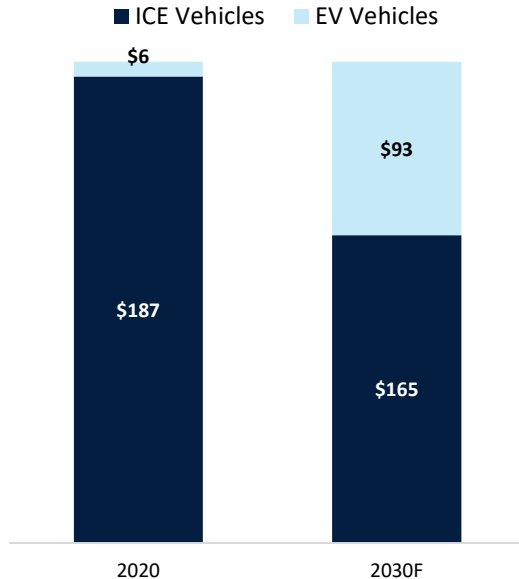


The automotive industry includes industries associated with the production, wholesaling, retailing, and maintenance of motor vehicles. The United States has one of the largest automotive markets in the world. Overall, the United States is the world's second-largest market for vehicle sales and production.

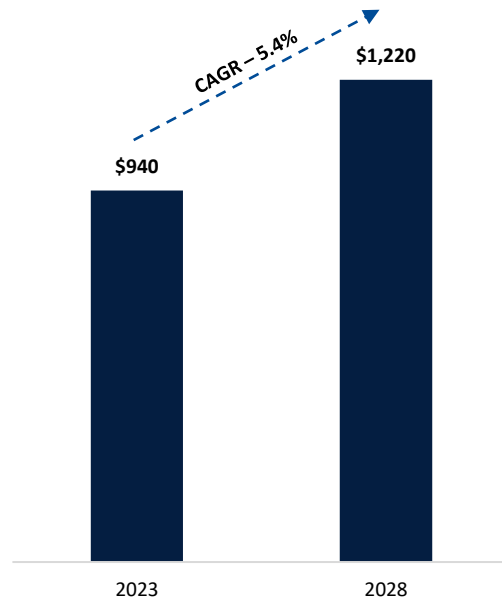
Overview

- Global automotive M&A increased in total deal value by \$40BN for the 2023 YTD period compared to the same period a year ago.
- The industry is now exploring different revenue models. Revenue opportunities relating to connectivity, Battery-as-a-Service (BaaS), and Vehicle-to-Grid (V2G) are yet to be tapped, as there is a potential for 6% of global electricity production to be stored in batteries within the upcoming 20 years.
- The global electric vehicle market was valued at \$163BN in 2020, and is projected to reach \$824BN by 2030, registering a CAGR of 18.2% from 2021 to 2030.

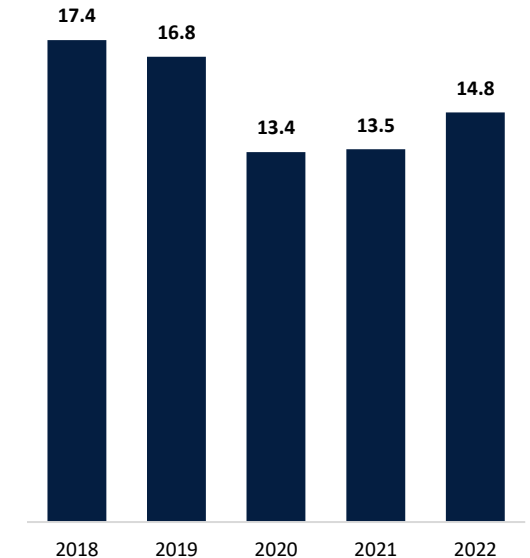
Global Automobile Industry Profit (\$BN)



North America Automotive Market (\$BN)
















North America Vehicle Production (MM units)



Auto Manufacturer M&A Deals



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Jun-23	 add solution automotive · design · development	 AXISCADES	0.7x	CONF	Engages in automotive design and development.
Jun-22	 sollers	Alter Invest LLC	0.1x	5.2x	Manufactures and sells vehicles in Russia.
Apr-22	 ebco	 TVS	CONF	CONF	Production and distribution of electric bikes, and distributor of Corratec e-bikes in the United Kingdom.
Sep-21	 ENERGICA	 Ideanomics	CONF	CONF	Manufactures and sells supersport electric motorcycles in Italy and internationally.
May-21	 LAMBORGHINI	 CENTRICUS ASSET MANAGEMENT	4.7x	CONF	Designs, manufactures, and markets luxury super sports cars.
Aug-20	 VOLVO	 VE COMMERCIAL VEHICLES A VOLVO GROUP AND SPIDER MOTORS JOINT VENTURE	CONF	5.0x	Manufactures, assembles, distributes, and sells buses.
Mar-20	 Robinsons caravans www.robinsonscaravans.co.uk	 MBH CORPORATION	0.5x	CONF	Manufactures and supplies caravans.
			25th Percentile	0.4x	5.1x
			Mean	1.5x	5.1x
			Median	0.6x	5.1x
			75th Percentile	1.7x	1.7x







Auto Supplier M&A Deals



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Oct-23			1.0x	7.8x	Develops, manufactures, distributes, and sells climate control, operation, and display products for the automotive industry.
Feb-23			0.1x	5.2x	Manufactures cockpit modules for automobiles.
Nov-22			CONF	12.0x	Designs, manufactures, and sells aluminum wheels to the original equipment manufacturers and aftermarket distributors in North America and Europe.
Sep-22			2.4x	10.1x	Operates as an automotive parts and equipment company.
Feb-22			0.4x	5.5x	Designs, manufactures, and sells clean air, powertrain products and systems for light vehicle, commercial truck, off-highway, industrial, motorsport, and aftermarket customers worldwide.
Aug-21			1.1x	7.5x	Develops, manufactures, and sells lighting systems and electronic components for automotive industry worldwide.
May-21			0.9x	4.3x	Designs, develops and manufactures air conditioning systems for vehicles.
Feb-21			0.8x	5.4x	Designs, manufactures, markets, and sells replacement tires in North America, Latin America, Europe, and Asia.














Auto Supplier M&A Deals (cont.)



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description												
Dec-20	 TECNOVA		0.6x	CONF	Manufactures and distributes automotive products, including batteries, vehicle cleaning and care, and spare parts.												
Dec-20	 strands		1.3x	9.4x	Manufactures vehicle lighting and aftermarket accessories in Europe.												
Oct-20	 RENK		1.2x	8.3x	Develops, produces, and distributes drive technology products worldwide.												
<table border="1"> <tbody> <tr> <td>25th Percentile</td> <td>0.7x</td> <td>5.4x</td> </tr> <tr> <td>Mean</td> <td>1.0x</td> <td>7.5x</td> </tr> <tr> <td>Median</td> <td>0.9x</td> <td>7.7x</td> </tr> <tr> <td>75th Percentile</td> <td>1.2x</td> <td>9.1x</td> </tr> </tbody> </table>			25th Percentile	0.7x	5.4x	Mean	1.0x	7.5x	Median	0.9x	7.7x	75th Percentile	1.2x	9.1x			
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Automotive Retail M&A Deals



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Sep-23	 PENDRAGON	 AutoNation	CONF	CONF	Operates in the automotive retail sector in the United Kingdom.
Jun-23	 Lookers plc	 Impero Jersey Corp Ltd	0.1x	CONF	Engages in the sale, hire, and maintenance of motor vehicles and motorcycles in the United Kingdom and Ireland.
Dec-22	 Metro TYRE	 rpm THE RPM GROUP	0.5x	3.9x	Comprises earthmoving, forklift, and commercial tire sales, fitting, service, and repairs.
Apr-22	 AUTOSTAR	 Original CONCESSIONAIRE	0.4x	4.7x	Operates automotive dealerships.
Feb-22	 TRUCKZONE Keeping you on the road	 Coburg Truck Parts	0.4x	10.6x	Retails and distributes aftermarket and original equipment parts and accessories for trucks and trailers.
	 PartsPeek				
Nov-21	 PENFOLD	 Peter Warren Automotive Holdings	0.3x	CONF	Operates as an automobile dealer.

Automotive Retail M&A Deals (cont.)



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description												
Sep-21			0.3x	CONF	Operates automotive franchised dealerships in the states of Texas, Missouri, Idaho, Washington, Indiana, Montana, and New Mexico.												
Jul-21	Chrysler Dodge Jeep Ram Dealership		0.2x	7.4x	Comprises vehicle dealership business.												
Jul-21	General Motors and Nissan Dealerships		0.6x	5.2x	Comprises automobile dealership business.												
Jul-21	 Forsbergs		0.3x	5.6x	Retails recreational motor vehicles including campervan and caravan.												
Apr-21	 		0.3x	5.5x	Engages in retail of automotive tires and tubes.												
Mar-21		Management Buyout	0.2x	CONF	Operates as a retailer of new and used cars, commercial vehicles, and motorbikes.												
Feb-21	Bilia Ferdinand Holding Ab		0.5x	CONF	Operates Porsche center in southern Sweden.												
Nov-20			CONF	CONF	Comprises passenger, commercial, and industrial tires supply, fit, and servicing business.												
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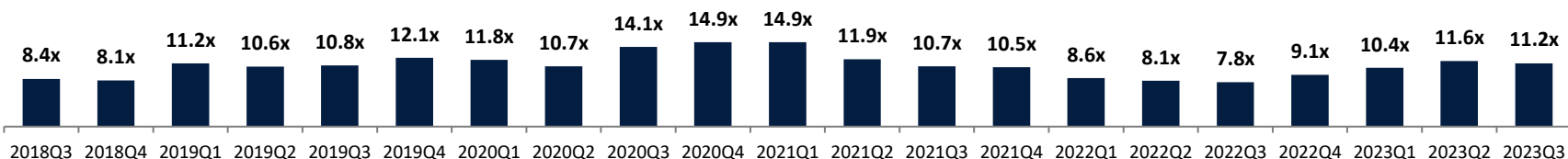
Comparable Automotive Public Companies



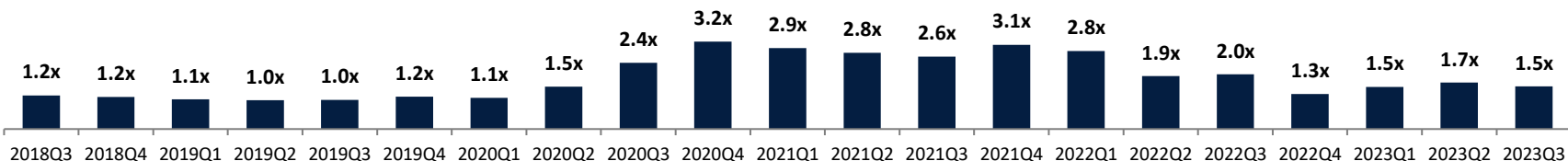
Auto Manufacturers	Market Cap	LTM Results		LTM Margins		1Yr FWD Margins		TEV / LTM:		TEV / 1Yr FWD:	
		Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Tesla, Inc.	\$ 834,729	\$ 94,028	\$ 17,681	21.5%	18.8%	21.5%	17.4%	8.7x	46.3x	7.6x	43.6x
Toyota Motor Corporation	\$ 240,325	\$ 271,190	\$ 39,406	17.8%	14.5%	17.8%	13.3%	1.4x	10.0x	1.4x	10.2x
Volkswagen AG	\$ 65,312	\$ 331,090	\$ 33,689	17.8%	10.2%	17.8%	13.0%	0.8x	7.9x	0.8x	6.2x
Ford Motor Company	\$ 49,027	\$ 169,819	\$ 11,467	10.3%	6.8%	10.3%	8.8%	1.0x	14.3x	0.9x	10.3x
Bayerische Motoren Werke	\$ 66,290	\$ 164,596	\$ 25,332	17.4%	15.4%	17.4%	16.6%	0.9x	6.2x	1.0x	5.8x
General Motors Company	\$ 42,626	\$ 169,729	\$ 18,024	12.7%	10.6%	12.7%	13.3%	0.8x	7.8x	0.8x	6.2x
Hyundai Motor Company	\$ 30,406	\$ 118,639	\$ 13,909	20.3%	11.7%	20.3%	12.3%	0.9x	7.4x	0.9x	7.0x
Honda Motor Co., Ltd.	\$ 55,069	\$ 122,441	\$ 17,520	20.1%	14.3%	20.1%	9.2%	0.7x	5.0x	0.7x	7.1x
Renault SA	\$ 10,758	\$ 56,933	\$ 6,828	19.9%	12.0%	19.9%	13.2%	1.0x	8.7x	1.0x	7.8x
Nissan Motor Co., Ltd.	\$ 16,578	\$ 78,688	\$ 6,503	16.4%	8.3%	16.4%	7.1%	0.7x	8.8x	0.7x	9.2x
Kia Corporation	\$ 24,939	\$ 73,086	\$ 9,583	22.0%	13.1%	22.0%	14.0%	0.2x	1.4x	0.2x	1.3x

25th Percentile	16.4%	10.2%	16.4%	9.2%	0.7x	6.2x	0.7x	6.2x
Mean	17.9%	12.3%	17.9%	12.6%	1.6x	11.2x	1.4x	10.4x
Median	17.8%	12.0%	17.8%	13.2%	0.9x	7.9x	0.9x	7.1x
75th Percentile	20.3%	14.5%	20.3%	14.0%	1.0x	10.0x	1.0x	10.2x

Quarterly EV / EBITDA Trend



Quarterly EV / Revenue Trend



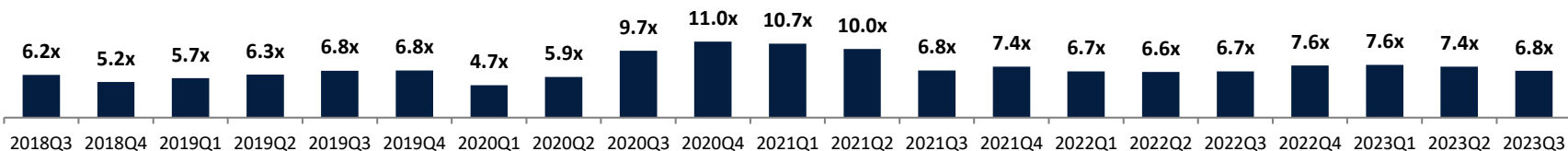
Comparable Automotive Public Companies (cont.)



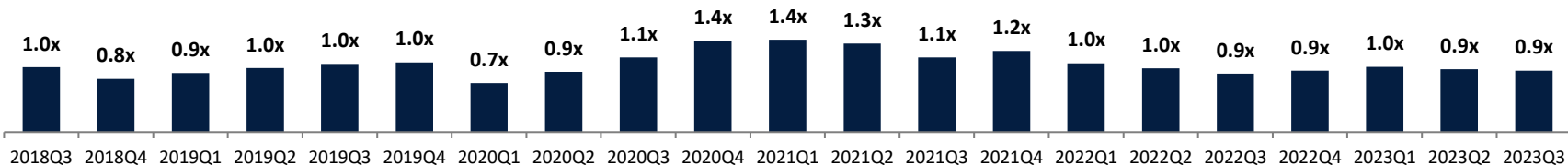
Automotive Suppliers	Market Cap	LTM Results		LTM Margins		1Yr FWD Margins		TEV / LTM:		TEV / 1Yr FWD:	
		Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Aptiv PLC	\$ 27,977	\$ 19,272	\$ 2,399	16.5%	12.4%	16.5%	14.6%	1.8x	14.2x	1.6x	11.1x
Magna International Inc.	\$ 15,635	\$ 40,491	\$ 3,876	12.4%	9.6%	12.4%	8.8%	0.5x	5.7x	0.5x	5.7x
Continental Aktiengesellschaft	\$ 13,920	\$ 45,217	\$ 5,142	22.5%	11.4%	22.5%	11.5%	0.5x	4.1x	0.5x	4.0x
Forvia SE	\$ 3,684	\$ 30,399	\$ 2,535	13.2%	8.3%	13.2%	12.9%	0.5x	5.5x	0.5x	3.7x
BorgWarner Inc.	\$ 9,395	\$ 16,868	\$ 2,493	19.3%	14.8%	19.3%	13.2%	0.8x	5.3x	0.9x	6.7x
Lear Corporation	\$ 8,181	\$ 22,457	\$ 1,841	7.8%	8.2%	7.8%	7.7%	0.5x	5.9x	0.5x	6.0x
Autoliv, Inc.	\$ 8,182	\$ 9,763	\$ 1,158	16.5%	11.9%	16.5%	13.9%	1.0x	8.3x	0.9x	6.6x
Valeo SE	\$ 3,697	\$ 23,832	\$ 2,312	17.3%	9.7%	17.3%	12.4%	0.4x	4.0x	0.4x	3.1x
Schaeffler AG	\$ 3,889	\$ 17,979	\$ 2,286	22.7%	12.7%	22.7%	13.0%	0.4x	3.4x	0.4x	3.4x
Gentex Corporation	\$ 7,442	\$ 2,122	\$ 517	31.5%	24.4%	31.5%	27.3%	3.4x	13.9x	3.1x	11.2x
Adient plc	\$ 3,462	\$ 15,316	\$ 1,007	6.8%	6.6%	6.8%	6.2%	0.4x	5.7x	0.4x	5.9x
CIE Automotive, S.A.	\$ 3,174	\$ 4,354	\$ 754	39.2%	17.3%	39.2%	17.9%	1.1x	6.6x	1.1x	6.4x
American Axle & Manufacturing Holdings	\$ 836	\$ 5,993	\$ 734	10.8%	12.2%	10.8%	12.6%	0.6x	4.5x	0.5x	4.3x

25th Percentile	11.6%	9.0%	11.6%	10.1%	0.4x	4.3x	0.4x	3.8x
Mean	18.2%	12.3%	18.2%	13.2%	0.9x	6.7x	0.9x	6.0x
Median	16.5%	11.9%	16.5%	12.9%	0.5x	5.7x	0.5x	5.9x
75th Percentile	22.6%	13.7%	22.6%	14.2%	1.1x	7.5x	1.0x	6.6x

Quarterly EV / EBITDA Trend



Quarterly EV / Revenue Trend



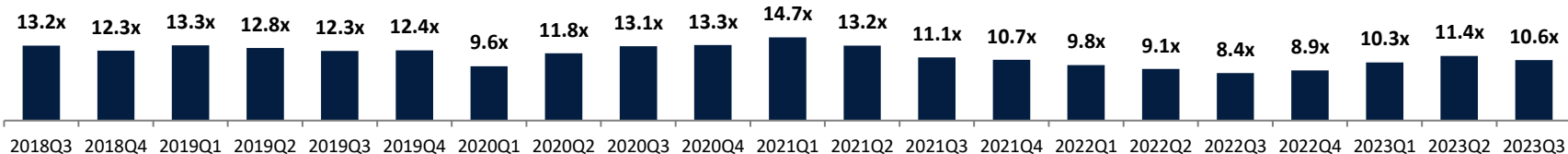
Comparable Automotive Public Companies (cont.)



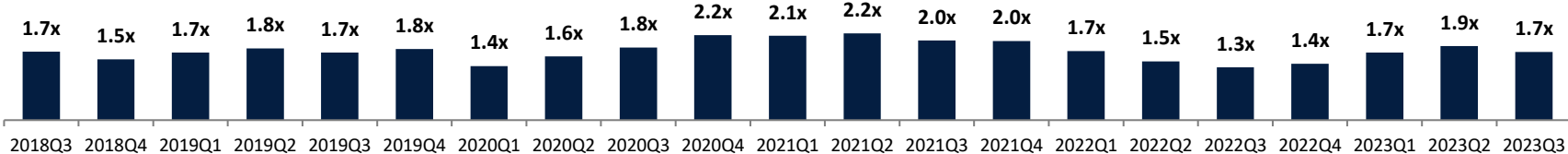
Auto Dealers and Retail	Market	LTM Results		LTM Margins		1Yr FWD Margins		TEV / LTM:		TEV / 1Yr FWD:	
	Cap	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Copart, Inc.	\$ 44,182	\$ 3,870	\$ 1,666	45.7%	43.1%	45.7%	43.5%	10.8x	25.2x	10.0x	23.1x
Carmax, Inc.	\$ 10,964	\$ 28,544	\$ 1,215	11.4%	4.3%	11.4%	3.8%	1.1x	24.8x	1.1x	28.7x
Penske Automotive Group, Inc.	\$ 10,519	\$ 28,740	\$ 2,341	17.0%	8.1%	17.0%	5.4%	0.6x	7.6x	0.6x	11.1x
Lithia Motors, Inc.	\$ 7,602	\$ 29,333	\$ 2,206	17.3%	7.5%	17.3%	5.6%	0.6x	7.9x	0.5x	9.5x
AutoNation, Inc.	\$ 6,154	\$ 26,652	\$ 2,093	19.6%	7.9%	19.6%	6.4%	0.5x	6.4x	0.5x	7.7x
Asbury Automotive Group, Inc.	\$ 4,487	\$ 14,897	\$ 1,293	19.6%	8.7%	19.6%	7.4%	0.5x	6.2x	0.5x	7.1x
Group 1 Automotive, Inc.	\$ 3,559	\$ 16,921	\$ 1,177	17.6%	7.0%	17.6%	5.4%	0.4x	6.1x	0.4x	7.5x
Sonic Automotive, Inc.	\$ 1,540	\$ 14,183	\$ 750	16.1%	5.3%	16.1%	4.4%	0.3x	6.3x	0.3x	7.6x
OPENLANE, Inc.	\$ 1,652	\$ 1,603	\$ 341	46.5%	21.3%	46.5%	15.8%	2.6x	12.3x	2.5x	15.8x
AutoCanada Inc.	\$ 447	\$ 4,763	\$ 233	17.2%	4.9%	17.2%	4.2%	0.4x	8.2x	0.4x	9.6x
Cars.com Inc.	\$ 1,119	\$ 668	\$ 167	68.3%	25.0%	68.3%	28.2%	2.3x	9.2x	2.2x	7.8x
Monro, Inc.	\$ 830	\$ 1,303	\$ 191	34.4%	14.7%	34.4%	12.4%	1.1x	7.5x	1.1x	8.5x

25th Percentile	17.1%	5.7%	17.1%	4.7%	0.4x	6.3x	0.4x	7.6x
Mean	27.6%	13.1%	27.6%	11.9%	1.8x	10.6x	1.7x	12.0x
Median	18.6%	8.0%	18.6%	6.0%	0.6x	7.7x	0.6x	9.0x
75th Percentile	42.9%	19.6%	42.9%	14.9%	2.0x	11.6x	1.9x	14.6x

Quarterly EV / EBITDA Trend



Quarterly EV / Revenue Trend



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