



NORTH AMERICAN
**AUTOMOTIVE
AFTERMARKET**

M&A Activity and Valuation Trends
Q1 | 2018



Robert Ullman
Managing Director
rullman@dinancapital.com
415.613.4114

William Downing
Managing Director
wdowning@dinancapital.com
602.734.0682

Michael Pucci
Associate Director
mpucci@dinancapital.com
602.734.0667

Michael Hilcove
Senior Associate
mhilcove@dinancapital.com
602.734.0626

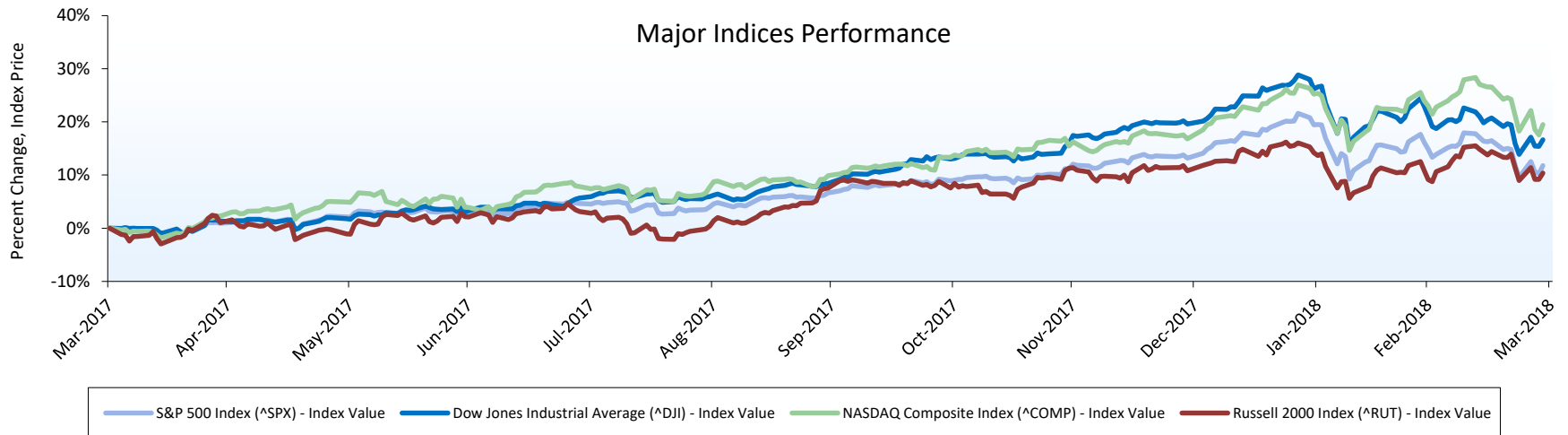
Michael Reister
Senior Analyst
mreister@dinancapital.com
602.734.0663

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Economic Indicators

Macroeconomic Overview



Index	As of 06/30/2017	As of 09/30/2017	As of 12/31/2017	As of 03/31/2018
^SPX	2423.41	2519.36	2673.61	2640.87
^COMP	6140.42	6495.96	6903.39	7063.45
^DJI	21349.63	22405.09	24719.22	24103.11
^RUT	1415.36	1490.86	1535.51	1529.43

Major Economic Indicators

Economic Indicator	2013	2014	2015	2016	2017
Real GDP (% change)	2.20%	2.40%	3.00%	2.08%	2.30%
CPI (% change)	1.50%	1.62%	1.90%	2.38%	2.20%
Cons. Spending (% change)	2.40%	2.50%	2.90%	3.10%	3.30%
Nonfarm Productivity	0.90%	0.70%	-2.20%	1.00%	1.50%
Unemployment Rate	7.40%	6.20%	5.80%	4.40%	4.10%

Interest Rates

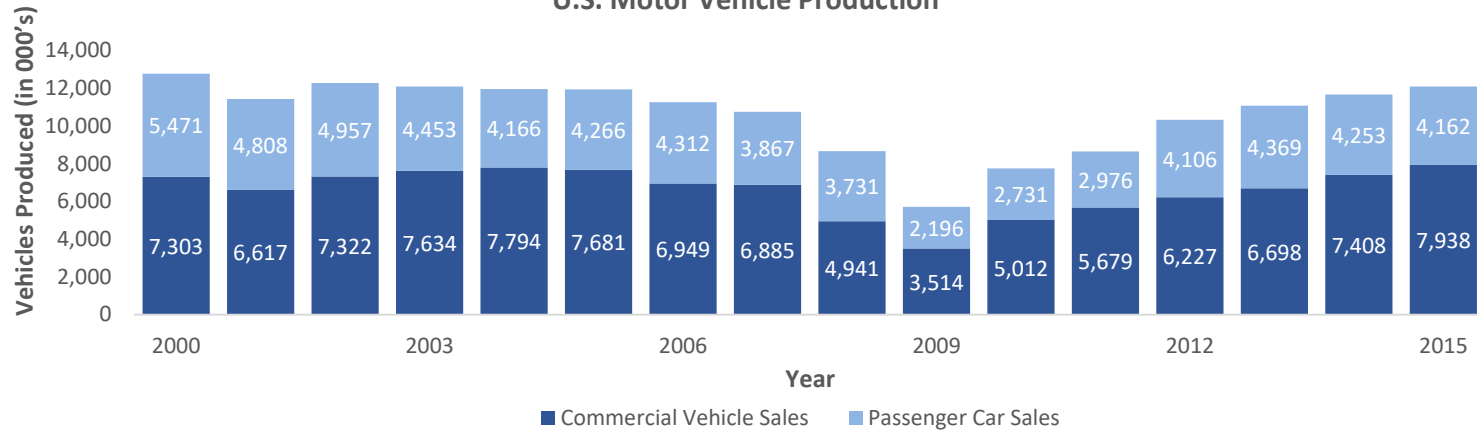
Interest Rates	06/30/2017	09/30/2017	12/31/2017	03/31/2018
United States Treasury - 2 Year	1.38%	1.47%	1.89%	2.27%
United States Treasury - 5 Year	1.89%	1.92%	2.20%	2.56%
United States Treasury - 10 Year	2.31%	2.33%	2.40%	2.74%
United States Treasury - 30 Year	2.84%	2.86%	2.74%	2.97%
United States Prime Rate	4.25%	4.25%	4.50%	4.75%

Source: Capital IQ, S&P NetAdvantage

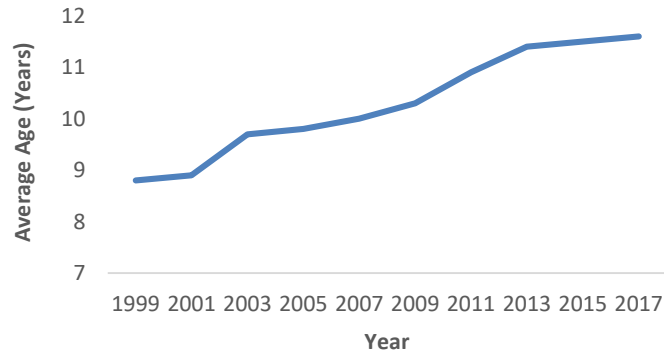
Economic Indicators

Automotive Aftermarket

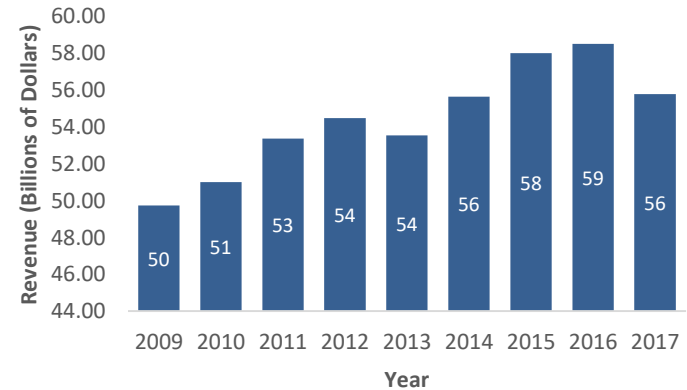
U.S. Motor Vehicle Production



Average Age of Light Vehicles in Operation in the U.S.



Auto Parts Retail Industry Revenue



Source: IBISWorld, United States Department of Transportation

Dinan Index Constituents

Automotive Aftermarket

Automobile
Manufacturers



Automotive Retailers
and Distributors

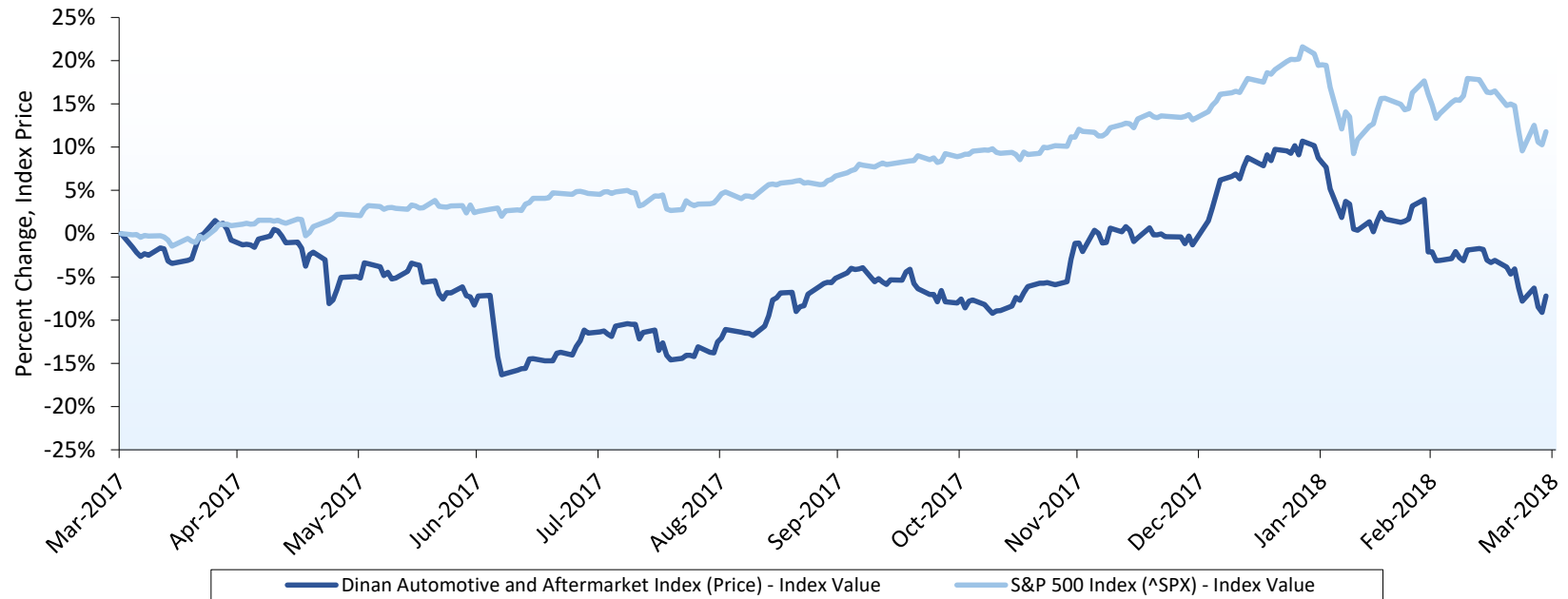


Aftermarket



Capital Market Activity

Automotive Aftermarket

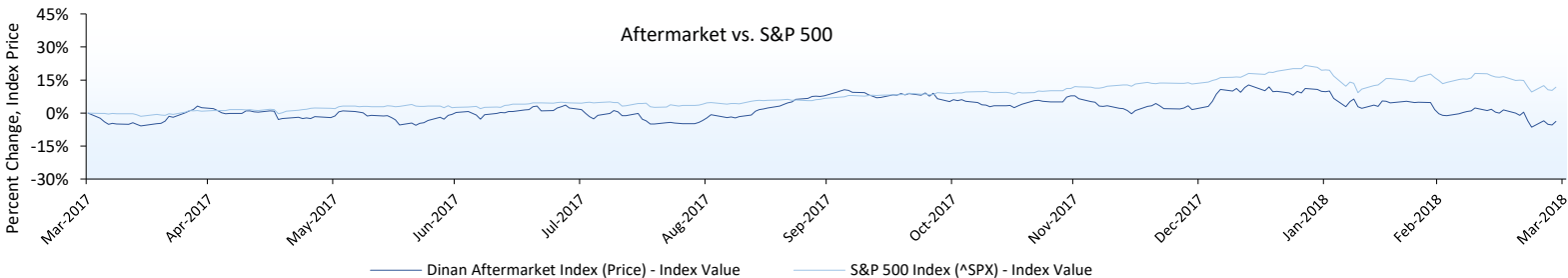
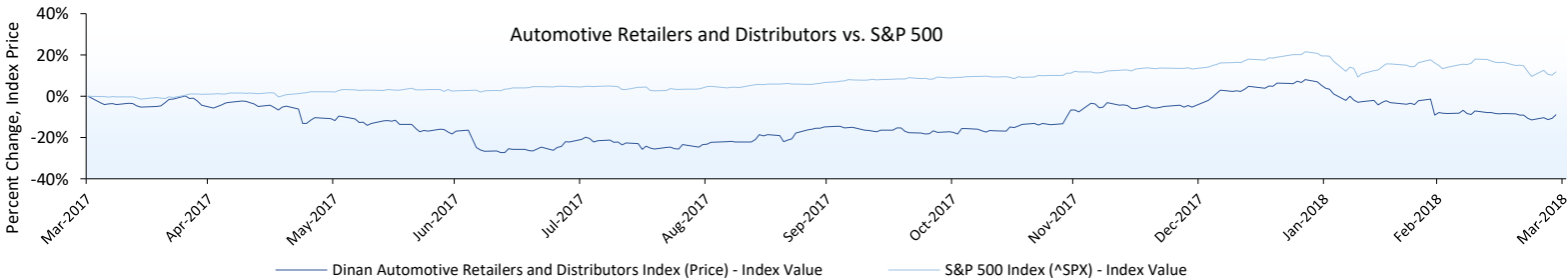
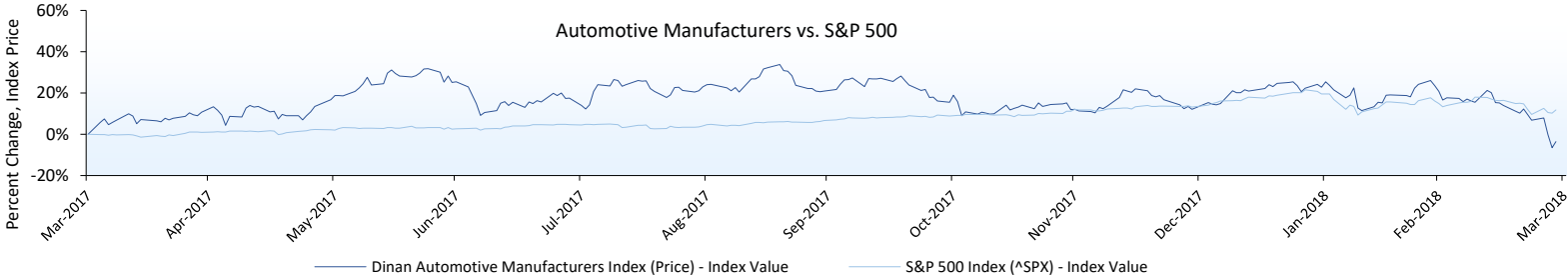


Capitalization Profile	Number of Companies	% of Companies	Agg. Equity Mkt. Value	% of Agg. Equity Mkt. Value
> \$10B	8	44.44%	\$213,121.55	86.65%
\$5B - \$10B	1	5.56%	\$8,770.33	3.57%
\$1B - \$5B	8	44.44%	\$23,644.80	9.61%
< \$1B	1	5.56%	\$408.75	0.17%
Total	18	100.00%	\$245,945.44	100.00%

Source: Capital IQ

Capital Market Activity

Dinan Index Segments vs. S&P 500

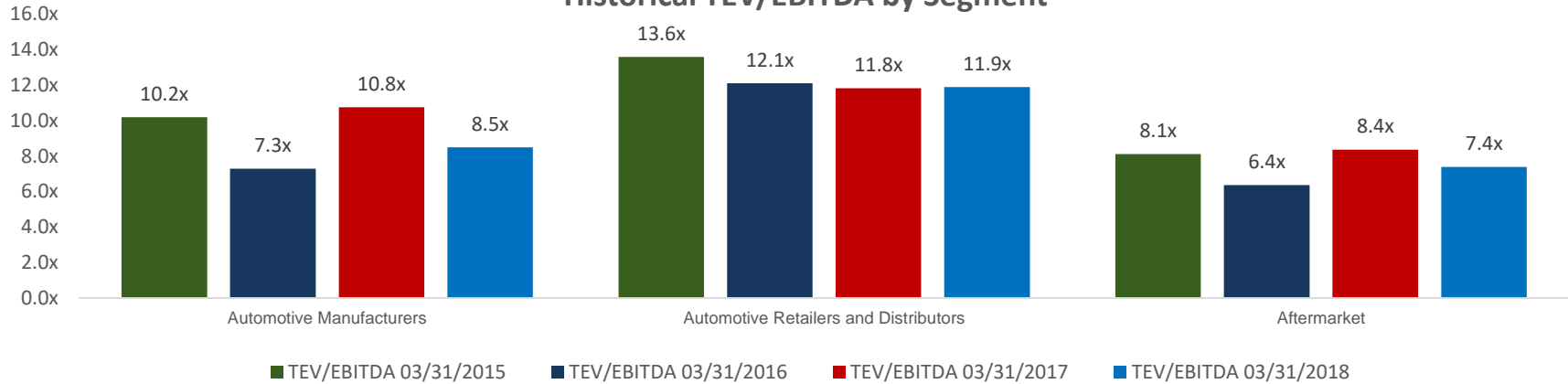


Source: Capital IQ

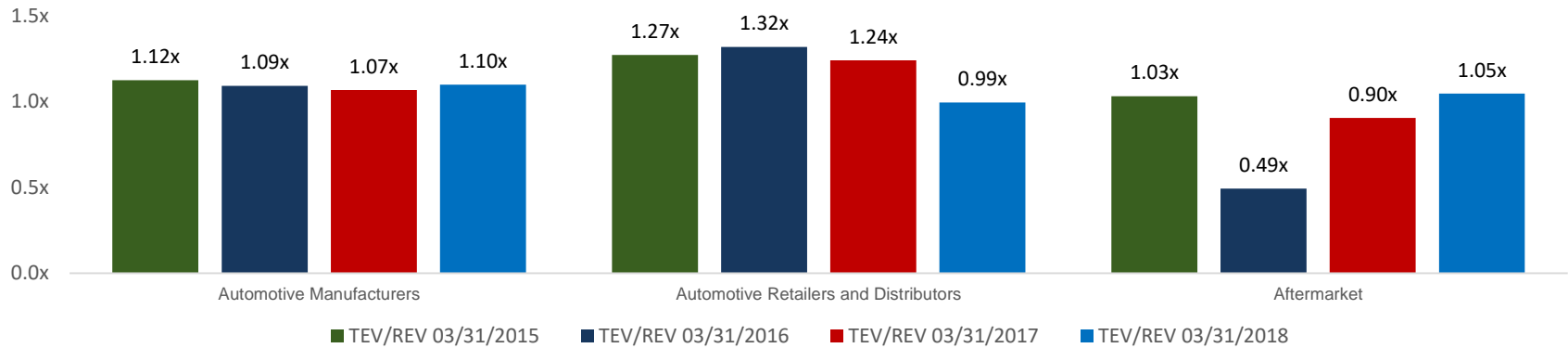
Public Sector Valuations

Automotive Aftermarket

Historical TEV/EBITDA by Segment



Historical TEV/Revenue by Segment



Source: Capital IQ

Public Sector Valuations

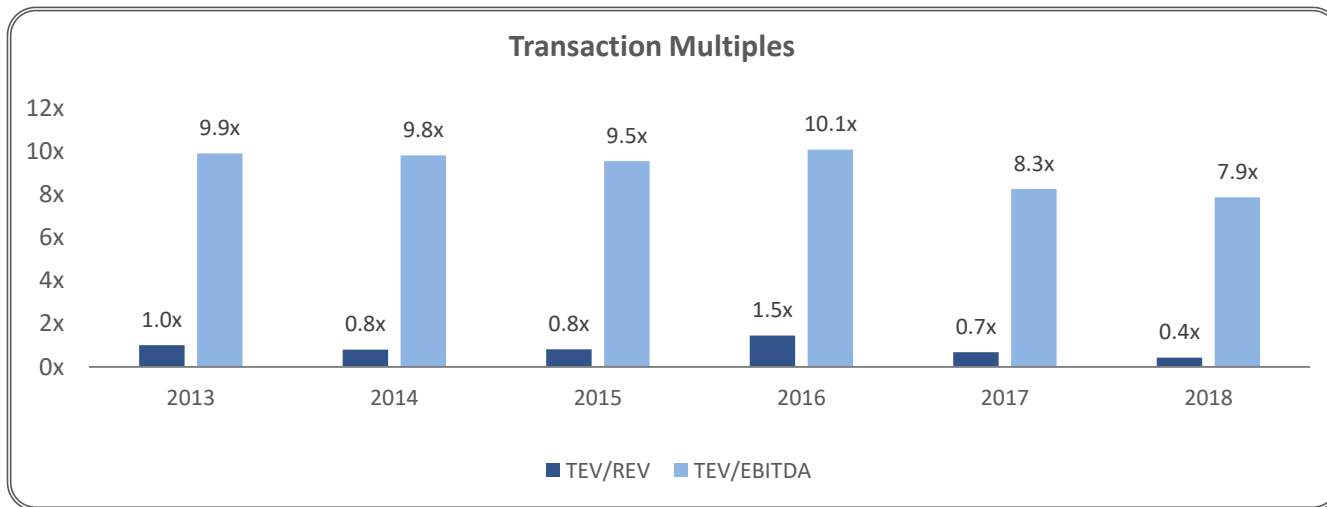
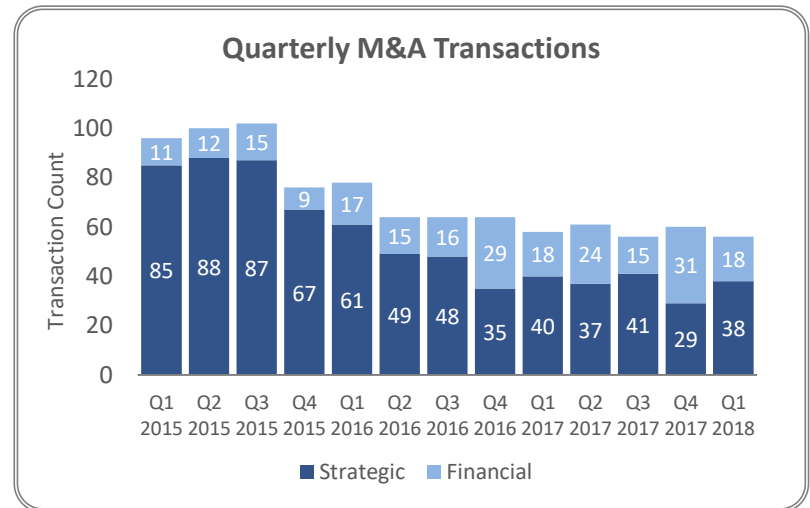
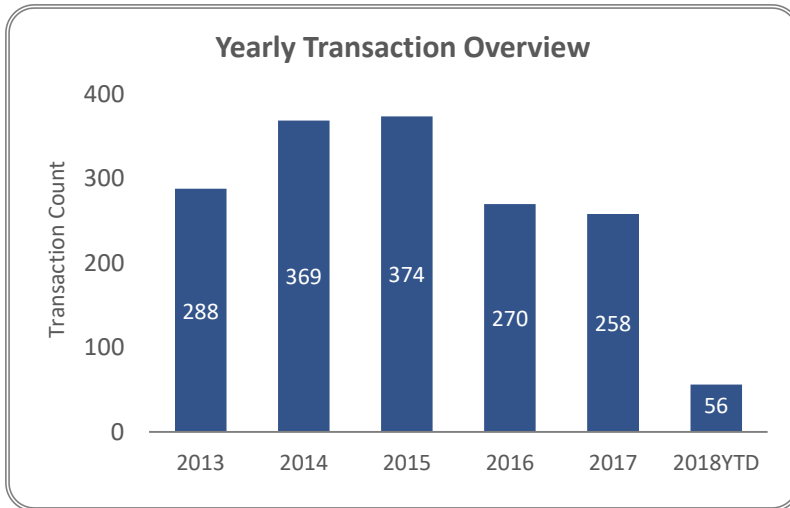
Automotive Aftermarket

Industry /		Last Twelve Months								Next Twelve Months	
Company Name	Ticker	TEV (mm)	Market Cap (mm)	Rev (mm)	EBITDA (mm)	EBIT (mm)	TEV/Rev	TEV/EBIT	TEV/EBITDA	Forward TEV/Rev	Forward TEV/EBITDA
Automotive Manufacturers											
Ford Motor Company	NYSE:F	\$172,169.34	\$44,244.34	\$145,653.00	\$13,505.00	\$5,052.00	1.10x	27.68x	11.73x	1.18x	17.53x
General Motors Company	NYSE:GM	\$126,788.06	\$50,895.06	\$133,449.00	\$22,211.00	\$10,703.00	0.87x	10.01x	5.25x	0.93x	5.78x
Tesla, Inc.	NasdaqGS:TSLA	\$55,097.78	\$44,954.66	\$11,758.75	\$29.72	-\$1,606.29	4.69x	NM	NM	2.87x	38.65x
	Median	\$126,788.06	\$44,954.66	\$133,449.00	\$13,505.00	\$5,052.00	1.10x	18.84x	8.49x	1.18x	17.53x
Automotive Retailers and Distributors											
Advance Auto Parts, Inc.	NYSE:AAP	\$9,268.07	\$8,770.33	\$9,373.78	\$909.40	\$660.14	0.99x	14.04x	10.19x	0.99x	9.61x
AutoNation, Inc.	NYSE:AN	\$10,736.96	\$4,295.56	\$20,457.50	\$949.60	\$791.00	0.50x	13.57x	11.31x	0.49x	11.22x
AutoZone, Inc.	NYSE:AZO	\$22,173.41	\$17,450.33	\$11,133.77	\$2,391.69	\$2,055.95	1.99x	10.79x	9.27x	1.94x	9.05x
CarMax Inc.	NYSE:KMX	\$24,178.99	\$11,201.72	\$17,120.21	\$1,312.93	\$1,132.99	1.35x	20.78x	18.04x	1.35x	17.34x
Genuine Parts Company	NYSE:GPC	\$16,220.44	\$13,182.64	\$16,308.80	\$1,236.43	\$1,068.74	0.99x	15.18x	13.12x	0.88x	11.18x
O'Reilly Automotive, Inc.	NasdaqGS:ORLY	\$23,538.84	\$20,606.80	\$8,977.73	\$1,959.25	\$1,725.40	2.62x	13.64x	12.01x	2.48x	11.55x
Penske Automotive Group, Inc.	NYSE:PAG	\$9,679.06	\$3,766.96	\$20,796.10	\$706.50	\$611.40	0.45x	13.46x	11.89x	0.44x	12.66x
	Median	\$16,220.44	\$11,201.72	\$16,308.80	\$1,236.43	\$1,068.74	0.99x	13.64x	11.89x	0.99x	11.22x
Aftermarket											
BorgWarner Inc.	NYSE:BWA	\$12,338.11	\$10,586.01	\$9,799.30	\$1,629.70	\$1,221.90	1.26x	9.69x	7.34x	1.16x	6.84x
Delphi Technologies PLC	NYSE:DLPH	\$5,590.65	\$4,229.65	\$4,849.00	\$826.00	\$637.00	1.15x	8.71x	6.73x	1.11x	6.75x
Dorman Products, Inc.	NasdaqGS:DORM	\$2,140.90	\$2,212.59	\$903.22	\$200.06	\$177.84	2.37x	12.04x	10.70x	2.22x	10.19x
Meritor, Inc.	NYSE:MTOR	\$2,563.63	\$1,833.63	\$3,551.00	\$360.00	\$281.00	0.72x	7.91x	6.36x	0.64x	5.72x
Motorcar Parts of America, Inc.	NasdaqGS:MPAA	\$449.70	\$408.75	\$421.37	\$59.79	\$55.51	1.07x	8.10x	7.52x	0.97x	5.11x
Standard Motor Products, Inc.	NYSE:SMP	\$1,120.40	\$1,075.95	\$1,116.14	\$149.32	\$125.90	1.00x	8.82x	7.44x	0.98x	8.41x
Tenneco Inc.	NYSE:TEN	\$4,035.92	\$2,821.92	\$9,274.00	\$710.00	\$504.00	0.44x	8.01x	5.68x	0.41x	4.34x
Visteon Corporation	NasdaqGS:VC	\$3,219.54	\$3,408.54	\$3,146.00	\$293.00	\$214.00	1.02x	14.57x	10.73x	0.99x	8.47x
	Median	\$2,891.59	\$2,517.25	\$3,348.50	\$326.50	\$247.50	1.05x	8.76x	7.39x	0.98x	6.80x

Source: Capital IQ

Mergers & Acquisitions Overview

Automotive Aftermarket



Source: Capital IQ

First Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
3/29/18	Express Oil, LLC	Mavis Tire Supply Corporation	Automotive Retail	-	-	-	-	-
3/20/18	Groupe Park Avenue Inc.	Léo Harley-Davidson	Automotive Retail	-	-	-	-	-
3/15/18	Accel Partners	Blue Vision Labs Inc.	Automobile Manufacturers	-	-	-	-	-
3/15/18	Private Investors	Andina Acquisition Corp. II	Automotive Retail	-	-	-	-	-
3/15/18	Andina Acquisition Corp. II	Lazydays RV SuperCenter, Inc.	Automotive Retail	\$591.55	\$32.53	\$255.70	0.43x	7.86x
3/14/18	RelaDyne, Inc.	T.A. Roberts Oil Company, Inc	Automotive Retail	-	-	-	-	-
3/14/18	Arenberg Holdings	Odyne Systems, LLC	Aftermarket	-	-	-	-	-
3/13/18	Camping World Holdings, Inc.	Spader's RV Center	Automobile Manufacturers	-	-	-	-	-
3/13/18	Mavis Tire Supply Corporation	Sun Tire Services, Inc.	Automotive Retail	-	-	-	-	-
3/12/18	HLS Therapeutics Inc.	Automodular Corporation	Aftermarket	-	-	-	-	-
3/9/18	Miller Implement Co., Inc.	Pro Motorsports of Fond du Lac	Automotive Retail	-	-	-	-	-
3/8/18	Shasta Ventures	Starsky Robotics, Inc.	Aftermarket	-	-	-	-	-
3/7/18	Elliott Auto Supply Co., Inc.	Connecticut Warehouse Distributors, Inc.	Distributors	-	-	-	-	-
3/5/18	The White Family Companies, Inc.	Taylor Auto Group (Four Dealerships)	Automotive Retail	-	-	-	-	-
3/5/18	PowerUp Lending Group, Ltd.	Coates International, Ltd.	Aftermarket	\$0.03	(\$6.11)	-	-	-
3/1/18	Lithia Motors, Inc.	Prestige Family of Fine Cars	Automotive Retail	-	-	-	-	-
2/28/18	Shelby County Automotive Inc.	Assets of Dealer Supply Shop	Aftermarket	-	-	-	-	-
2/28/18	Index Ventures; Greylock Partners	Aurora Innovation, Inc.	Automobile Manufacturers	-	-	-	-	-
2/28/18	Ganley Management Company, Inc.	Day Automotive Group Inc.	Automotive Retail	-	-	-	-	-
2/27/18	Lithia Motors, Inc.	Day Automotive Group Inc.	Automotive Retail	-	-	-	-	-
2/27/18	Kingswood Capital Management, LLC	AutoAnything, Inc.	Automotive Retail	-	-	-	-	-
2/26/18	Y Combinator Management LLC	May Mobility, Inc.	Automobile Manufacturers	-	-	-	-	-
2/21/18	Propst Development, LLC	Mycy Trailers, LLC	Automobile Manufacturers	-	-	-	-	-
2/21/18	Private Investors	Hyperion Motors, Inc.	Automobile Manufacturers	-	-	-	-	-
2/16/18	Lippert Components Manufacturing, Inc.	Hehr International Inc.	Aftermarket	\$55.00	-	-	-	-
2/15/18	GS Capital Partners LLC	Coates International, Ltd.	Aftermarket	\$0.03	(\$6.11)	-	-	-
2/7/18	Private Investors	Efficient Drivetrains, Inc.	Aftermarket	-	-	-	-	-
2/6/18	Crestview Partners, L.P.	ATC Drivetrain LLC	Aftermarket	-	-	-	-	-
2/5/18	Ameris Capital, Investment Arm	AllRides, Inc.	Automotive Retail	-	-	-	-	-
2/2/18	PowerUp Lending Group, Ltd.	Coates International, Ltd.	Aftermarket	\$0.03	(\$6.11)	-	-	-

Source: Capital IQ

First Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
2/1/18	Charlesbank Capital Partners, LLC	Galls, LLC	Automotive Retail	-	-	-	-	-
1/31/18	Bestop Inc.	Kamm Industries, Inc.	Aftermarket	-	-	-	-	-
1/30/18	Demers, Manufacturier d'Ambulances Inc.	Braun Industries, Inc.	Automobile Manufacturers	-	-	-	-	-
1/29/18	Group 1 Automotive, Inc.	Audi And Subaru Dealership	Automotive Retail	-	-	-	-	-
1/25/18	Private Investors	Dealership In Boston of Vertu Motors plc	Automotive Retail	-	-	-	-	-
1/22/18	Dexter Axle Company, Inc.	Kodiak Products Company, Inc.	Aftermarket	-	-	-	-	-
1/22/18	Private Investors	Tire Agent Corp.	Automotive Retail	-	-	-	-	-
1/19/18	Allied Motion Technologies Inc.	Maval Industries, LLC	Aftermarket	-	-	-	-	-
1/18/18	Hannum's Harley-Davidson	Rommel Harley-Davidson of Scranton	Automotive Retail	-	-	-	-	-
1/18/18	Pester Marketing Company Inc.	Western Convenience Stores, Inc.	Automotive Retail	-	-	-	-	-
1/17/18	Parts Authority, Inc.	AutoParts Warehouse Inc.	Automotive Retail	-	-	-	-	-
1/16/18	Northtown Automotive Companies Inc.	Zeigler Honda Amherst	Automotive Retail	-	-	-	-	-
1/15/18	Arsat Industrie SRL	Scooterson Inc.	Aftermarket	-	-	-	-	-
1/12/18	Fowler Holding Company	Joe Cooper Ford of Tulsa, LLC	Automotive Retail	-	-	-	-	-
1/12/18	Lithia Motors, Inc.	Honda and Acura Dealerships	Automotive Retail	-	-	-	-	-
1/12/18	REV Group, Inc.	Lance Camper Manufacturing Corp.	Automobile Manufacturers	\$100.00	-	-	-	-
1/10/18	Walden Riverwood Ventures; ACK Group	Reviver Auto	Aftermarket	-	-	-	-	-
1/8/18	North American Automotive Services, Inc.	Mungenast Hyundai	Automotive Retail	-	-	-	-	-
1/8/18	Asbury Automotive Group, Inc.	Terry Lee Honda	Automotive Retail	-	-	-	-	-
1/8/18	Family RV Group	Dunlap RV Center	Automotive Retail	-	-	-	-	-
1/5/18	Hopkins Manufacturing Corporation	Tiger Accessory Group, LLC	Aftermarket	-	-	-	-	-
1/4/18	FleetPride, Inc.	Truck Parts & Equipment, Inc.	Aftermarket	-	-	-	-	-
1/4/18	Greenfield Farms Food, Inc.	Ngen Technologies (Automotive Technology)	Aftermarket	-	-	-	-	-
1/2/18	Grieco Automotive Group	Grieco Ford Fort Lauderdale	Automotive Retail	-	-	\$22.50	-	-
1/2/18	Canada One Auto Group Inc.	AutoCanada Inc. (Four Dealerships)	Automotive Retail	-	-	-	-	-
1/1/18	TAG Truck Enterprises LLC	Lonestar Freightliner Group LTD	Automotive Retail	-	-	-	-	-

Source: Capital IQ

First Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
			High	591.55	32.53	255.70	NM	NM
			Low	0.03	-6.11	22.50	NM	NM
			Mean	124.44	6.77	139.10	0.43x	7.86x
			Median	27.51	-6.11	139.10	0.43x	7.86x

Source: Capital IQ

Dinan Capital Advisors

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Dinan Capital Advisors



Dinan Capital Advisors delivers a highly tailored strategic approach for middle-market companies that seek to capitalize on merger and acquisition transactions. Our services are comparable in scope to those employed by Wall Street investment banks for the world's most profitable multinational corporations, while using methodologies, processes and cost-effective structures that make sense for middle-market companies.

Based on a highly structured process that leverages our experience, research capabilities, and proprietary technology platforms, we initiate every engagement by first assessing the market climate, and then developing an understanding of the current situation and strategic objectives of each company. From there, we partner with our clients to develop a plan that maximizes shareholder value and delivers the optimal transaction outcome.

Dinan is the registered FINRA member broker-dealer division of the Dinan Group of Companies, responsible for executing the securities related transactions of the firm. The Dinan Group is a leading diversified financial services company with over 25 years of advisory and merchant banking experience dedicated to middle-market transactions.

For any query regarding this report, please contact:

Robert Ullman
Managing Director

rullman@dinancapital.com
415.613.4114

William Downing
Managing Director

wdowning@dinancapital.com
602.734.0682

Michael Pucci
Associate Director

mpucci@dinancapital.com
602.734.0667

Michael Hilcove
Senior Associate

mhilcove@dinancapital.com
602.734.0626

Michael Reister
Senior Analyst

mreister@dinancapital.com
602.734.0663