



NORTH AMERICAN AUTOMOTIVE AFTERMARKET

M&A Activity and Valuation Trends
Q3 | 2020



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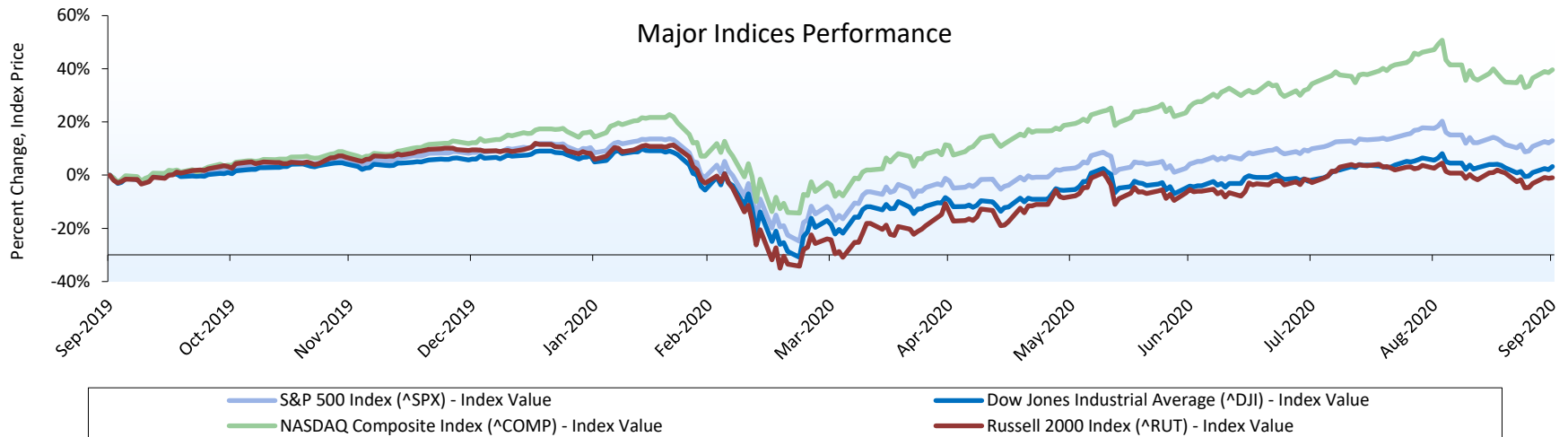
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Economic Indicators

Macroeconomic Overview



Index	As of 12/30/2019	As of 3/31/2020	As of 6/30/2020	As of 9/30/2020
^SPX	3221.29	2584.59	3100.29	3363.00
^COMP	8945.99	7700.10	10058.77	11167.51
^DJI	28462.14	21917.16	25812.88	27781.70
^RUT	1664.15	1153.10	1441.37	1507.69

Major Economic Indicators

Economic Indicator	2016	2017	2018	2019	2020YTD
Real GDP (% change)	1.85%	2.27%	2.80%	2.20%	-1.78%
CPI (% change)	1.26%	2.13%	2.44%	1.81%	1.20%
Cons. Spending (% change)	3.78%	4.42%	5.16%	4.02%	-4.59%
Nonfarm Productivity	1.00%	1.50%	1.40%	1.90%	-0.90%
Unemployment Rate	4.70%	4.10%	3.90%	3.50%	6.90%

Interest Rates

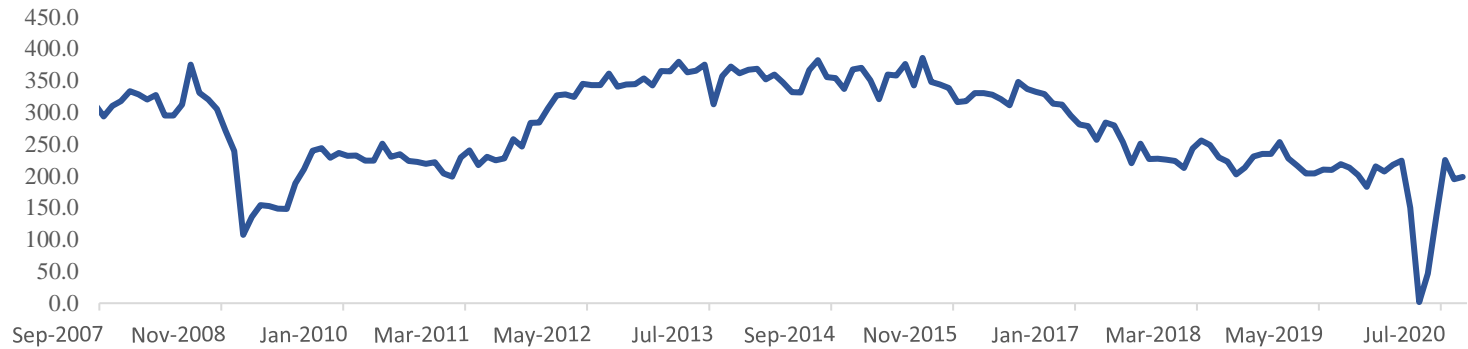
Interest Rates	12/30/2019	3/31/2020	6/30/2020	9/30/2020
United States Treasury - 2 Year	1.58%	0.23%	0.16%	0.13%
United States Treasury - 5 Year	1.68%	0.37%	0.29%	0.28%
United States Treasury - 10 Year	1.90%	0.70%	0.66%	0.69%
United States Treasury - 30 Year	2.34%	1.35%	1.41%	1.46%
United States Prime Rate	4.75%	3.25%	3.25%	3.25%

Source: Capital IQ, S&P NetAdvantage, FRED

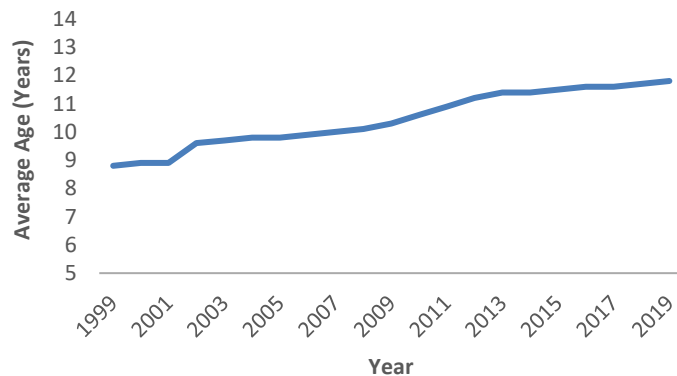
Economic Indicators

Automotive Aftermarket

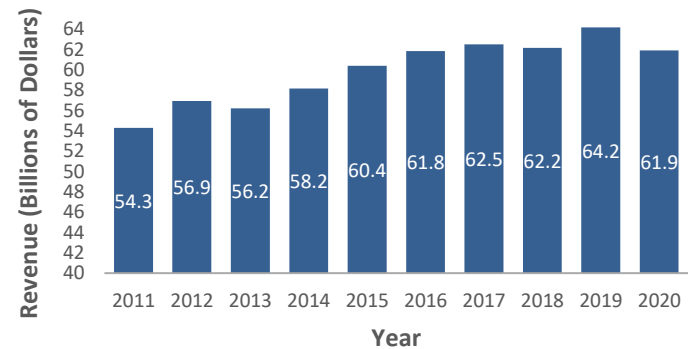
Domestic Auto Production, Thousands of Units, Monthly, Seasonally Adjusted



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



BorgWarner

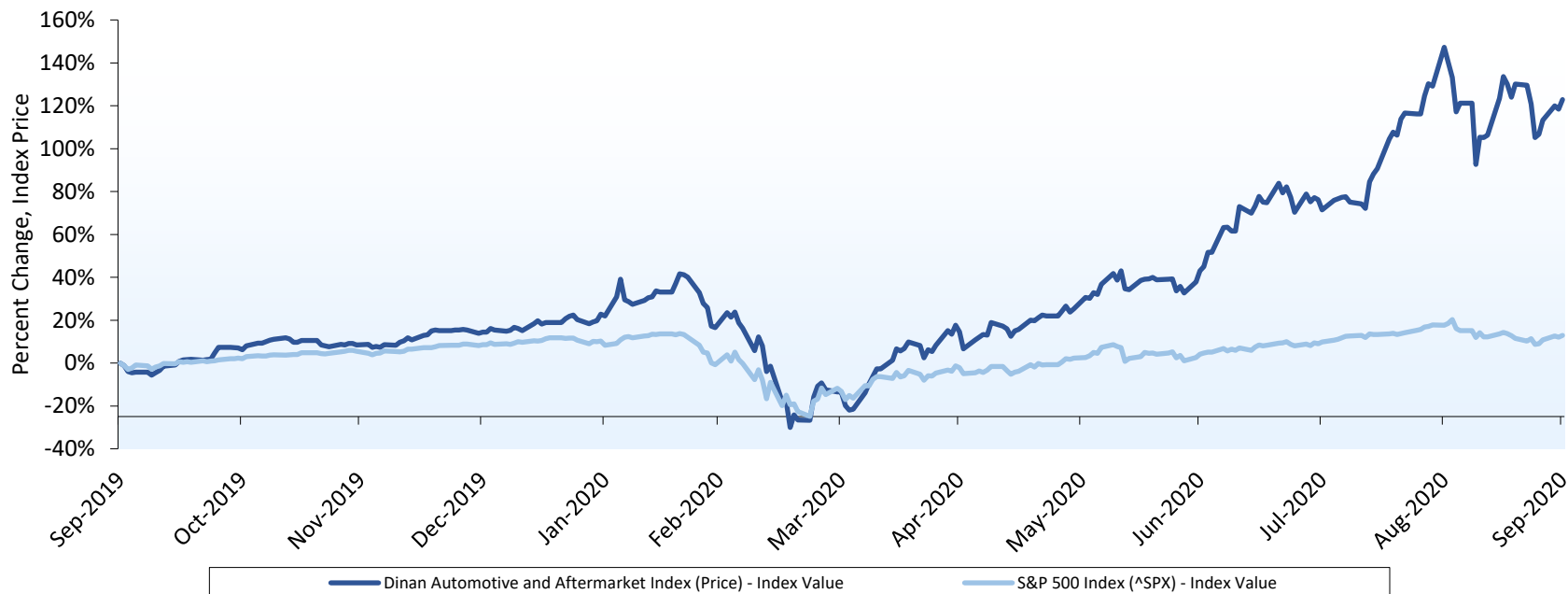
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Capital Market Activity

Automotive Aftermarket



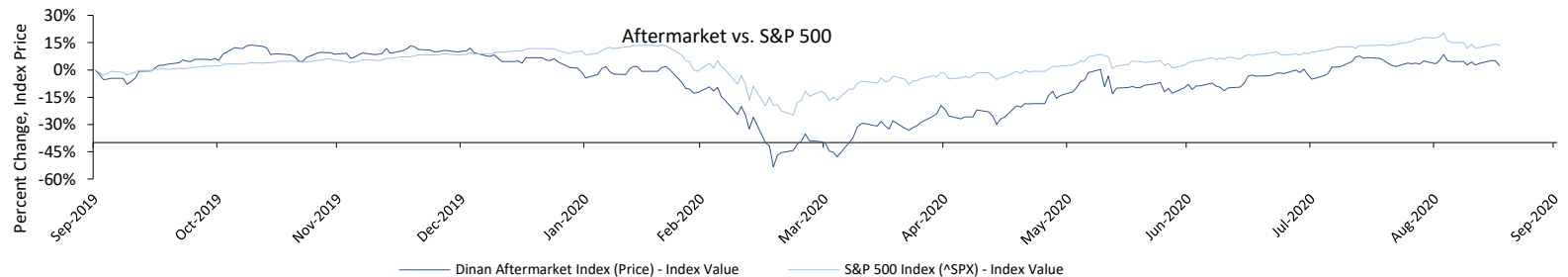
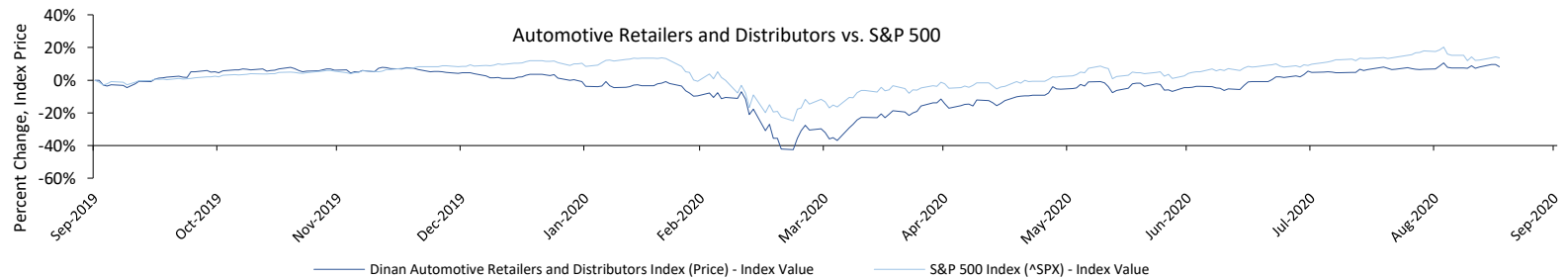
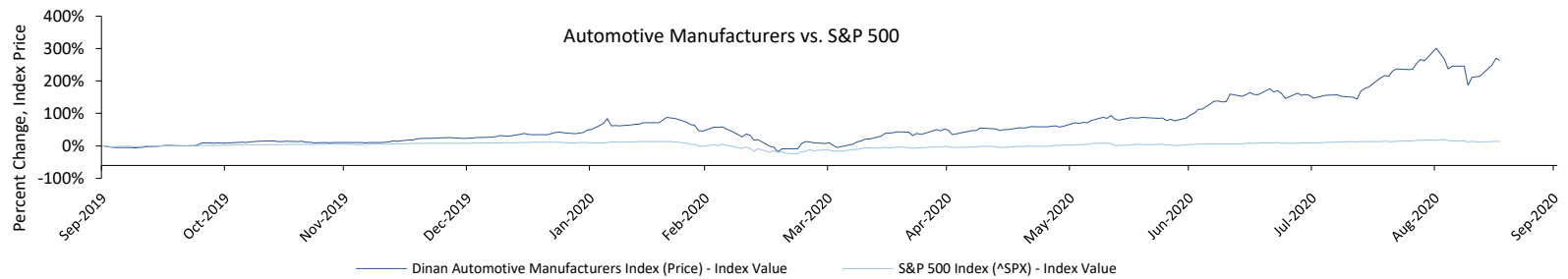
The Dinan Automotive Aftermarket Index, comprised of the publicly traded companies found on page 5, has declined 1.10% over the past 12 months.

Capitalization Profile	Number of Companies	% of Companies	Agg. Equity Mkt. Value	% of Agg. Equity Mkt. Value
> \$10B	9	50.00%	\$594,391.63	96.01%
\$5B - \$10B	1	5.56%	\$8,029.03	1.30%
\$1B - \$5B	5	27.78%	\$14,797.40	2.39%
< \$1B	3	16.67%	\$1,857.75	0.30%
Total	18	100.00%	\$619,075.81	100.00%

Source: Capital IQ

Capital Market Activity

Dinan Index Segments vs. S&P 500

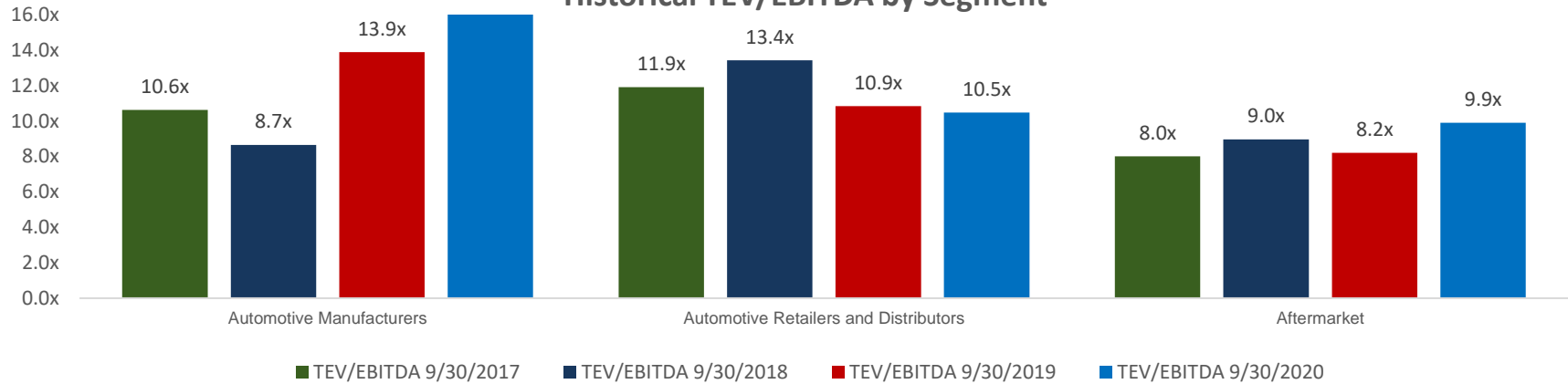


Source: Capital IQ

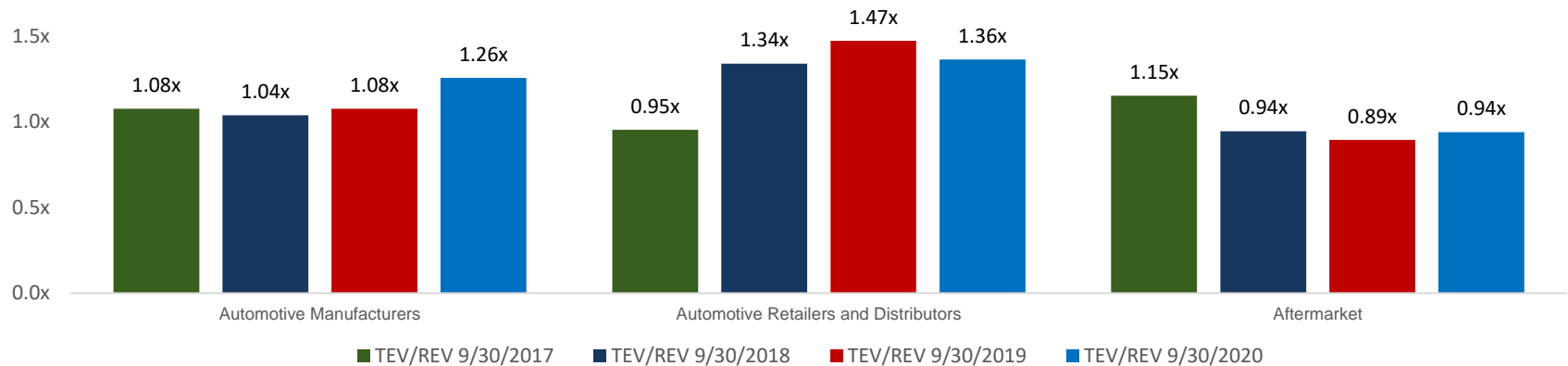
Public Sector Valuations

Automotive Aftermarket

Historical TEV/EBITDA by Segment



Historical TEV/Revenue by Segment



Source: Capital IQ

Public Sector Valuations

Automotive Aftermarket

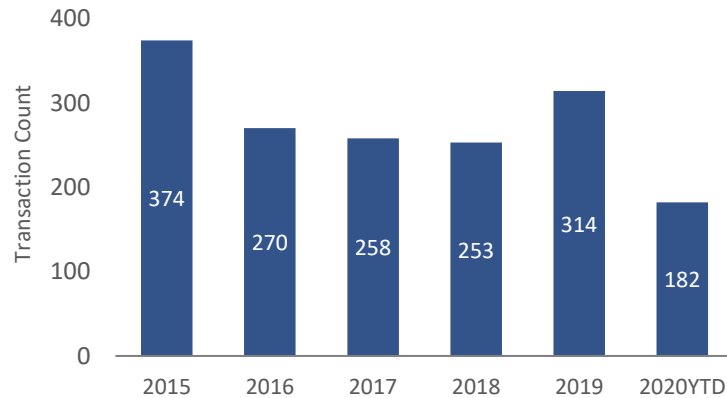
Industry /		Last Twelve Months								Next Twelve Months	
Company Name	Ticker	TEV (mm)	Market Cap (mm)	Rev (mm)	EBITDA (mm)	EBIT (mm)	TEV/Rev	TEV/EBIT	TEV/EBITDA	Forward TEV/Rev	Forward TEV/EBITDA
Automotive Manufacturers											
Ford Motor Company	NYSE:F	\$163,754.07	\$26,496.07	\$119,398.00	\$7,049.00	-\$754.00	1.26x	NM	25.36x	1.18x	16.47x
General Motors Company	NYSE:GM	\$143,811.15	\$42,346.15	\$101,774.00	\$9,460.00	\$4,277.00	1.24x	40.72x	15.72x	1.08x	8.94x
Tesla, Inc.	NasdaqGS:TSLA	\$408,099.22	\$399,755.22	\$28,176.00	\$4,019.00	\$1,723.00	15.87x	NM	104.87x	10.70x	59.56x
Median		\$163,754.07	\$42,346.15	\$101,774.00	\$7,049.00	\$1,723.00	1.26x	40.72x	25.36x	1.18x	16.47x
Automotive Retailers and Distributors											
Advance Auto Parts, Inc.	NYSE:AAP	\$13,113.50	\$10,542.19	\$9,623.98	\$950.71	\$700.38	1.36x	18.72x	8.10x	1.29x	11.39x
AutoNation, Inc.	NYSE:AN	\$9,287.50	\$4,616.30	\$19,062.00	\$1,064.00	\$871.10	0.46x	12.26x	9.09x	0.45x	8.52x
AutoZone, Inc.	NYSE:AZO	\$33,768.63	\$27,528.51	\$12,631.97	\$2,899.05	\$2,501.58	2.67x	13.50x	10.49x	2.60x	11.87x
CarMax, Inc.	NYSE:KMX	\$30,109.78	\$15,088.15	\$18,353.47	\$1,174.43	\$943.12	1.55x	30.62x	18.70x	1.40x	21.61x
Genuine Parts Company	NYSE:GPC	\$16,741.14	\$13,729.62	\$18,435.80	\$1,365.45	\$1,079.05	0.90x	16.27x	10.15x	0.97x	12.17x
O'Reilly Automotive, Inc.	NasdaqGS:ORLY	\$39,342.40	\$34,149.79	\$11,258.70	\$2,630.47	\$2,328.47	3.67x	18.39x	14.16x	3.50x	15.50x
Penske Automotive Group, Inc.	NYSE:PAG	\$11,405.50	\$3,828.90	\$19,933.10	\$664.90	\$550.90	0.56x	18.23x	10.96x	0.52x	13.37x
Median		\$16,741.14	\$13,729.62	\$18,353.47	\$1,174.43	\$943.12	1.36x	18.23x	10.49x	1.29x	12.17x
Aftermarket											
BorgWarner Inc.	NYSE:BWA	\$9,237.03	\$8,029.03	\$8,798.00	\$1,343.00	\$889.00	1.05x	10.43x	6.92x	0.98x	6.50x
Aptiv PLC	NYSE: APTV	\$27,588.93	\$24,755.93	\$12,450.00	\$1,416.00	\$686.00	2.24x	40.51x	18.14x	1.98x	12.83x
Dorman Products, Inc.	NasdaqGS:DORM	\$2,690.66	\$2,912.27	\$1,031.10	\$163.41	\$135.96	2.73x	21.90x	16.66x	2.50x	16.44x
Meritor, Inc.	NYSE:MTOR	\$2,567.74	\$1,513.74	\$3,044.00	\$168.00	\$67.00	0.77x	11.89x	7.71x	0.94x	10.61x
Motorcar Parts of America, Inc.	NasdaqGS:MPAA	\$490.18	\$295.96	\$526.40	\$32.21	\$22.04	0.94x	24.19x	11.87x	0.86x	6.40x
Standard Motor Products, Inc.	NYSE:SMP	\$1,100.24	\$997.85	\$1,087.10	\$122.88	\$97.42	1.05x	14.40x	9.91x	0.98x	8.69x
Tenneco Inc.	NYSE:TEN	\$6,406.94	\$563.94	\$14,872.00	\$824.00	\$188.00	0.43x	35.20x	7.70x	0.41x	5.55x
Visteon Corporation	NasdaqGS:VC	\$2,215.20	\$1,926.20	\$2,505.00	\$164.00	\$81.00	0.89x	36.92x	12.34x	0.76x	8.99x
Median		\$2,629.20	\$1,719.97	\$2,774.50	\$166.00	\$116.69	0.99x	23.04x	10.89x	0.96x	8.84x

Source: Capital IQ

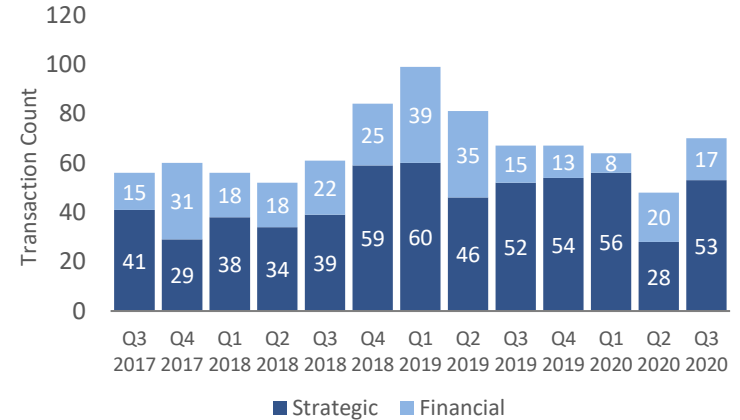
Mergers & Acquisitions Overview

Automotive Aftermarket

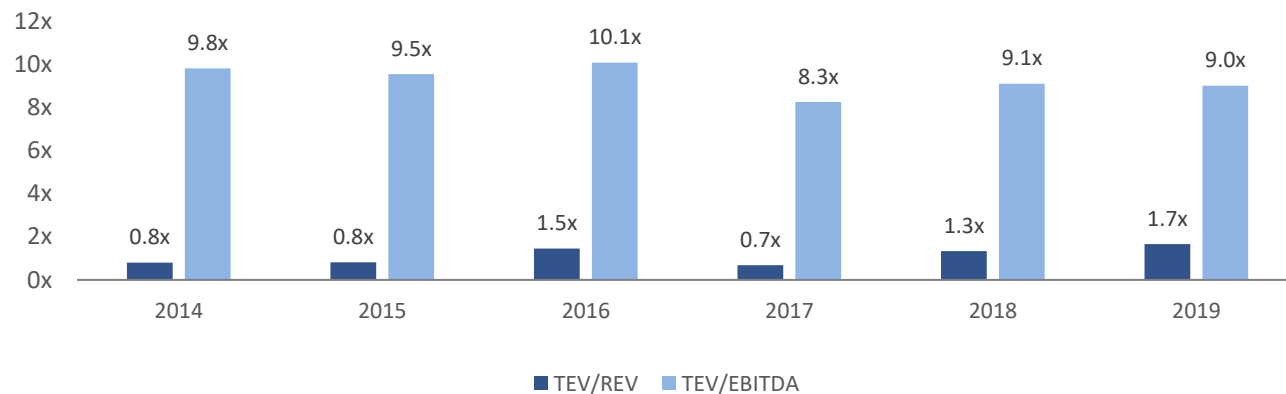
Yearly Transaction Overview



Quarterly M&A Transactions



Transaction Multiples



Source: Capital IQ

Third Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
9/30/20	Bain Capital Credit, LP	HG MS Dealership Holdings, LLC	Auto Retailers and Distributors	-	-	-	-	-
9/30/20	Private Investor	Willamette Ventures, LLC	Auto Retailers and Distributors	-	-	-	-	-
9/30/20	Redwood Capital Investments, LLC	Dealership in Florida	Auto Retailers and Distributors	-	-	\$30.00	-	-
9/29/20	Vanguard Auto Group, LLC	Vanguard Buick GMC of Carrollton	Auto Retailers and Distributors	-	-	-	-	-
9/29/20	River Metals Recycling LLC	Progress Metal Reclamation Company	Aftermarket	-	-	-	-	-
9/26/20	Bob Johnson Auto Group	Marketplace Mazda	Auto Retailers and Distributors	-	-	-	-	-
9/22/20	Lithia Motors, Inc.	Jim Cogdill Dodge Chrysler Jeep Ram	Auto Retailers and Distributors	-	-	-	-	-
9/22/20	Private Investor	Nine Colorado locations of GWTC Colorado	Auto Retailers and Distributors	-	-	-	-	-
9/21/20	Asbury Automotive Group, Inc.	Asbury SC LEX L.L.C.	Auto Retailers and Distributors	\$85.60	-	-	-	-
9/18/20	Amazon.com, Inc.	Zoox Inc.	Aftermarket	-	-	\$1,300.00	-	-
9/15/20	Private Investor	Cape Cod Harley-Davidson	Auto Retailers and Distributors	-	-	-	-	-
9/15/20	CrossAmerica Partners LP	192 Circle K Stores Inc.	Auto Retailers and Distributors	-	-	\$184.50	-	-
9/14/20	LeddarTech Inc.	Assets of Phantom Intelligence Inc.	Aftermarket	-	-	-	-	-
9/14/20	APACE Holding Company, LLC	AP Exhaust Products, Inc.	Aftermarket	-	-	-	-	-
9/11/20	Schomp Automotive Group	Strong Automotive Merchandising, LLC	Auto Retailers and Distributors	-	-	-	-	-
9/8/20	Myers Auto Group, LLC	Mastro Subaru	Auto Retailers and Distributors	-	-	-	-	-
9/2/20	Hendrickson USA, L.L.C.	EnPro Industries	Aftermarket	-	-	\$9.00	-	-
9/1/20	Lithia Motors, Inc.	John Eagle Auto Group	Auto Retailers and Distributors	-	-	-	-	-
8/31/20	Gills Point S Tire & Auto Service	Vianor Inc.	Auto Retailers and Distributors	-	-	-	-	-
8/27/20	Private Investor	Rocky Mountain Phoenix Inc.	Aftermarket	-	-	-	-	-
8/25/20	Swickard Auto Group	Audi Palo Alto	Auto Retailers and Distributors	-	-	-	-	-
8/24/20	Wheel Pros, LLC	Manufacturing Facility of BORBET	Aftermarket	-	-	-	-	-
8/24/20	Asbury Automotive Group, LLC	Park Place Dealerships	Auto Retailers and Distributors	-	-	\$735.00	-	-
8/20/20	Quicklee's Convenience Stores	Mobil Gas Station	Auto Retailers and Distributors	-	-	-	-	-
8/19/20	Arbutus RV & Marine Sales Ltd.	Coast RV SALES & SERVICE LTD.	Auto Retailers and Distributors	-	-	-	-	-
8/14/20	Carlock Automotive Group	Hallmark Automotive Group	Auto Retailers and Distributors	-	-	-	-	-
8/12/20	Five Star International, LLC	Tri-County International Trucks, Inc.	Auto Retailers and Distributors	-	-	-	-	-
8/11/20	Service Tire Truck Center, Inc.	Highlands' Tire and Service	Auto Retailers and Distributors	-	-	-	-	-
8/11/20	ZF Friedrichshafen AG	Veoneer Nissin Brake Systems America LLC	Aftermarket	-	-	-	-	-

Source: Capital IQ

Third Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
8/10/20	Horizon Hobby, LLC	D.T. Mattson Enterprises, Inc.	Aftermarket	-	-	-	-	-
8/6/20	Joe Bullard Automotive, Inc.	Joe Bullard Chevrolet, Inc.	Auto Retailers and Distributors	-	-	-	-	-
8/6/20	Atlas Holdings LLC	Exide Technologies, LLC	Aftermarket	-	-	\$178.60	-	-
8/4/20	Bob Loquercio Auto Group	Garber Fox Lake Toyota	Auto Retailers and Distributors	-	-	-	-	-
8/4/20	Lithia Motors, Inc.	Four John Eagle Dealerships	Auto Retailers and Distributors	\$500.00	-	-	-	-
8/4/20	Private Investor	Jack Maxton Chevrolet	Auto Retailers and Distributors	-	-	-	-	-
8/4/20	OptionSoft Technologies, Inc.	Gogocar LLC	Auto Retailers and Distributors	-	-	-	-	-
8/4/20	Middleground Partners I, L.P.	DURA Automotive Systems, LLC	Aftermarket	\$640.00	-	-	-	-
8/3/20	Foundation Automotive Corp.	Medved Dealerships	Auto Retailers and Distributors	-	-	-	-	-
8/3/20	Niwot Corporation	Peterson Fluid Systems, Inc.	Aftermarket	-	-	-	-	-
8/3/20	Private Investor	Clements Chevrolet Cadillac Company	Auto Retailers and Distributors	-	-	-	-	-
7/31/20	Natchez Automotive Ventures, LLC	Natchez Auto Ventures III, LLC	Auto Retailers and Distributors	-	-	-	-	-
7/31/20	First Brands Group, LLC	Brake Parts Inc.	Aftermarket	-	-	\$510.00	-	-
7/31/20	Indiana Mills & Manufacturing, Inc.	SynTec Seating Solutions, LLC	Aftermarket	-	-	-	-	-
7/31/20	First Brands Group, LLC	Champion Laboratories, Inc.	Aftermarket	-	-	-	-	-
7/30/20	United Pacific	Three Full-Service Car Washes	Auto Retailers and Distributors	-	-	-	-	-
7/29/20	Lithia Motors, Inc.	BMW of San Francisco	Auto Retailers and Distributors	-	-	-	-	-
7/29/20	Private Investor	Arlington Plating Company	Aftermarket	-	-	-	-	-
7/28/20	Sewell Automotive Company, Inc.	Dealerships Jaguar and Land Rover Austin	Auto Retailers and Distributors	-	-	-	-	-
7/27/20	National Auto Care, Corp.	Diversified Management Group, Inc.	Aftermarket	-	-	-	-	-
7/27/20	Brandon Steven Motors, LLC	Honda Of Downtown Los Angeles	Auto Retailers and Distributors	-	-	\$80.00	-	-
7/25/20	AHW LLC	Arends & Sons, Inc.	Auto Retailers and Distributors	-	-	-	-	-
7/22/20	KAM Marine and KAM Yacht Sales	Luke Brown Yacht Sales LLC	Auto Retailers and Distributors	-	-	-	-	-
7/20/20	Hudson Automotive Group	Car Dealership of Morristown Chevrolet	Auto Retailers and Distributors	-	-	-	-	-
7/14/20	United Pacific	95 Gas Station and Convenience store assets	Auto Retailers and Distributors	-	-	-	-	-
7/14/20	Token Communities Ltd.	Token Communities Ltd.	Aftermarket	-	-	-	-	-
7/14/20	Private Investor	Epic Chevrolet-Cadillac	Auto Retailers and Distributors	-	-	-	-	-
7/14/20	Lithia Motors, Inc.	Westlake Imports, Inc.	Auto Retailers and Distributors	-	-	-	-	-
7/14/20	Four Corners Property Trust, Inc.	BP Gas Station Property in Illinois	Auto Retailers and Distributors	-	-	\$3.30	-	-

Source: Capital IQ

Third Quarter Transactions Overview

Automotive Aftermarket

Date	Acquirer	Target	Industry Segment	Target LTM		Enterprise Value	Enterprise Value / LTM	
				Revenue	EBITDA		Revenue	EBITDA
7/7/20	Lithia Motors, Inc.	Smolich Chrysler Jeep Dodge Ram	Auto Retailers and Distributors	-	-	-	-	-
7/6/20	Private Investor	Haydocy Buick-GMC in Columbus, Ohio	Auto Retailers and Distributors	-	-	-	-	-
7/2/20	VOXX International Corporation	Directed Electronics Inc.	Aftermarket	-	-	\$11.00	-	-
7/1/20	Lupient Automotive Group Inc.	Lupient Nissan of Brooklyn Park	Auto Retailers and Distributors	-	-	-	-	-
7/1/20	Sensata Technologies, Inc.	PRECO Electronics, LLC	Aftermarket	-	-	-	-	-
7/1/20	Private Investor	Haydocy Buick GMC/Haydocy Airstream & RV	Auto Retailers and Distributors	-	-	-	-	-
6/30/20	1252256 B.C. Ltd.	Canadian Commercial Vehicles Corp.	Aftermarket	-	-	\$1.30	-	-
6/30/20	Private Investor	9 Minnesota Stores	Auto Retailers and Distributors	-	-	-	-	-
6/30/20	Private Investor	Byers Kia (nka:Celebration Kia)	Auto Retailers and Distributors	-	-	-	-	-
6/30/20	Jerry Seiner Dealerships Inc	Henry Brown in Casa Grande, AZ	Auto Retailers and Distributors	-	-	-	-	-

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.

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