

THE HAIG REPORT

Q4 | 2021

TRENDS IN AUTO RETAIL AND THEIR IMPACT ON DEALERSHIP VALUES

- The Chipdemic continues to create extraordinarily favorable conditions in auto retail
- The average publicly owned dealership made \$6.4M in 2021, 3.1x higher than in 2019
- Public company spending on US auto acquisitions was \$9B+ in 2021, 11.6x higher than the 2015–2019 average
- Public equity valuations are 35% higher than they were before the Pandemic
- Average blue sky values rose an estimated 105% from the end of 2019 and are at record-high levels
- The near to mid-term outlook for dealerships appears bright, but threats are emerging

OVERVIEW

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A dealer friend of ours said recently, "These are the best of times. These are the most uncertain of times." His comment reflects what many are thinking about the auto retail industry as we enter a third year of Pandemic impacted operations.

On the positive side of the ledger, dealership profits have tripled since the Pandemic set in. Dealers have enjoyed robust demand thanks to massive stimulus matched by a significant reduction in production. Margins for dealers soared, and some costs fell. The cherry on top was the tax-free PPP income. The outlook is almost equally bright in the short term. Economists

predict supply will be lower in 2022 than in 2021, before improving in 2023 and beyond. So long as demand remains strong, profits for dealers seem likely to remain elevated for years to come.

At the same time that dealership profits were lifting skyward, the demand for dealerships began to ignite. Public groups started aggressively buying dealerships, including large groups. Many private dealers have also been in the hunt for more stores. These buyers like the returns on investment they can earn in auto retail and are bullish about the future of the industry. As a result of sustained high profits at dealerships and strong demand for them, blue sky values have roughly doubled since the Pandemic began. As the price of dealerships increased, so did the supply of dealerships for sale. We saw an estimated 640 rooftops sell last year, a record number, and about twice the number of sales compared to an average year.

While we all enjoyed a remarkable 2021, there is the other side of the ledger: dealers are beginning to spot growing risks to their futures. The introduction of EVs, new entrants like Tesla, the agency model, and consolidation are the main concerns we hear from dealers. Some wonder quietly if the franchise model will even exist in ten years. The most valuable automaker is Tesla and the most valuable auto retailer is Carvana. What do they both have in common? No dealers!

We have seen that auto dealers are highly resilient and adaptable people. And we have seen that the auto retail industry offers dealers multiple profit centers they can focus on if circumstances change. Finally, we know that dealers add value to the consumer, employee millions, and are major forces for good across the country. Our crystal ball is no better than others, but there is no doubt that change is coming. Those dealers willing to grow and adapt should thrive in the future. Those who doubt that they have the human or financial capital to take on the next phase of our industry, or simply don't want to take the risk with their families' financial futures, will find willing suitors in the marketplace.

560+
DEALERSHIPS

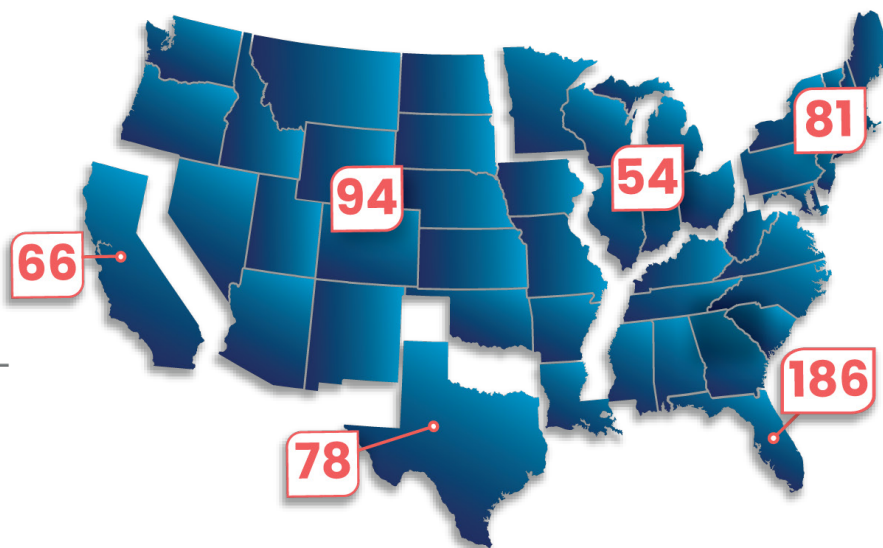
Bought or Sold Nationwide

Represented **20** of
the Top **150** Dealer
Groups.

More than any other firm.

\$8.5
BILLION
In Value

NATIONWIDE EXPERIENCE – LOCAL KNOWLEDGE

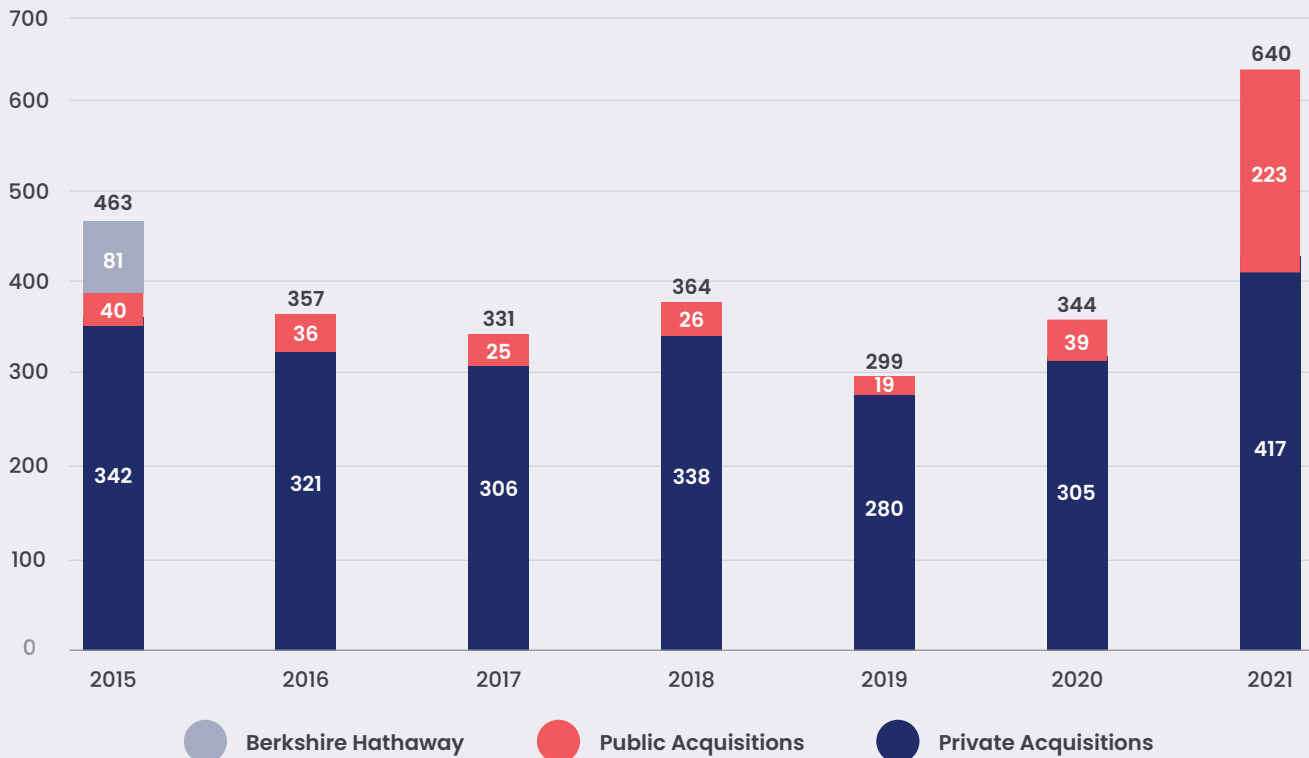


Buy-Sell Activity Hit Record Levels

Based on our research and data from Automotive News and The Banks Report, 2021 was a historic year. We estimate dealers purchased 640 rooftops last year, the most our industry has ever seen. Consider the following data to put 2021 in context.

- The number of dealerships sold in 2021 was 38% higher than the previous record set back in 2015 at 463 dealerships when the Van Tuyl Group sold to Berkshire Hathaway.
- The number of dealerships sold was 89% above the average number of rooftops trading hands from 2016-2019.
- Public company filings show the purchase of 223 dealerships in 2021, up 669% from the average number over the past five years.
- Private buyers have also been active, acquiring an estimated 417 rooftops in 2021, a lift of 35% from pre-Chipdemic years.
- Our firm is enjoying these robust conditions as we advised on the sale of 50 dealerships in 2021, more than any other year in our history.
- Blue sky values have also gone up substantially as we will discuss later in this report.

US DEALERSHIPS BOUGHT/SOLD



Source: Automotive News, The Banks Report, & Haig Partners

"CarMax chose to divest our Laurel Toyota new car store to continue to focus on our core business of delivering an exceptional used car buying and selling experience. I had the utmost confidence Haig Partners would represent our company with integrity and ensure this transaction would be completed successfully."

- CarMax, Enrique Mayor-Mora, Chief Financial Officer



Public Company Acquisition Spending Has Reached Record High Levels

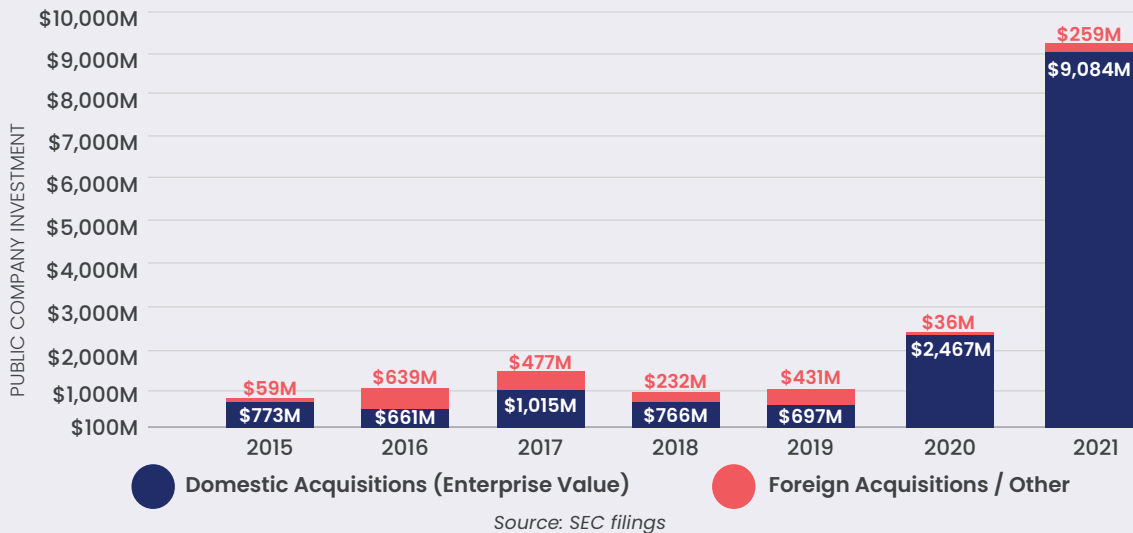
The amount of spending by public companies on US auto dealerships exploded in 2021, reaching \$9.1B, the most ever in a single year. This level of acquisition activity is 11.6x the five-year average before the Chipdemic and 3.7x 2020 which was the previous record. Many of the public companies closed on blockbuster acquisitions in 2021 which drove acquisition spending to a record high level.

For the past few years, Lithia has been the most active buyer. It announced a plan to reach \$50B in revenue within five years and it is well on its way. Along with acquisitions to establish a nationwide network of dealerships, Lithia announced its plans to develop its e-commerce platform, Driveway, to sell and service customers who don't want to come into dealerships. This bricks and clicks strategy was embraced by investors who have pushed up Lithia's stock to make it the most valuable franchised retailer in the world.

The other publicly traded companies have also increased their rate of acquisitions to build out their footprints and are starting their own e-commerce platforms. Asbury, for instance, outspent Lithia last year and launched its Clicklane offering to buyers who prefer to shop online. Here are the amounts spent by the publicly traded retailers in 2021:

- Asbury Automotive: \$3.66B
- AutoNation: \$0.43B
- Group 1: \$1.08B
- Lithia Motors: \$2.70B
- Penske Automotive: \$0.23B
- Sonic Automotive: \$0.99B

PUBLIC COMPANY ACQUISITION SPENDING



Blue Sky Values Are At All-Time High Levels

We carefully monitor the buy-sell market to assess the desirability of various auto franchises. We analyze offers for the transactions that we are involved in and regularly speak with leading buyers and many attorneys and CPAs who are involved in other acquisitions. When COVID arrived, it quickly had an impact. Some buyers pulled their offers, while others demanded price concessions. But as dealership profits rebounded, so did franchise values.

The following table sets forth our expectation of what a buyer would pay for the blue sky for various franchises, applied to a three year average of adjusted pre-tax earnings. We shifted the years for this three year average in this report from our Q3 Haig Report. In that report, we estimated buyers were using two years of pre-Pandemic profits (2018 and 2019) and one year of Pandemic era earnings. Now, we see buyers being comfortable basing their three year average of adjusted earnings based on one year of pre-Pandemic earnings (2019) with two years of Chipdemic era

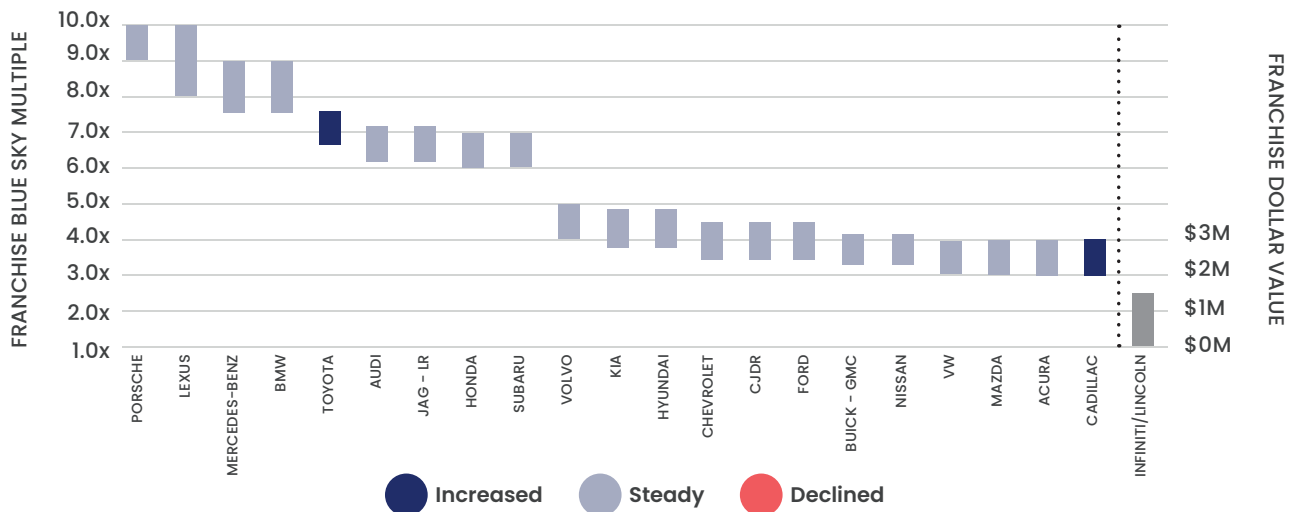
earnings (2020 and 2021). We then apply this three year average of adjusted pre-tax profit to an average blue sky multiple to calculate the estimated average blue sky value per dealership. We have made changes to the estimated blue sky multiples for several franchises, based on our experience with them or what leading buyers have told us.

While every transaction varies, we now estimate that the blue sky value of the average public dealership is 105% higher now (more than double!) than at the end of 2019, and 68% higher than at the end of 2020, largely due to higher profitability levels.

We are seeing particularly high interest in states like Florida and Texas where there is no state income tax. Values are also strong throughout the Southeast, the Southwest and in Mountain States where population growth is strong and the business climate is favorable. In these areas, blue sky multiples will likely be higher than in the chart below. Also, in very large transactions that are deemed strategic to the buyer, blue sky values are higher than what we set forth below.

Note: See the Buy-Sell Trends section for our analysis of average dealership values.

HAIG PARTNERS NATIONAL AVERAGE BLUE SKY MULTIPLES



The chart above is a guide for many dealerships. Still, the amount buyers will pay for dealerships varies depending upon many factors and can be higher or lower than the ranges we indicate. The table below provides a list of some qualifying factors that could impact the value paid for a dealership.

FACTORS IMPACTING MULTIPLES

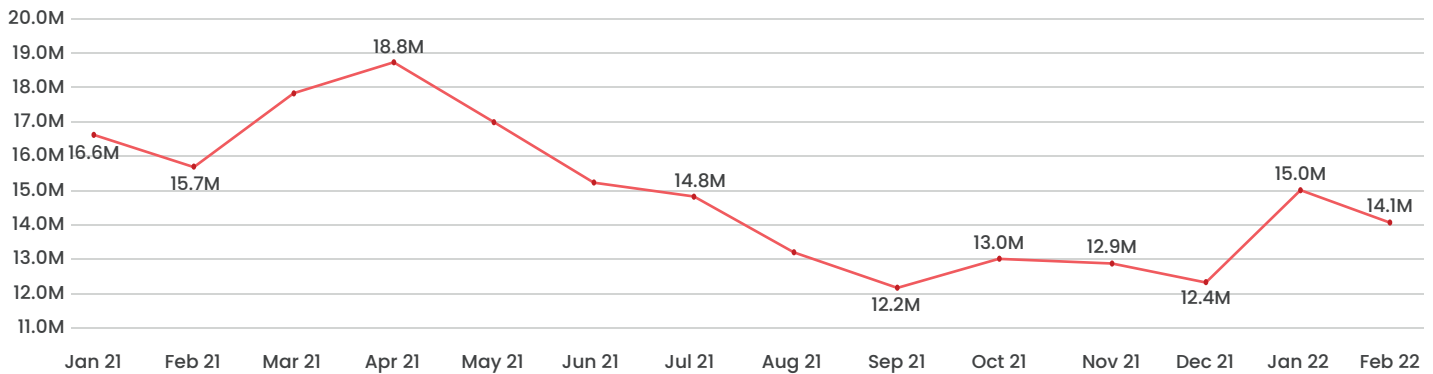


TRENDS IMPACTING AUTO RETAIL

The Lack Of Microchips Continues To Slow Production

As the US began to exit the Pandemic in April 2021, the SAAR peaked at 18.8M units, the strongest April sales in the history of the US auto industry and the highest monthly sales rate since July 2005, according to NADA. But since April 2021, OEMs have struggled with a shortage of microchips. We are calling this period the Chipdemic era. Sales began to slip, and the SAAR dropped to 12.2M in September 2021, almost 1/3 below pre-Chipdemic levels. The SAAR started to recover in 2022 and hit 15M in January. However, due to new production cuts and the global uncertainty around the Ukrainian war, the SAAR dropped to 14.1M in February 2022, 15% below the January 2021 level. With continued production issues, supply may not return to previous levels for the next 12-18 months.

MONTHLY SAAR



Source: NADA

The chart at the top of the following page shows the combined amount of fleet and retail sales for light vehicles in the US over the past 17 years. You can see the impact of the Great Recession when sales dropped about 40% from 16-17M sales to 10.4M sales in 2009. This drop was caused by a lack of confidence, a lack of credit and a lack of capital on behalf of buyers.

The drop in sales today is solely caused by a lack of supply as the level of demand is extremely high due to record high amounts of cash in customer accounts and low interest rates. Many in our industry wonder how much longer current conditions will continue. It appears to us as though demand will exceed supply for some time to come. Here is some data to consider.

- From 2015-2019, new vehicle sales in the US averaged 17.3M units.
- Due to the Pandemic and subsequent Chipdemic, we lost 2.7M new unit sales in 2020, 2.3M new unit sales in 2021 and are poised to lose an estimated 2.0M

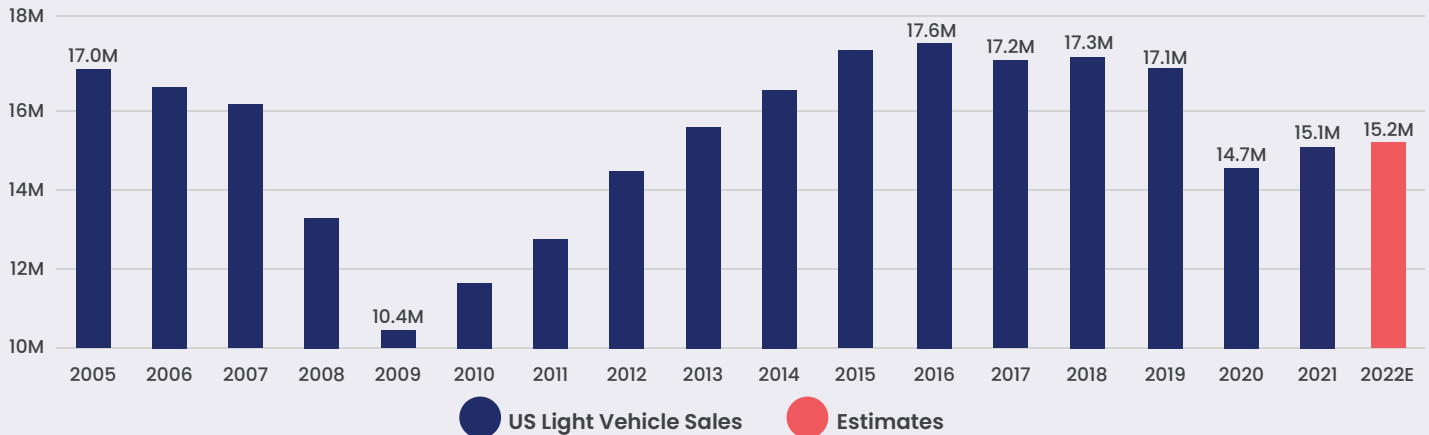
units in 2022. The combined lost sales over this three year period is 7.0M units, plus inventories are down about 2 million units, so the total shortfall between production and demand is likely closer to 9 million units.

- It's unclear how much production capacity the OEMs have now, given they are shifting over production lines to EVs. But let's assume their capacity is 15% above the average level produced from 2015-2019, so 19.9M units per year, or 2.6 million units over the 2015-2019 average.
- Assuming that the OEMs would be ready to produce at maximum capacity by the beginning of 2023, it would take an estimated 3.5 years to catch up with the lost production from 2020-2022 (9.0M lost units / 2.6 M units excess capacity per year = 3.5 years).

By this rough math, we are going to remain in a period where demand exceeds supply for the next 3.5 years. If that is the case, we can project that margins are likely

to remain elevated while costs should remain lower than normal. That means this burst of highly elevated profits could continue well into 2025. Of course, a BIG caveat to the last sentence is that these projections are based on unproven assumptions, and we also don't know what other factors will be at play that will affect dealers, like the expansion of the war in Ukraine, or the agency model in the US.

US LIGHT VEHICLE SALES



Source: IHS, Wards Auto, TrueCar, COX Automotive, NADA, J.D. Power

The Supply Of Vehicles Is Far Lower Than Demand, So The Prices Are Far Higher

The combination of production shortfalls at the same time as an explosion of demand has created significant inventory shortages at dealerships nationwide. According to Cox Automotive, the supply of new vehicles is 60% or 1.6 million vehicles less than inventory levels a year ago and 2.2 million less than in 2020. Dealers' lots are close to empty and they are selling far into their allocations. Customers are pre-ordering more than ever before so they can have a shot at purchasing a vehicle they want and without paying big premiums over sticker. As shown on the charts below provided by Jonathan Smoke, Chief Economist at Cox Automotive, there was just a 35 days supply of new vehicles when 2021 ended, and this likely included vehicles in the pipeline as opposed to vehicles on dealers' lots.

In terms of the level of new vehicle supply going forward, several OEMs have discussed they prefer lower levels of inventory on dealers' lots. Ford CEO Jim Farley wants to encourage customers to pre-order vehicles, setting a target of 20%-25% of sales, compared to almost none before the Pandemic.

The situation with used inventories is much improved. The days' supply for used vehicles climbed from the mid-30s in April to 51 at the end of 2021, just one day below

year-ago levels. Dealers are doing a better job sourcing used vehicles to offset the decline in new vehicle supply. They are purchasing more off-lease vehicles, competing harder for trade-ins, and purchasing more directly from consumers. Due to their new skills, dealers have been able to maintain sales of used vehicles close to pre-Pandemic levels, in contrast with sales of new vehicles that are now far lower.

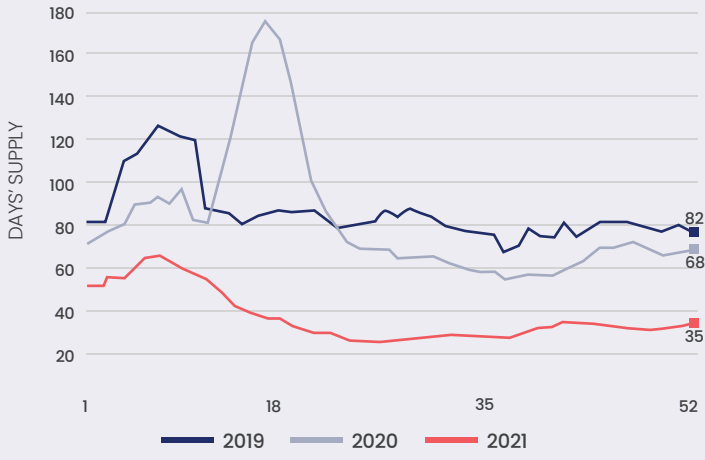
As a result of the strong demand and lack of supply, pricing on new and used vehicles has surged. JD Power data shows the average new-vehicle retail transaction price in February was expected to reach a record \$44,460, an 18.5% increase from the prior year. In addition to raising prices, OEMs are reducing incentives. Incentive spending per vehicle is down to 2.8%, a record low. We wonder why there are any incentives at all given how quickly vehicles are selling.

Used vehicle prices have also been extremely high. The Manheim Index of used vehicles (sold at wholesale) skyrocketed in 2021 and has not yet returned to Earth. Wholesale-used vehicle prices were up 37.6% in the first 15 days of February compared to February 2021. Until the supply of new units returns to more normal levels, or until

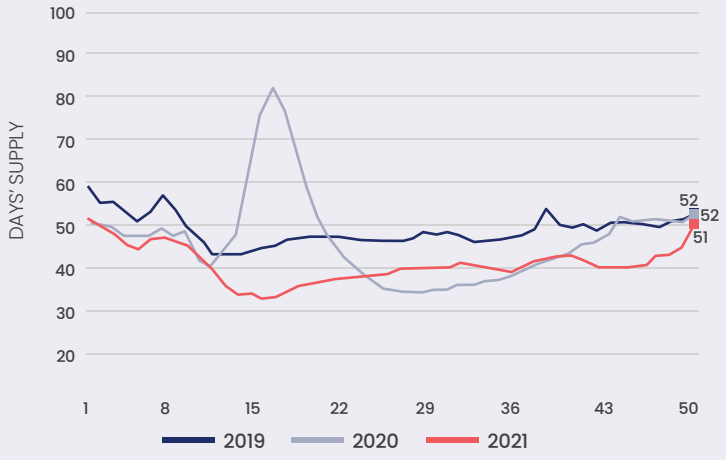
we see a drop in demand from buyers, we expect the value of used units will remain very high.

As we continue to see record new and used vehicle prices each month, vehicle buyers are benefiting from more equity on their trade-in vehicles. In February, J.D. Power reported that the average trade-in equity for vehicles was \$9,663, a 93% increase from February 2021.

NEW DAYS' SUPPLY BY WEEK



USED DAYS' SUPPLY BY WEEK



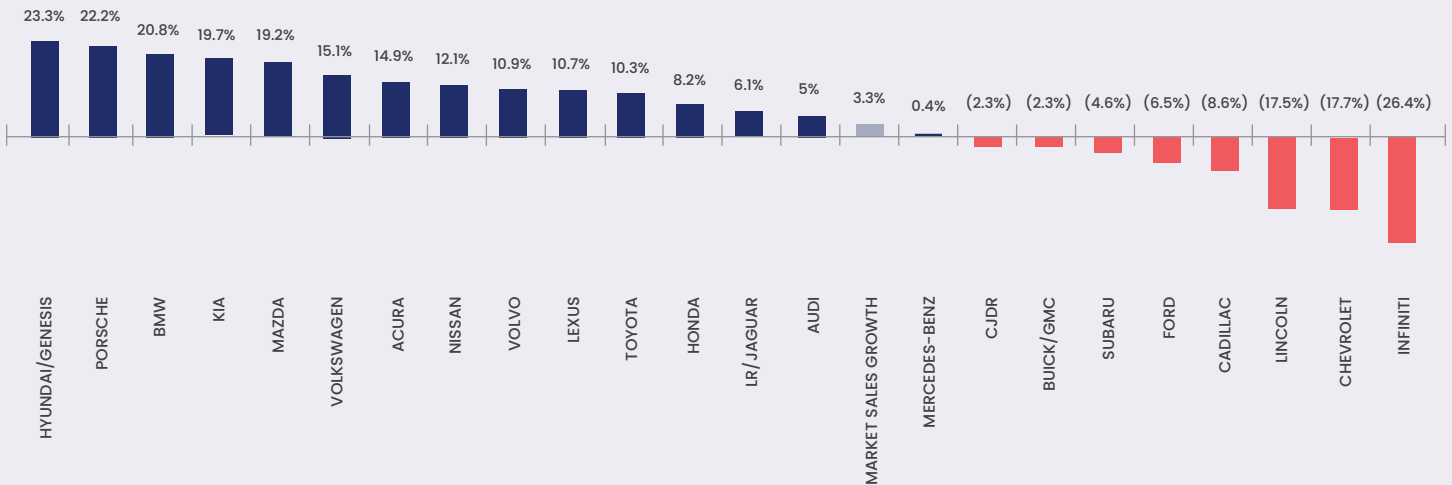
Source: Cox Automotive

Source: Cox Automotive

Changes In Sales For Individual Franchises

The following chart sets forth the change in new unit sales among the major franchises in 2021 compared to 2020. While inventory has been extremely limited in recent months, the average franchised dealership sold 3.3% more units in 2021 compared to 2020 because sales fell so significantly in March and April of 2020. Note, this data reflects changes in total sales per brand, including fleet sales. Since the OEMs severely limited their sales to fleets to feed their retailers, the sales performance at dealerships has been slightly better than this data reflects. Note how well Hyundai and Kia performed, as well as most of the premium luxury brands. Nissan, Toyota and Honda had decent recoveries, but Subaru struggled. And note how the Big Three brands performed. We hope their shortfalls today will lead to a boom in sales for them later.

YEAR/YEAR SALES PERFORMANCE - 2021



GDP Growth Jumps

GDP grew at an annual rate of 6.9% in Q4 2021. This is the strongest GDP growth in five quarters and the sixth straight quarter of GDP growth. However, economists tell us that much of the growth has been driven by stimulus spending and GDP growth is beginning to slow due to supply chain issues, and inflation. The rise in oil prices has been a big concern of late, also. And the war in Ukraine is likely to hamper growth as it caused additional inflation and supply chain issues. Ukraine's exports are now being blocked, and sanctions against Russia will drive up the cost of their exports, notably food and energy. These factors are causing some consumers and corporations to become more cautious.

Unemployment Levels Nearing Pre-Pandemic Levels

The unemployment rate fell to 3.8% in February 2022 as the economy generated 678,000 new jobs, according to the Labor Department. The unemployment rate has almost reached the pre-Pandemic level of 3.5% (February 2020). There are still millions of job postings, and more employees appear to be willing to return to the workforce, attracted by higher wages, safer conditions and reduced unemployment benefits. The labor force participation rate reached a new Pandemic high of 62.3% in February 2021, just 1.1% below the February 2020 level of 63.4%.

Inflation Is Taking A Bite

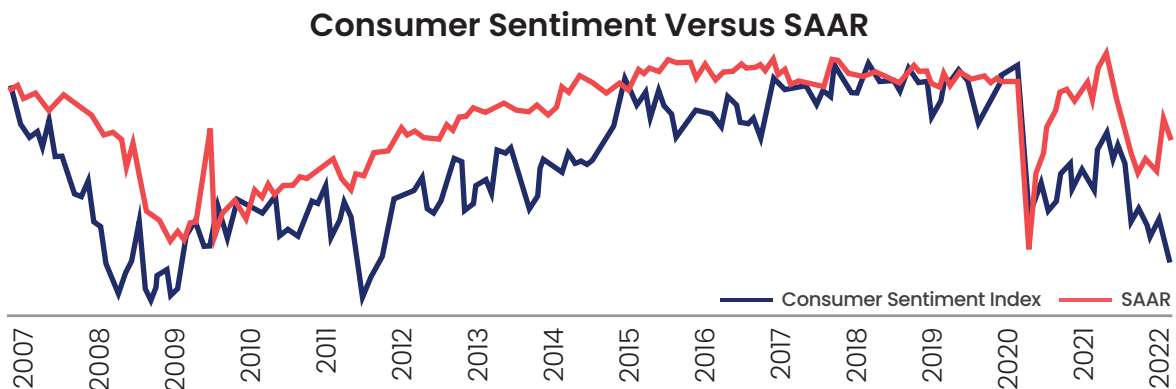
The 12-month inflation rate was 7.9% in February 2022, the largest 12-month increase since the period ending January 1982. Inflation is even higher in the auto industry as the prices of new and used vehicles jumped double digits since last year. If inflation outpaces wage gains, consumers will have a harder time affording vehicle purchases, and dealership profits may suffer.

Fuel Prices Hit Record Levels

The national average price per gallon of gas was \$4.32 as of March 14, 2022, 51% above the level at the same time last year and up 32% so far in 2022. Higher fuel prices can reduce demand for vehicles since consumers have less money to spend on monthly payments. Higher fuel prices could increase demand for electric vehicles which will be welcome news for the OEMs who plan to bring dozens of EV models to the market soon.

Consumer Sentiment Has Plummeted

Consumer Sentiment is an economic indicator that measures how optimistic consumers feel about their finances and the state of the economy. New vehicle sales and Consumer Sentiment, as measured by the University of Michigan, typically move together. When Consumer Sentiment is increasing, auto sales increase, and vice versa. But this relationship appears to be broken at the moment. The Consumer Sentiment has hit a decade low, falling 8.2% in one month, and is down 19.7% from last February. The declines are driven by rising inflation and a weak economic outlook. The effect of the war in Ukraine has not yet hit the index since the most recent period we have is February, before the war really got underway. The war has already caused global instability and is hurting the auto supply chain, reducing production of vehicles, and the cost of oil has further increased. If the war continues for some time, we will likely see higher inflation and higher interest rates, which could further reduce Consumer Sentiment. These events could cause a reduction in demand for new vehicles, which could hurt both margins and volume at auto retailers, hitting profits hard.



Source: Thomson Reuters / University of Michigan; FRED

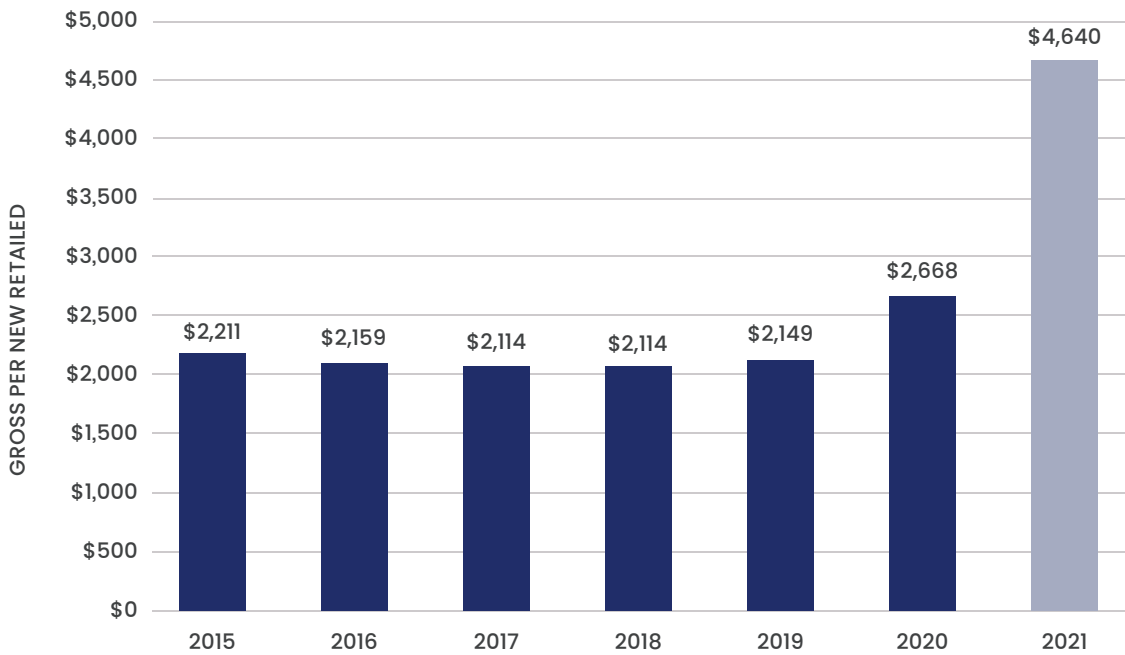
New Vehicle Grosses Rise Even Further

Despite the drop in Consumer Sentiment described on the previous page, demand has been strong for new vehicles. Lots of buyers combined with limited supply has caused gross profits per new vehicle to skyrocket in 2021. The public companies made an average of \$4,640 in front-end gross profit per vehicle. Gross profits on new vehicles in 2021 were 116% higher than pre-Chipdemic (2019). Dealers tell us the OEMs don't know when they will be able to source enough components to resume full production. Each week we hear about new supply

constraints, and the war in Ukraine is likely to further exacerbate the shortages since Ukraine supplies 90% of the neon needed to produce semiconductors. A number of economists who follow the auto industry are predicting that it will be years before the availability of vehicles meets the demand for them. During that time, barring a shock to demand, we expect that margins will remain elevated.

NEW GROSS PROFITS PER VEHICLE: PUBLIC COMPANY DATA

(Weighted Average Same Store Performance - In Current Dollars)



Source: SEC filings

Used Vehicle Grosses Are Also Elevated

A spike in demand for used vehicles and a decline in off-lease used units have provided dealers with significant pricing power in the market today. Gross profit per used unit is 60% higher than in 2019, the last year before the Chipdemic. These elevated profits will likely remain until new vehicle production rebounds to meet demand.

"When we made the decision to sell, we carefully considered who should represent us. The clear choice was Haig Partners. We preferred their straight-forward message, and they exceeded our expectations all along the way... This group of dealerships is a part of our legacy and we wanted to partner with the advisor that would listen to us and match us with a buyer who would share the respect we have for our customers and employees."

- Fox Auto Group, Jane Fox and Bill Fox, Former NADA Chairman



USED GROSS PROFITS PER VEHICLE: PUBLIC COMPANY DATA

(Weighted Average Same Store Performance - In Current Dollars)



Source: SEC filings

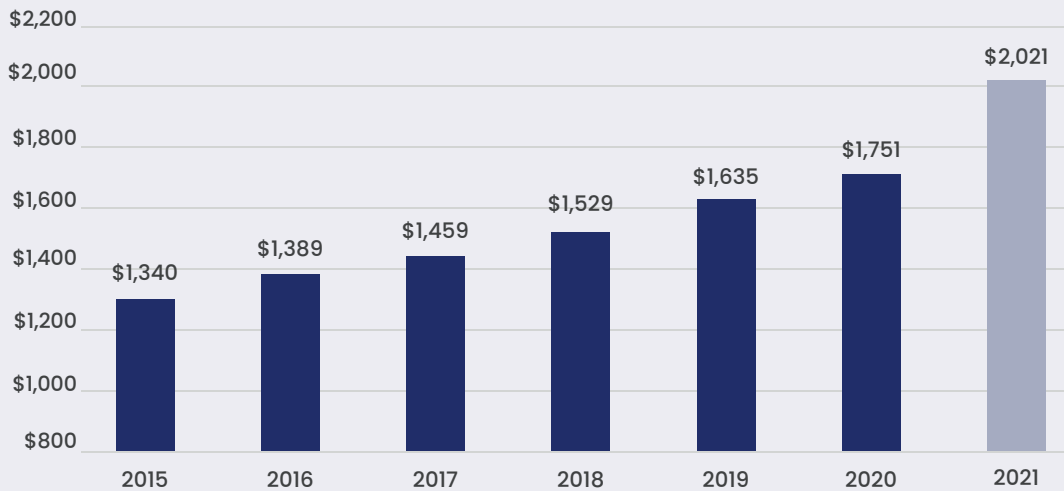
Finance & Insurance Income Is Rising Along With Higher Transaction Values

F&I profits per vehicle continue to increase as transaction values go up and retailers do a better job on product penetration. The public companies earned a record-high \$2,021 per vehicle retained in F&I gross profit in 2021, up an impressive 15% from 2020. We believe privately owned dealerships are also doing a better job with F&I. We have one client that owns a midline import dealership and a domestic dealership. His stores are producing an average gross profit per vehicle retained (new and used) of slightly over \$4,000. This figure is the highest we have seen and we

confirmed that there was no reinsurance profits or vehicle packs and that it is net of chargebacks. Their process does not appear to be abusive to customers, either, as CSI is high. The stores do an excellent job of including salespeople into the F&I process, and they focus on selling three to five products per vehicle, at lower costs per product than most other dealers, so their customers see value in the offerings. If front end gross profits compress in the future when supply returns to previous levels, these stores indicate that dealers can compensate via higher profits from their F&I activities.

PUBLIC COMPANY F&I PER UNIT RETAILED

(Weighted Average Same Store Performance - In Current Dollars)



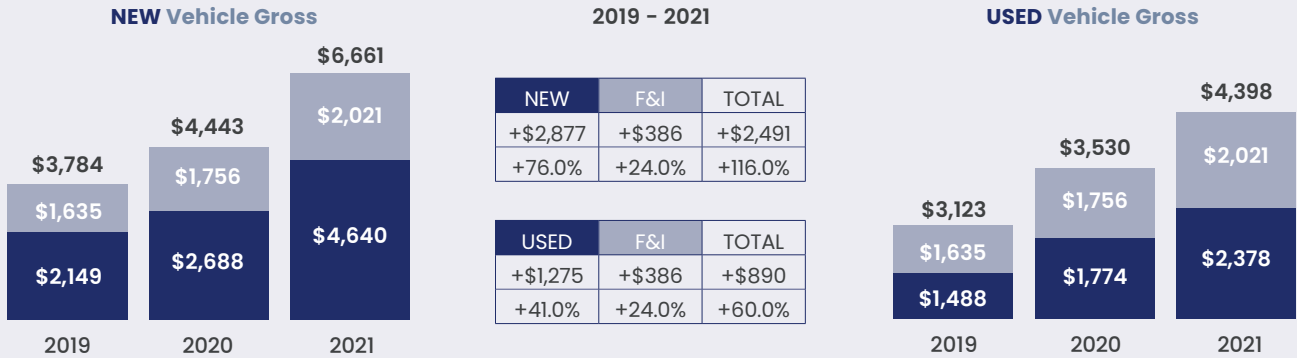
Source: SEC filings

Combined Front And Back Gross Profits Per Vehicle Retailed Hit All-Time Highs

The tables below track total profits per vehicle retailed data back to 2019. Publicly traded dealer groups enjoyed record-high profits for each vehicle they sold in 2021 and we believe the same for virtually every private dealer as well. In 2021, the public retailers made a total of \$6,661 in front and back gross profit per new vehicle retailed, up 76% from before the Chipdemic. And the public retailers made a total of \$4,398 in front and back gross profits per used vehicle retailed, up 41% from before the will continue.

PUBLIC COMPANY VEHICLE GROSS + F&I PVR

(Weighted Average Same Store Performance - In Current Dollars)

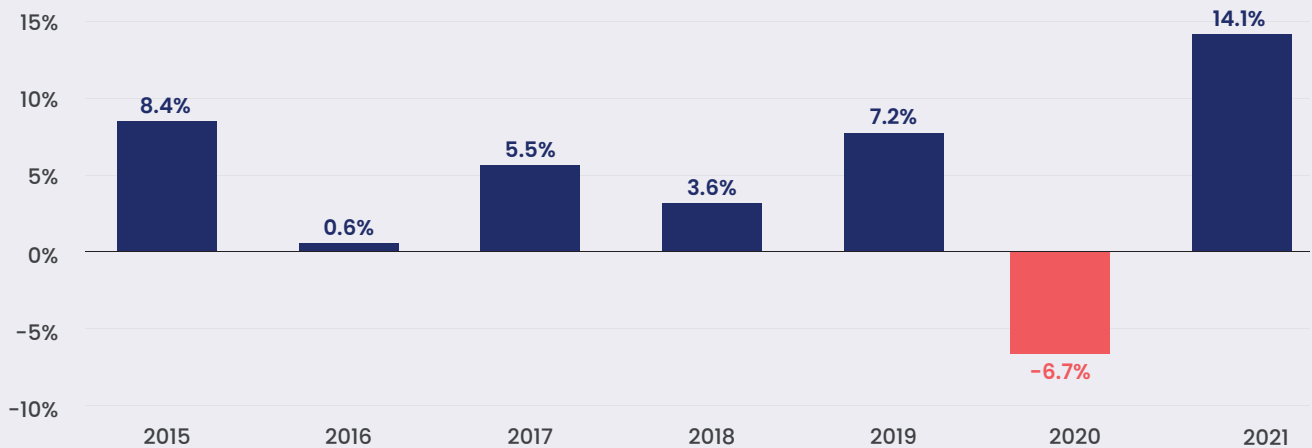


Note: Front-end gross profit includes manufacturer incentives and other income.

Source: SEC filings; F&I as reported for new and used combined

FIXED OPERATIONS GROSS PROFIT GROWTH: PUBLIC COMPANY DATA

Same Store Performance- In Current Dollars



Source: SEC Filings

Fixed Operations And Labor Rates Are Up

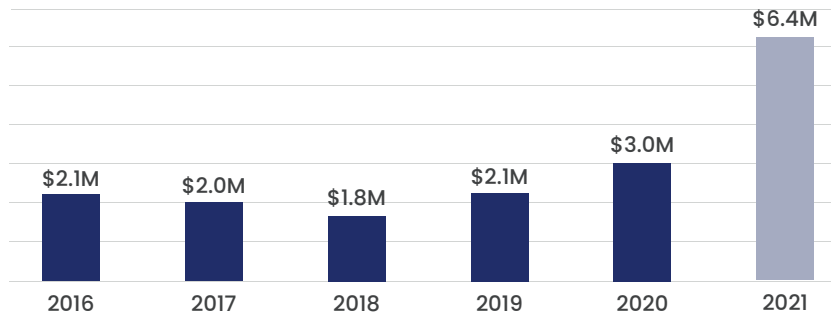
Fixed operations took a big hit during COVID. But as COVID began to recede, more people took to the road and the number of miles driven has increased. Plus, due to the lack of new vehicles available for purchase, many people have been spending more money to maintain their existing vehicles. And finally, we have seen dealers pushing through big labor rate increases as demand is high, the number of technicians is low, and wages are increasing. As a result of these three factors, fixed operations rebounded in 2021 and are now 6% above 2019 levels. As the economy continues to expand, fixed operations are poised to continue to grow.

Dealership Profits Exploded

The net outcome of the trends listed on the previous page is that profits exploded at dealerships in 2021. For many years we have referenced a composite of the financial results of privately owned dealerships that NADA shared on its website. But NADA stopped releasing the composite in October 2021 and has not announced any plans to share this information in the future. In order to track trends in profits per dealership, we are now analyzing the financial statements released by the publicly traded franchised retailers and are breaking their statements down to the individual store level. We had to make a number of adjustments and estimates to make the financial statements of publicly owned dealerships comparable to privately owned dealerships. For instance, since many of the publicly traded retailers own their real estate instead of leasing it from a related entity, like most privately owned dealerships, we had to create a rent

factor based on the value of the land and buildings listed on the balance sheets of the publicly traded companies. We won't be able to get completely accurate information on per store performance for the public, but what is most important to us is the trend in dealership profits. After significant analysis, we estimate that profits per rooftop for publicly-owned dealerships exploded to an estimated \$6.4M in 2021, an increase of 211% (3.1x!) compared to 2019, the last year before the Chipdemic. Based on the current situation in the US, many dealers are telling us that they believe this level of profits will continue for the rest of 2022 and possibly 2023. The table below shows the estimated earnings at publicly owned dealerships since 2016. We believe the profits at privately owned dealerships have also tripled since 2019, based upon data NADA released up to October 2021.

PUBLIC GROUP ADJUSTED EARNINGS PER DEALERSHIP



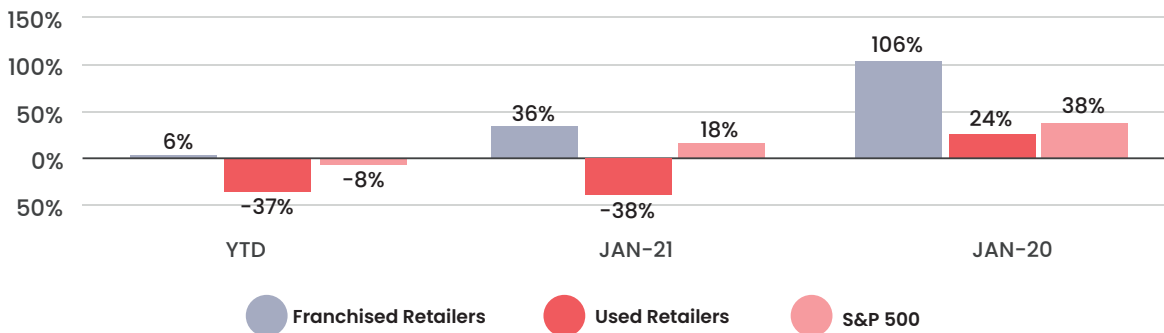
Source: Haig Partners & SEC Filings

Public Dealership Group Values Have Soared Since The Chipdemic

The average share price of the six public franchised retailers has more than doubled since the Pandemic began, far outperforming the S&P 500 Index. Investors are attracted to the auto retail business model that has proven to be resilient to almost any economic shock. Lithia is the most valuable franchised retailer with a market value of \$9.6B.

CUMULATIVE STOCK PRICE RETURNS

Public Franchise Retailers vs. S&P 500



Source: Yahoo! Finance; Data through 3/16/2022

Potential Threats To Auto Retailers

For more than 100 years, there has been speculation that the auto retail industry would change and dealers would suffer from the myriad threats. In just the past 24 months, we have endured social upheaval, a global Pandemic, supply chain shortages, a chaotic Presidential election, and the advent of EVs, to name a few. So far, dealers have shown that they are a highly resilient bunch. We can think of several dealers that individually made over \$500M last year. And the average dealer with two stores? He or she likely made about \$9M last year and is on track to repeat that this year, and maybe again in 2024 as well. There has never been a better time to be a dealer. But we also know that there will always be threats that dealers will need to counter. Here are a few of the concerns that were being discussed by leading dealers at the AutoTeam America Buy-Sell Summit and Owner/CEO/CFO Forum held just before the NADA 2022 Show in Las Vegas.

1. **Tesla and Other New Entrants.** Elon Musk's company has an enterprise value of over \$900B compared to \$150B for GM or \$154B for Ford. Tesla has now become the leading luxury brand in the US, and its next product to be launched, the CyberTruck, is aimed at the heart of the domestic brands. Other new entrants like Rivian and Lucid Motors are also entering the market, as well as new brands being launched by traditional OEMs, like Polestar. These new entrants will likely have mixed results in the marketplace, but there is a good chance that dealers across the country will lose customers and profits as a result. Perhaps a greater threat to dealers is that new entrants may push traditional OEMs to force the agency model on dealers (see below).

Potential Remedy: Traditional OEMs launch their own competitive EVs and new entrants struggle and/or convert to a franchised distribution model in order to provide more convenience to customers. We have friends who love their Teslas until there is a mechanical/electrical problem and then prefer a traditional brand with a nearby service department.

2. **The Agency Model.** Traditional OEMs have seen that millions of customers are willing to go to a website, order a vehicle, and then wait for it to be delivered to them. And these OEMs have seen they no longer need to produce millions of units for dealers' storage lots, guessing at which vehicles customers will actually want, and then heavily advertise and provide incentives in order to get customers to purchase the vehicles. Their profits per vehicle are far higher when they produce only what customers want to buy. And finally, they have seen that retailers are making massive profits. This new set of facts is causing a number of OEMs to reconsider their relationships with their dealers and consumers. Ford just announced its plans to separate into a "Model e" division that will produce only electric vehicles and a "Blue" division that will only produce ICE products. In order to purchase an EV, customers will need to place an order on the Model e website, which is Ford's website. It does not appear that customers will be able to purchase Model e vehicles directly from dealers. This is a profound change as the OEM will now set, instead of "suggest," retail pricing and the OEM will be the point of contact with customers. The customer can choose which dealer will deliver the vehicle, but the price will have been determined by Ford and Ford will decide how much to pay the retailer. The buyer may become Ford's customer, rather than the dealer's customer. This agency model, where the dealer becomes an agent and is not a retailer, is common in other areas of the world. It is our understanding that dealers in these areas make far less profit than dealers in the US. And Ford is not alone in its thinking. OEMs have been envious of Tesla's stock market valuation that is partly based on this direct sales model.

Potential Remedy: If customers will be ordering vehicles from OEM websites, dealers could reduce compensation expenses by eliminating managers, high paid salespeople, and tailor advertising to just used vehicles and fixed operations. The agency model could also reduce the need for large dealership facilities since there will be fewer vehicles on the lot, and fewer customers in the showroom. Rent, utilities, insurance, maintenance, and upgrade expenses could all be reduced, although it would take many years for dealers to right-size their facilities.

3. **Electric Vehicles.** Some dealers are concerned that EVs will require much less parts and service work than ICE vehicles, hurting their service departments.

Potential Remedy: EVs may require less service in the first few years of ownership than ICE vehicles, but battery packs do fail and need to be replaced. A friend who owns a Porsche dealership told us of a \$75K warranty repair to swap out a bad battery. Also, one dealer told us that only a small portion of his service work is related to the drivetrain. The majority was

related to brakes, tires, suspension, HVAC, and other non-powertrain issues. And still another dealer told us that he was already having a hard time finding enough technicians to repair vehicles. He thought he could maintain or even grow his fixed operations by raising rates to service EVs since he believed these vehicles would require more dealer-only services, so he would have less competition from the independent shops who might not be trained or have the equipment to work on EVs.

4. **Consolidation.** While still a highly fragmented industry, consolidation in auto retail accelerated in 2020 and 2021. Groups like Lithia and Asbury bought dozens of stores each to build out a nationwide network of dealerships, accompanied by digital retailing tools that will allow them to sell and service customers who prefer online shopping. These and other dealers are increasingly convinced that large scale will matter more in the future than it has in the past. Their plans are to offer consumers a larger selection of vehicles and more ways to shop than smaller dealers can offer. If successful, they will gain market share and please their OEM partners and shareholders. Their gains would come from smaller dealers who cannot match these capabilities.

Potential Remedy: Dealers can grow through acquisitions in their local areas in order to match the local capabilities of national firms. If a dealer group has more than ten dealerships in an area, it may have as many or more units for sale as AutoNation has in that area, for instance. And the private group may be able to use a digital retailing vendor to offer its customers the ability to transact online. Also, some franchises, such as luxury and exotic brands, are better suited to withstand competition because there are so few of them. Dealers who want to compete over the long-term could seek to acquire more of these franchises. And perhaps most importantly, smaller dealers may be able to better compete for management talent. The most talented GMs we have seen often prefer to work with private owners since they have more autonomy than with larger dealer groups that use more controls. We have seen that private dealers who can offer talented GMs a chance to own 10%-25% of a dealership can attract and retain the best management talent in the industry.

BUY-SELL TRENDS

Transaction Volume Is Climbing

Before the Pandemic, we saw about 25-30 dealerships being sold per month. That pace jumped to over 50 dealerships per month in 2021. In total, we estimate that 640 dealerships traded hands, about double the average number of dealerships sold per year before the Chipdemic set in. While the public companies get most of the headlines, almost 65% of these dealerships were acquired by private buyers.

Record Spending By The Public Retailers

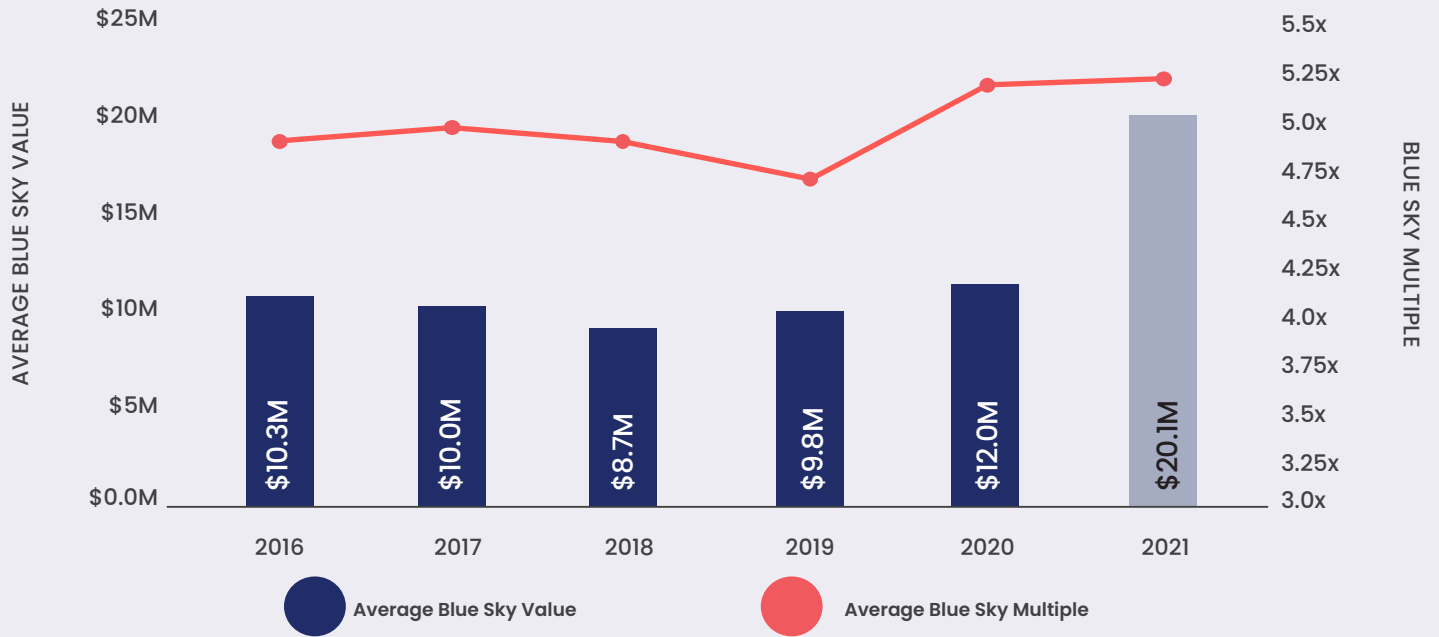
The amount of money spent by the publicly traded auto retailers on domestic acquisitions has exploded since the Chipdemic began. Historically, the public retailers have spent between \$700M and \$1B on domestic acquisitions per year. This pace changed dramatically in 2020 as they spent a combined \$2.5B. But in 2021, we saw the highest year of spending from the publicly traded retailers ever in our industry, with nearly \$9.1B spent on domestic acquisitions.

Real Estate Values Are Stable Or Increasing

From 2010-2019 we saw dealership real estate values steadily rise. Recent buyer appraisals have come in at or above pre-Pandemic levels. Appraisers appear to realize that dealerships are performing well, and buyers are eager to purchase them. We believe appraisers will need to increase the appraised value of dealerships soon, however, as the cost of construction has soared so much that the previous metrics they used to calculate costs per foot are now too low, particularly for luxury dealerships.

ESTIMATED AVERAGE BLUE SKY VALUE

Based on Public Group Earnings



Dealership Values Are At All-Time High Levels

Many factors drive the blue sky value of dealerships. A buyer’s expectations of future profits are important, as are interest rates, the amount of capital a buyer has and how much financing is available.

Let’s start first with a buyer’s expectations of future profits. Prior to the Pandemic, there were several years when we enjoyed annual sales of over 17M new units and average profits per publicly owned dealership between \$1.8M and \$2.1M. As a result, goodwill/blue sky values per dealership were also very steady during this period. The Pandemic, and now the Chipdemic, have significantly altered valuations for dealerships. Profits have tripled over the past two years. Dealers know these record profits won’t last forever, but they are optimistic they can still generate profits in the future that are higher than they were before the Chipdemic. Plus, dealers have plenty of cash on hand and less debt thanks to high profits, PPP forgiveness and low taxes. Finally, lenders have told us that they are also bullish about the future and are supportive of acquisitions. When dealers can finance a large portion of an acquisition with debt, they can pay more.

Dealership valuations are challenging today, given the huge run up in profits and the uncertainty of how long these good times will continue. Our firm has spent countless hours on the phone with dealership buyers over the past three months, discussing with them how they are valuing dealerships today. And we have analyzed the past ten transactions we have closed to reverse-engineer the offers we accepted compared to the current and historical earnings of the dealerships that we were selling. Based on our experience and analysis, we believe many buyers are using an average of the adjusted pre-tax profit from 2019, 2020 and 2021 multiplied by a franchise-specific blue sky multiple to determine how much they will pay for the blue sky of the dealerships they wish to acquire. So an average of one year of Pre-Chipdemic profits and two years of Chipdemic era profits. These buyers expect that profits are likely to remain at or near current levels for the next year and will remain elevated in 2023 and likely beyond.

The other part of the equation is the average blue sky multiple. In the graph above we show that our research and experience indicate that the average blue sky multiple for dealerships today is 5.24X, up just slightly from 2020. See Page 5 for factors that would alter this multiple. Based on this data, we estimate that the average publicly owned dealership has a blue sky value of \$20.1M, up an estimated 105% from year-end 2019 and up 68% from year-end 2020. Similar math would hold true for privately owned dealerships as well. The average privately owned dealership is smaller than the average publicly owned dealership, so its profits are lower, but we believe its blue sky value has also doubled since before the Pandemic hit.

Larger Deals Can Bring Higher Multiples

One important caveat that we would like to make is that we are seeing higher multiples being paid for larger transactions. This can happen when a buyer feels the transaction is strategic to its future, such as entering a new market with a large platform of attractive dealerships. A single transaction can accomplish what would otherwise be years of work accumulating stores via acquisitions of single stores or small groups. This dynamic can help to explain why several large dealer groups have elected to sell in this environment.

Buy-Sell Outlook for 2022

Our firm Haig Partners has benefitted from these robust conditions, selling 50 dealerships in 2021 and 11 rooftops in the first two months of 2022. So, from our perspective, the conditions that drive a healthy buy-sell market are all still present. Profits are high, dealers want to grow and credit remains plentiful. In addition, buyers are open to more franchises and more markets than before the Chipdemic since almost all dealerships are making strong profits and are likely to do so for the foreseeable future. Plus, the high value for stores today is stimulating dealers to consider exiting even if they are not at retirement age. Average single-point dealerships are worth about \$25M all-in. Mid Sized groups are valued in the hundreds of millions of dollars. Large groups bring billions of dollars. At these values, dealers and their families are having conversations about the positives of remaining dealers, but also the risks and capital investments required if they remain dealers. With plenty of buyers and sellers in the market right now, we expect 2022 to be another excellent year for transactions: likely not as active as 2021, but more than 2020 which was also an excellent year.



INFORMATION & RECOMMENDATIONS FOR DEALERS

As more and more OEMs ask dealers to sign Electric Vehicle Participation Agreements, the temptation to acquiesce to those Agreements is difficult to overcome but dealers should take the time to understand their legal rights before signing. **Under every state motor vehicle franchise law, AND by virtue of the terms of the existing Sales and Service Franchise Agreements, dealers have a right to receive a reasonable mix and quantity of EVERY vehicle manufactured for sale under the dealers' brand name.** In some states, the motor vehicle franchise laws go a step further and expressly state that an OEM cannot require a separate agreement before a dealer is provided all vehicles manufactured under the brand for which the dealer already has a franchise. Yet, dealers continue to sign EV Participation Agreements.

The EV Participation Agreements amount to a "franchise within a franchise" which was never contemplated in the Sales and Service Franchise Agreements or the motor vehicle franchise laws. Far from just a list of training, equipment and special tools needed to sell and service new electric vehicles, the Participation Agreements go much further by including potentially unnecessary and costly requirements. **Most disturbing, the Participation Agreements have dealers agreeing that if they do not abide by all the terms of the Participation Agreement as well as any future (aka "unknown") requirements applied by the OEM, dealers agree that they are not entitled to receive electric vehicles for sale.** Once dealers sign these Participation Agreements, they will be difficult to unwind.

For questions regarding EV Participation Agreements, contact Richard Sox, Esq., managing partner with Bass Sox Mercer law firm, at (850) 878-6404 or rsox@dealerlawyer.com. Bass Sox Mercer is a nationally recognized leader in providing legal services to franchised motor vehicle dealers and their dealer associations.

FRANCHISE VALUATION RANGES

The team at Haig Partners has been involved in the purchase or sale of more than 560 dealerships in our careers. Each quarter we contact many leading dealer groups as well as accountants, bankers, and lawyers who practice in auto retail. The information that we gain from these conversations and our own transactions form the basis for the following evaluations.

LUXURY FRANCHISE BLUE SKY MULTIPLES

Porsche

Despite the Pandemic, Porsche enjoyed record high sales in 2021, up 22.2% compared to 2020. It appears VW Group decided to prioritize which of its brands received the limited number of microchips that were available to it, and gave them to its highest margin brands. Macan continues to be the sales leader with more than 1/3 of total volume, but the Taycan EV now represents 13% of total sales, demonstrating the demand for this technology in performance brands. Porsche dealerships continue to bring the highest blue sky multiples other than Ferrari stores thanks to their scarcity, high profits, and ease of operation. Expensive facilities take a bite, however. **Same multiple range on average adjusted pre-tax profit: 9.0x-10.0x.**

Lexus

Sales at Lexus were up 10.7% for 2021 compared to the prior year. The Chipdemic is allowing Lexus dealers to finally earn decent margins on their new units, overcoming the one weakness in their business model. The product has been stale for a while, but changes are coming. Lexus received the #1 ranking in terms of dealer optimism about the franchise. Based on this optimism, and the long-term love for anything Toyota-Lexus among dealers, we are seeing a very strong demand for the franchise. **Same multiple range on average adjusted pre-tax profit: 8.0x-10.0x.**

Mercedes-Benz

Mercedes-Benz sales increased 0.4% for the year, much less than other luxury brands and below the market average of 3.3%. Dealers are concerned about management turnover at MBUSA and that the brand has slipped from the #1 luxury brand in 2020 to #4 in 2021 behind BMW, Lexus and Tesla. That said, dealers still want this franchise badly. We advised on the sale of two Mercedes-Benz dealerships recently and buyers were highly interested. **Same multiple range on average adjusted pre-tax profit: 7.5x-9.0x.**

BMW

Sales were up a whopping 20.8% for 2021, putting BMW as the #2 luxury brand for the year. Dealers are happy with BMW management and products. BMW came in just behind Lexus and Porsche in dealer optimism in a recent NADA survey. BMW has many EV units coming, so the showdown with Tesla is now beginning. **Same multiple range on average adjusted pre-tax profit: 7.5x-9.0x.**

Audi

Audi sales were up 5.0% for the year, slightly outpacing the market average. The inventory shortage has done wonders for this franchise as dealers are enjoying strong margins to go along with healthy sales. Dealers ranked Audi 4th in terms of their optimism about the franchise, but Audi stores have a long way to go to reach the same levels of profits as other premium luxury brands. **Same multiple range on average adjusted pre-tax profit: 6.25x-7.25x.**

Jaguar / Land Rover

JLR saw unit sales increase 6.1% in 2021 compared to 2020. Demand for Range Rovers, Range Rover Sports and the new Defenders are sky high. But the franchise is in flux due to the uncertain plans for Jaguar. Add points continue to open around the country, suppressing profits for existing dealers who are already short of product. **Same multiple range on average adjusted pre-tax profit: 6.25x-7.25x.**

Volvo

Volvo saw a 10.9% increase in sales in 2021 compared to 2020. Dealers are enthused by this franchise which has a unique niche in the market. Profits are strong and the new facilities around the country are attracting lots of higher end customers. **Same multiple range on average adjusted pre-tax profit: 4.0x-5.0x.**

Acura

Acura's sales increased 14.9% in 2021 compared to 2020. New products always help! This franchise is now nicely profitable and dealers ranked the brand 5th in terms of their optimism for luxury brands. Acura has also planted the first flag in the Metaverse! Users can enter Acura of Decentraland to view products, access local dealers' websites place orders and even race virtual Acuras in video games. This interactive "showroom" may not generate sales from older buyers, but may be geared to attract the eyeballs of future buyers. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

Cadillac

Cadillac sales declined 8.6% in 2021 compared to the prior year. Like all GM brands, Cadillac has suffered from production woes far worse than most brands. Also, Cadillac paid 315 dealers (who sold about 10% of the brand's volume) to close their stores, so surviving dealers saw a slight increase in sales. We believed that most Cadillac dealerships were losing money before the Pandemic, so we valued them between \$0-\$1.5M. But thanks to strong margins on new vehicles and healthy fixed operations, Cadillac stores are now profitable on average. **Multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

Infiniti

Infiniti sales fell an astounding 26.4% in 2021 compared to 2020, the worst performance for any brand we track. Infiniti has new products coming but it also faces tougher competition from the likes of Genesis. Profits per store are likely the lowest for any major franchise, and many locations are essentially used vehicle stores. **Same value range: \$0-\$1,500,000.**

Lincoln

Lincoln sales were down 17.5% in 2021. Its new SUV/CUV products have been well-reviewed, but, like Ford, Lincoln has suffered greater production shortages than other brands so it is not able to capitalize on improved products. While markets like Texas have a few high volume Lincoln dealerships, the average Lincoln store is very small, selling an average of 117 units in 2021. **Same value range: \$0-\$1,500,000.**

MID-LINE IMPORT FRANCHISE BLUE SKY MULTIPLES**Toyota**

Toyota announced a 10.3% increase in sales compared to 2020. In a recent NADA survey, dealers ranked Toyota #2 behind Lexus in terms of their optimism about the franchise. Dealers who have seen the upcoming products like Tundra and Sequoia are very bullish about the franchise. Also, Toyota dealers are very supportive of Bob Carter and the rest of the team at Toyota. They believe the communication during the Pandemic has been excellent, and they like that Toyota has not moved too fast towards EVs, preferring a hybrid strategy for fuel efficiency, instead. We have had the privilege of selling seven Toyota dealerships over the past year and enjoyed strong offers on each one. More than ever, this is the franchise that dealers want to own. **Higher multiple range on average adjusted pre-tax profit: 6.5x-7.5x.**

Honda

Honda sales were up 8.2% in 2021 compared to the prior year. Although it has been losing share to Toyota, Hyundai and Kia recently, dealers are feeling good about Honda, ranking it #5 in terms of their optimism for the future in a recent NADA survey. Their products remain strong sellers and the business model is nicely balanced. **Same multiple range on average adjusted pre-tax profit: 6.0x-7.0x.**

Subaru

Subaru reported a 4.6% decrease in 2021 unit sales, making it the only midline to have a decrease in sales year over year. This brand has suffered more than most in terms of production shortages as consumer demand remains very solid. Subaru has among the lowest days supply of any franchise. Dealers are very keen on US management and the overall business model, ranking it #4 in the overall NADA rating category. We have been involved in the sale of several Subaru stores recently and demand was high. **Same multiple range on average adjusted pre-tax profit: 6.0x-7.0x.**

VW

Volkswagen saw unit sales increase by 15.1% in 2021. SUV sales were up 58.2%, getting VW closer to the industry average. The inventory shortage helped VW dealers more than most since its margins have long been compressed. VW is highly focused on EVs, but it remains to be seen how this strategy will play out. If consumers choose to buy EVs then VW could take significant share since it will likely have more EV models for consumers than most other brands. But if not, VW dealers will have little to sell. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

Kia

Kia sales increased 19.7% in 2021 compared to 2020, putting it #2 of all midline franchises we track, just behind its cousin, Hyundai. Dealers have become highly enamored with Kia recently, ranking it just behind Lexus and Toyota in terms of their optimism for the future. Kia dealership profits have jumped substantially thanks to higher volumes and better products. Kia currently plans to offer all ICE and EV products through the same franchise agreements with dealers, making the future more predictable for dealers. **Same multiple range on average adjusted pre-tax profit: 3.75x-4.75x.**

Hyundai

Hyundai enjoyed a 23.3% sales increase in 2021, putting it #1 for all franchises. Hyundai dealerships may have appreciated in value more than any franchise we track, given their surge in volume and margin. We are seeing Hyundai stores in some markets making over \$10M per year, rarified air that was previously reserved for luxury and Toyota stores. But there are concerns. Hyundai's new EV brand, Ioniq, is offered to dealers via a "Participation Agreement." Hyundai has set MSRP equal to invoice. There is a 2% holdback, plus the possibility of additional margin for dealers, but it's possible dealers may make far less per unit than from the other Hyundais they currently sell. As Hyundai pushes out more EVs through the Ioniq brand, overall profits for dealers could fall. **Same multiple range on average adjusted pre-tax profit: 3.75x-4.75x.**

Mazda

Mazda continues to be one of the top-performing franchises with a sales increase of 19.2% in 2021 versus the prior year. Mazda stores have become sneakily profitable, given their increase in volume and margin. Dealers considering facility upgrades may be waiting until supply returns to a more normal level. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

Nissan

Nissan announced a 12.1% increase in unit sales for the year. New and upcoming core products should allow Nissan dealers to recover further. Nissan says it will put dealer profits and sustainable growth at the forefront of its strategy. The new strategy appears to be bearing fruit. Value-seeking dealers are interested in acquiring this franchise again and we are pleased to see Nissan heading in the right direction. **Same multiple range on average adjusted pre-tax profit: 3.25x-4.25x.**

DOMESTIC FRANCHISE BLUE SKY MULTIPLES

Ford

Sales fell 6.5% in 2021 compared to 2020. There is a lot of news about Ford that is making dealers concerned. We discussed on Page 7 the recent announcements by CEO Jim Farley to split Ford into two divisions with ramifications for dealers. We were told by one dealer that Farley “is in love with the Tesla model.” Another dealer said, “Farley is becoming a guy you can’t trust.” Ford has some exciting new products including the Mustang Mach-E, the full-size Bronco family, the low-priced Ranger, and an all-electric version of the F-150, but it’s having a hard time delivering them. We are hoping Ford will have a big comeback in 2022, given all the units that have been produced but are sitting in storage lots next to factories, waiting for some final components. Given all the changes, it’s possible buyers will re-evaluate their desire for this franchise, but for now we see its value unchanged. **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

Chevrolet

Chevrolet saw sales decrease by 17.7% for 2021, ranking it as the worst domestic brand in terms of YoY sales performance. Customers are clamoring for the newly redesigned full-size trucks and SUVs, but frustrated dealers have little to sell. Almost every incoming unit is pre-sold at full sticker, plus some. We are hoping this pent up demand will result in higher sales for Chevy dealers when supply finally returns to normal levels. CEO Barra has told her investors she expects to be the leader in EV sales by mid-decade. Is she sure this is what GM customers care about? Also, we note that large Chevy dealers seem to have a higher days supply than small dealers. Some say GM’s allocation system is “undecipherable.” **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

Stellantis (Chrysler-Jeep-Dodge-RAM-Fiat)

Stellantis US reported a 2.3% decline in sales for 2021, despite having compelling products for consumers. Stellantis continues to push larger dealers to carve out a separate showroom for Jeep which it plans to take more upscale. The new Jeep products are arriving in dealerships now and have been well received. Dealers ranked Jeep 7th in terms of optimism for the future. Stellantis has assured its dealers that it has no plans to pursue the agency model, although it is requiring dealers to deliver better CSI in order to retain full margin on new vehicles. Dealers believe their sales will jump sharply as soon as supply returns to more normal levels. **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

Buick-GMC

GMC sales declined 6.4% in 2021 compared to 2020. Buick saw a 10.5% increase in sales in 2021 thanks to its three CUV lineup. Buick was the only domestic brand to see an increase in sales for the year. The demand was there for much higher sales, but Buick-GMC dealers are suffering from the same lack of inventory and de-contented vehicles as Chevrolet dealers. The new GMC Hummer EV SUV is finally under production. **Same multiple range on average adjusted pre-tax profit: 3.25x-4.25x.**



Maximizing The Value Of Our Clients' Lives Work

Haig Partners is not a traditional dealership brokerage firm. We combine the skills gained during our years in investment banking, commercial banking, and public accounting with experience in buying and selling dealerships for AutoNation and Asbury. We do not seek “listings” of many dealerships. Instead, we provide the best possible advice and service to a limited number of clients, helping optimize the sale of their most valuable asset in a highly confidential process. We spend a tremendous amount of time and energy on each engagement. Emphasizing quality over quantity to best serves our clients’ interests.

Higher Prices

We create offering materials that provide buyers with a compelling investment thesis about why they should acquire our client’s business instead of other opportunities. We then run a sales process that creates competition to generate highly attractive offers from buyers.

Experience

Since we have advised on the purchase or sale of more than 560 dealerships totaling \$8.5 billion, we know how to respond to issues that can arise in a buy-sell process.

Relationships With Buyers

We know and are respected by many of the best buyers across the U.S. We understand what they want to acquire and how they negotiate. By targeting specific buyers instead of running ads, we preserve confidentiality and close transactions more efficiently.

Speed

We focus on the transaction every day, allowing our clients to focus on dealership operations.

KEY TAKEAWAYS

The auto retail industry has experienced an incredible series of events over the past 24 months. Few would have predicted that a global Pandemic would have created the conditions where dealership profits have tripled and dealership blue sky values have doubled.

And just as OEMs were predicting increased production, a war breaks out in Ukraine that will create further impacts on the supply chain. Economists now predict margins will remain high for dealers as demand continues to outstrip supply. Dealers may enjoy several more years of elevated profits.

At the same time dealers are pinching themselves for their good fortune, they are also growing concerned about changes they are seeing with their OEMs and their competitors. We have addressed these risks on Page 14. These changes could significantly hurt dealers' profits in the future, and the value that buyers would pay for their stores when they decide to sell.

Dealers have reacted in different ways to the evolving conditions. Some, like Lithia, are pouring capital into building large dealership networks complemented by digital retailing capabilities that will allow them to offer a large selection of vehicles to customers wherever, and however, they choose to shop. Other dealers have become concerned about the future and are choosing to exit. They see the record high valuations for dealerships today and are taking their capital out of auto retail and deploying it into investments they see as more stable over the long term.

The confluence of these factors will have a significant impact on the buy-sell market for dealerships. Given the strong outlook for profits over the next 24-36 months, and the large number of dealers looking to grow, we expect the buy-sell market will be highly active for the foreseeable future. We at Haig Partners are eager to assist dealers in taking advantage of these exceptional times.

UPCOMING EVENTS

NY Automotive Forum

April 12, 2022 | Javits Center, New York, NY

Speaker – Bank of America's 12th Annual Global Automotive Summit

April 13, 2022 | New York, NY

NADC Annual Member Conference

April 24, 2022 | The Westin Kierland Resort & Spa, Scottsdale, AZ

AIADA 2022 Washington Fly-In

May 24, 2022 | The Marriott Marquis, Washington, DC

Speaker – "Driving Forward: The Future of Auto Retail and How Tomorrow Is Impacting Today's Buy-Sell Activity"

June 8, 2022 | NADA Webinar

VADA – Virginia Automobile Dealers Association Annual Convention

June 19, 2022 | Omni Grove Park Inn, Asheville, NC

Speaker – Driving Force Auto Dealer CPA Conference

June 27, 2022 | Hyatt Regency, Cleveland, OH

NADC Fall Conference

October 9, 2022 | The Ritz-Carlton, Chicago, IL

Speaker – AICPA Dealership Conference

October 27, 2022 | New Orleans Marriott, New Orleans, LA

CONGRATULATIONS AND

2021 TRANSACTIONS

					
					
<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 
<p>NEW HAMPSHIRE</p>	<p>MASSACHUSETTS</p>	<p>MASSACHUSETTS</p>	<p>MASSACHUSETTS</p>	<p>MARYLAND</p>	<p>WISCONSIN</p>

					
					
<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 
<p>NEW YORK</p>	<p>NEW YORK</p>	<p>ALABAMA</p>	<p>OHIO</p>	<p>GEORGIA</p>	<p>CONNECTICUT</p>

					
					
<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 	<p>ACQUIRED BY</p> 
<p>VIRGINIA</p>	<p>GEORGIA</p>	<p>CONNECTICUT</p>	<p>CALIFORNIA</p>	<p>GEORGIA</p>	<p>CALIFORNIA</p>

							
<p>6 LOCATIONS IN OREGON</p>	<p>4 LOCATIONS IN CALIFORNIA</p>	<p>2 LOCATIONS IN WASHINGTON</p>	<p>1 LOCATION IN IDAHO</p>	<p>1 LOCATION IN MONTANA</p>	<p>1 LOCATION IN NEVADA</p>	<p>1 LOCATION IN PENNSYLVANIA</p>	<p>ACQUIRED BY</p> 
<p>OREGON</p>	<p>CALIFORNIA</p>	<p>WASHINGTON</p>	<p>IDAHO</p>	<p>MONTANA</p>	<p>NEVADA</p>	<p>PENNSYLVANIA</p>	<p>IOWA / ILLINOIS</p>

THANK YOU TO OUR CLIENTS!

2022 TRANSACTIONS

<p>SUPERIOR AUTOMOTIVE GROUP</p>  <p>CINCINNATI</p> <p>DAYTON</p> <p>HAS BEEN ACQUIRED BY</p> <p>Jeff Wyler AUTOMOTIVE FAMILY</p> <p>OHIO</p>	  <p>HAS BEEN ACQUIRED BY</p> <p>PSD Automotive Group</p> <p>CONNECTICUT</p>
<p>TOYOTA <i>of</i> BRISTOL</p>  <p>HAS BEEN ACQUIRED BY</p> <p>TAL VICKERS of Springhill Automotive Group</p> <p>TENNESSEE</p>	  <p>HAS BEEN ACQUIRED BY</p>  <p>Hudson Automotive Group</p> <p>SOUTH CAROLINA</p>

"Deciding to sell was one of the biggest decisions I have had to make. It was crucial to partner with an advisor committed to confidentiality and who has the experience and relationships to ensure the legacy we've built continues. The team at Haig Partners were the perfect partner for us on this journey."

- **Andy Crews, President and CEO and 2015 Time Dealer of the Year**



"Haig Partners understood and appreciated the gravity of our decision. True to their reputation, they led a smooth and comprehensive process that resulted in a very desirable outcome for our company. I am happy the Wylers are buying the stores as I know they will continue to build on the legacy our family has created."

- **John Betagole, President, Superior Automotive Group**





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