



LANE GORMAN TRUBITT, LLC
Accountants & Advisors

Q1 2025 Auto Retail Update

June 20, 2025

AGENDA

- 1. Firm Introduction**
- 2. Market Update**
- 3. Q1 2025 Dealership Performance Update**
- 4. Texas Market Update**
- 5. M&A Update**

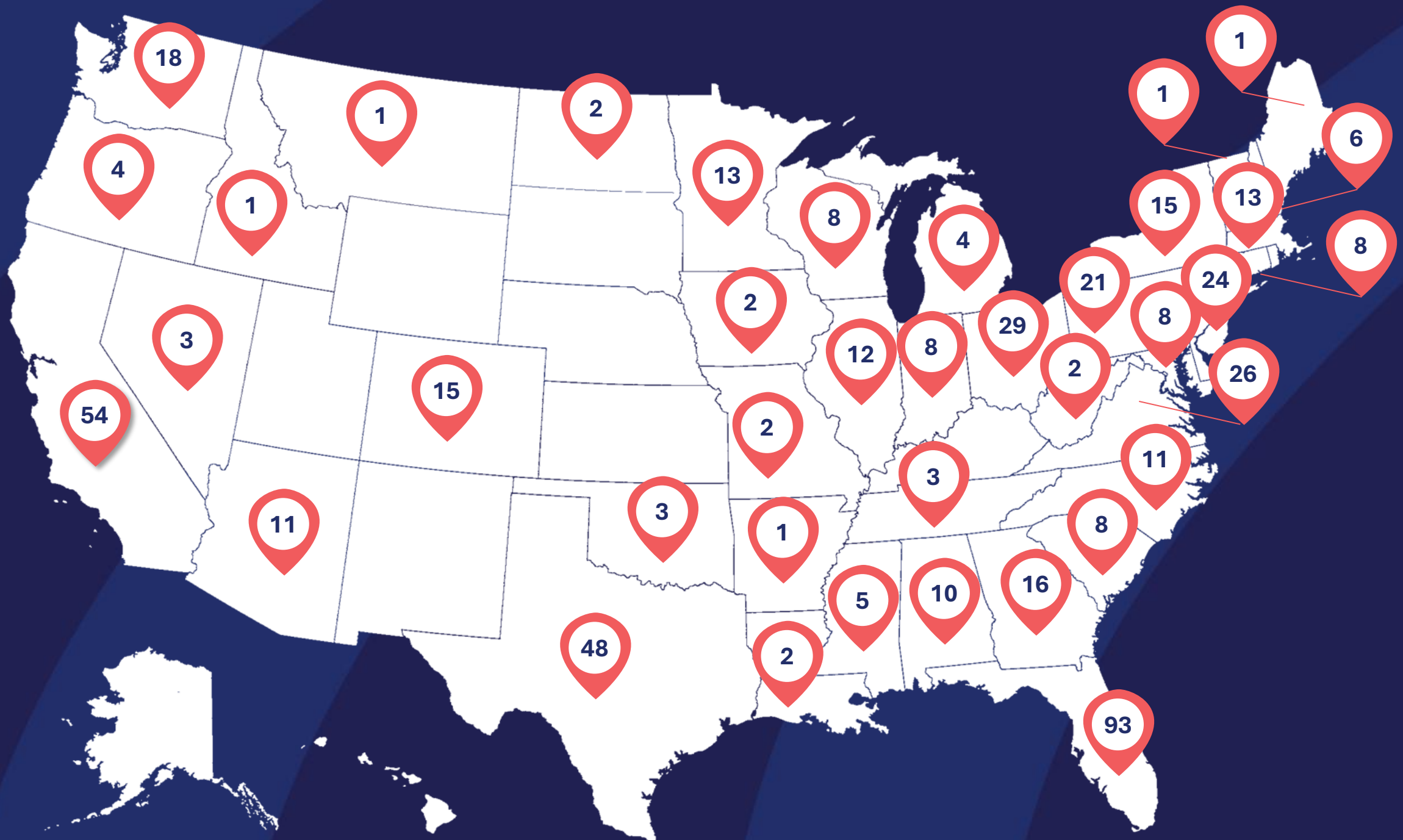


FIRM INTRODUCTION

Firm Summary

510+
Dealerships
Bought or Sold

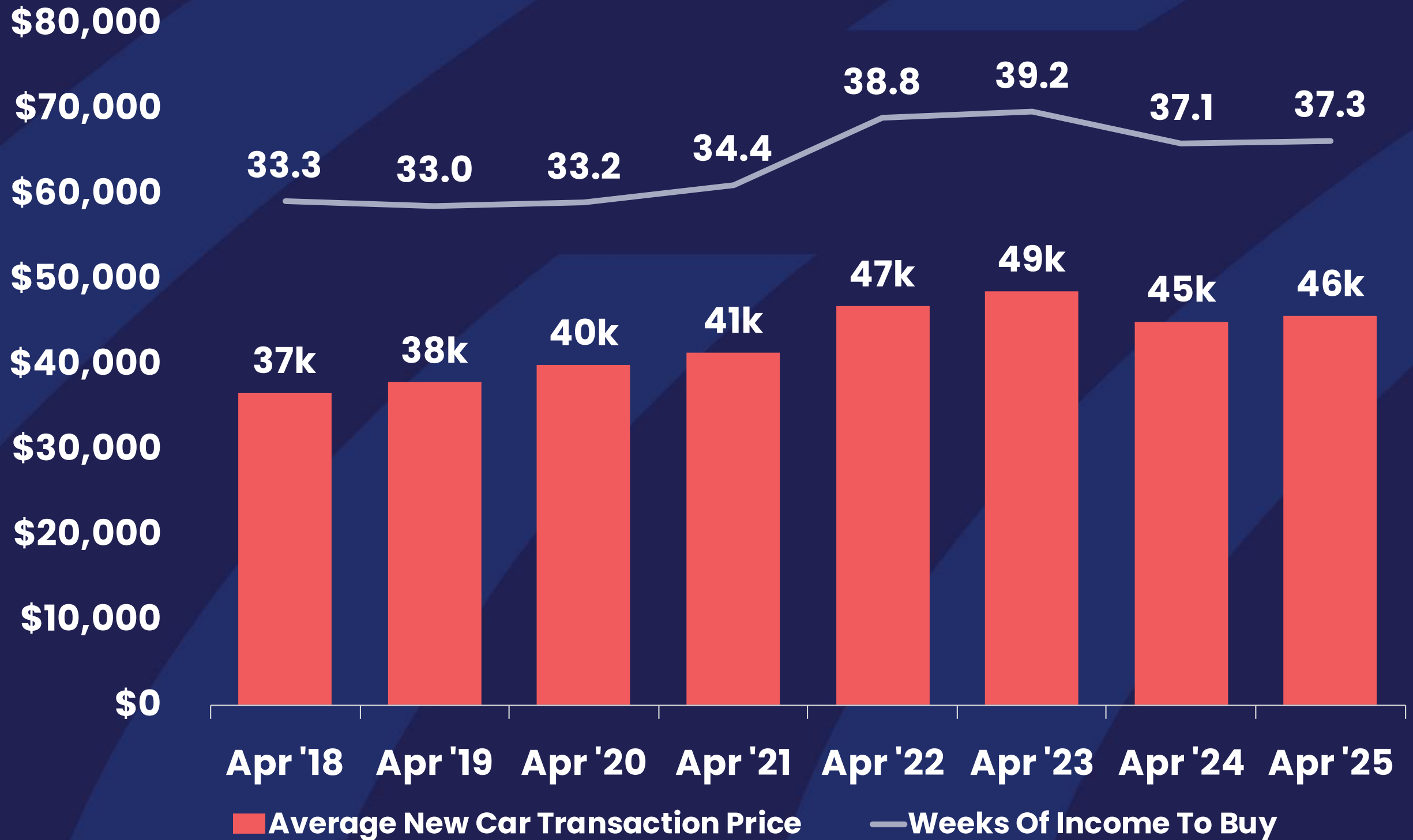
\$10.4B
In Transaction Value



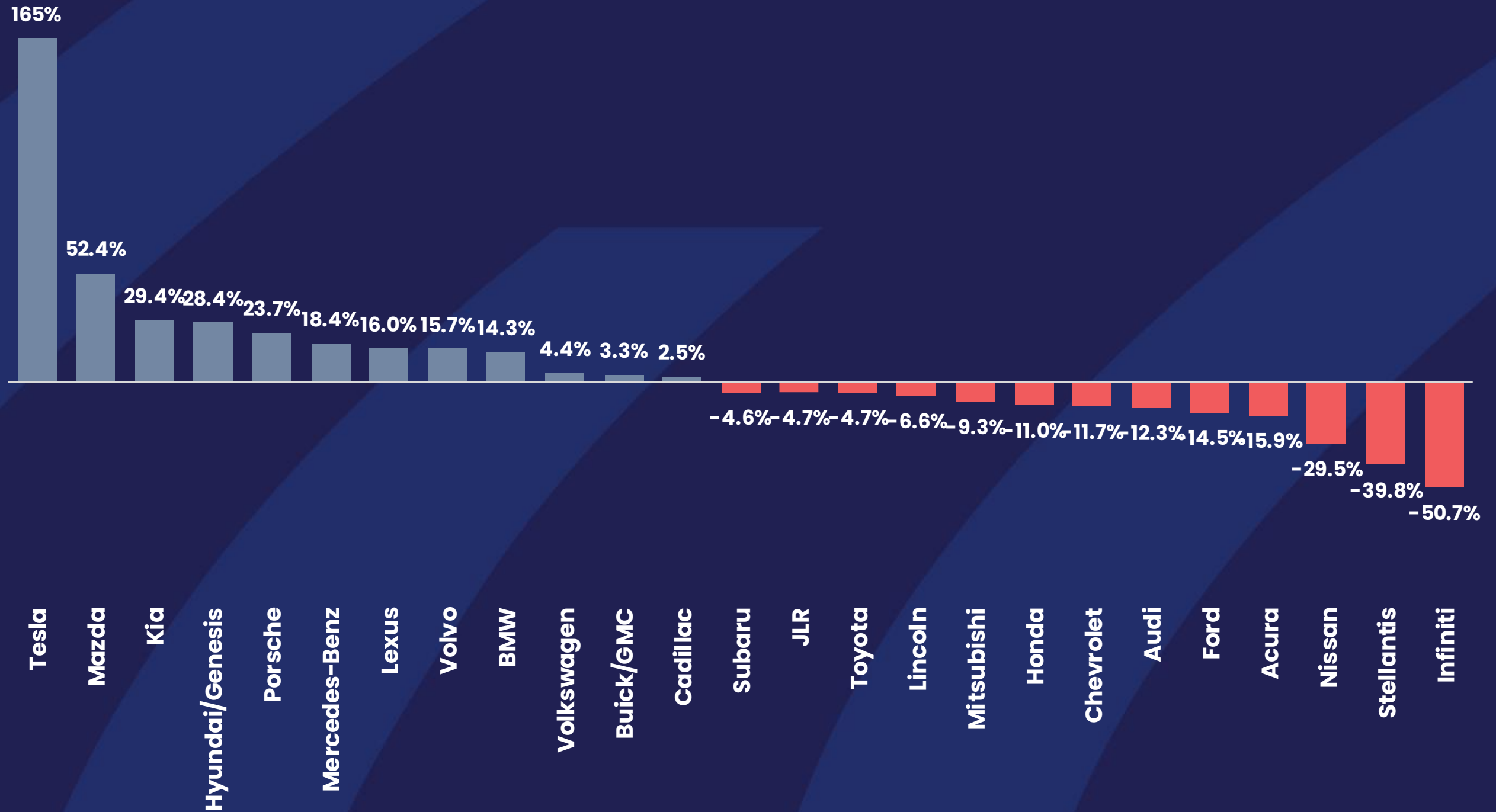


MARKET UPDATE

Affordability Drops As Prices Begin To Increase

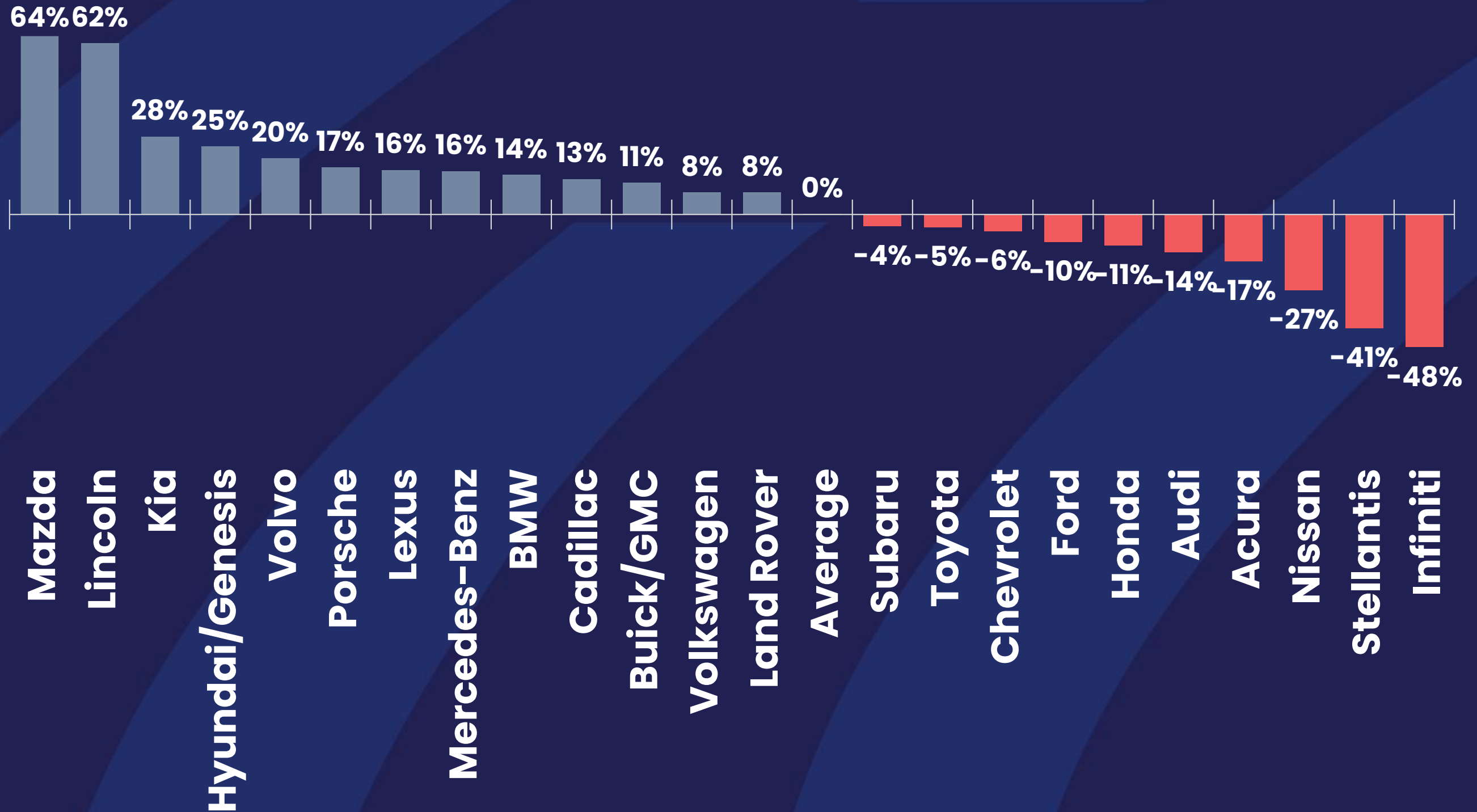


% Change in Sales, 2019 vs. 2024



Average New Car Sales Per Dealership: % Change

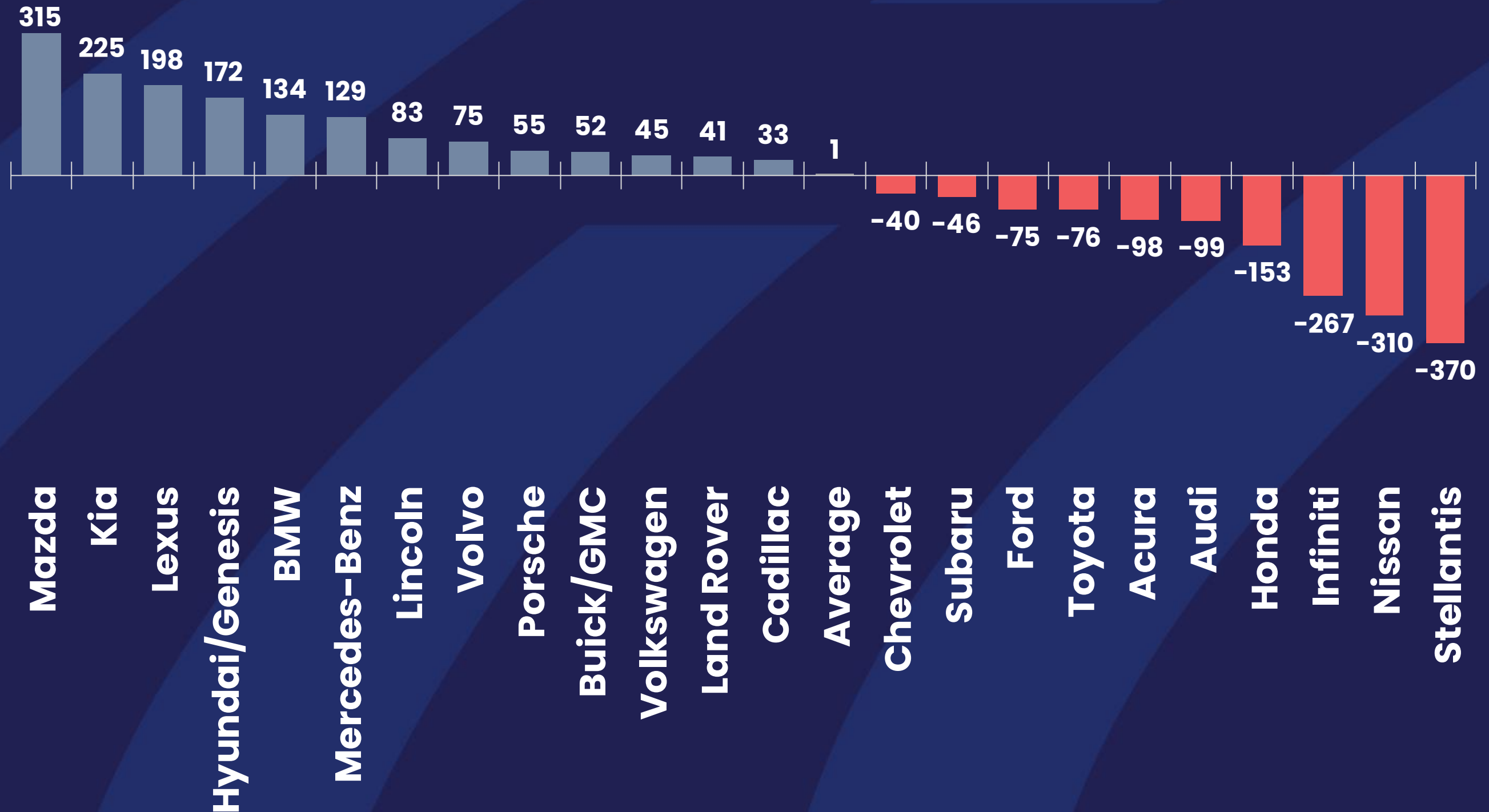
2019 – Q1 2025 LTM



Note: Assumes year-end 2024 dealership count
Source: Automotive News

Average New Car Sales Per Dealership: Unit Change

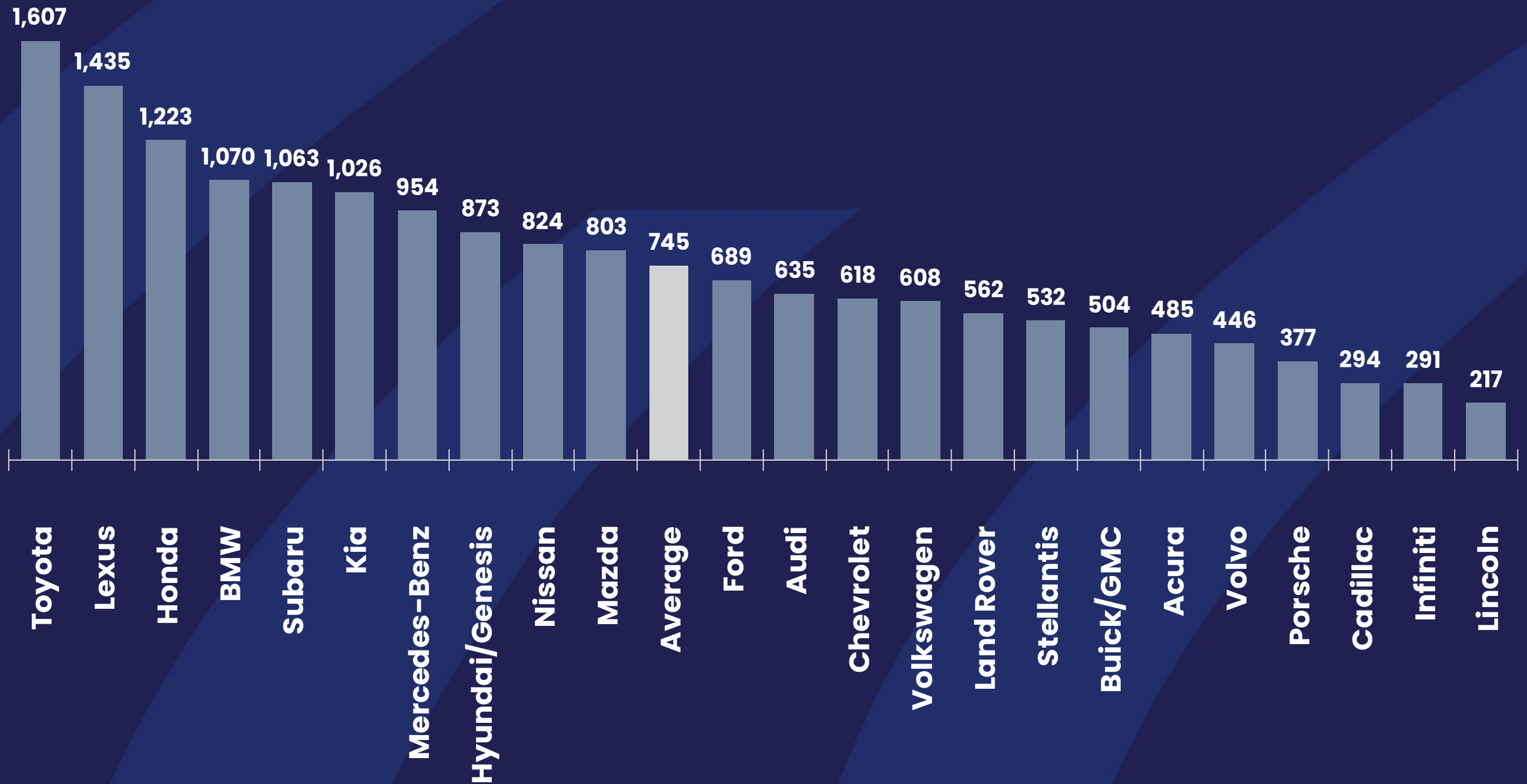
2019 – Q1 2025 LTM



Note: Assumes year-end 2024 dealership count
Source: Automotive News

Average New Car Throughput by Franchise

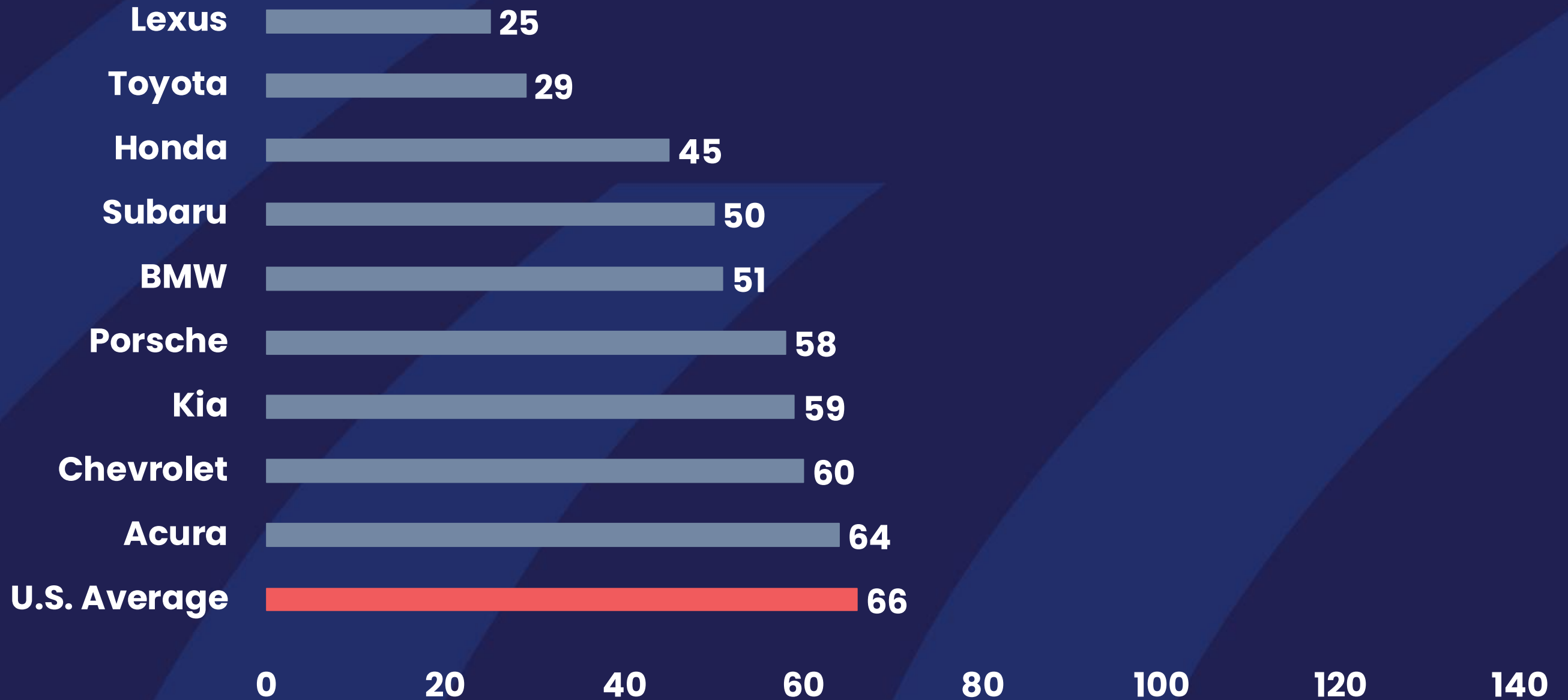
Q1 2025 LTM



Note: Assumes year-end 2024 dealership count
Source: Automotive News

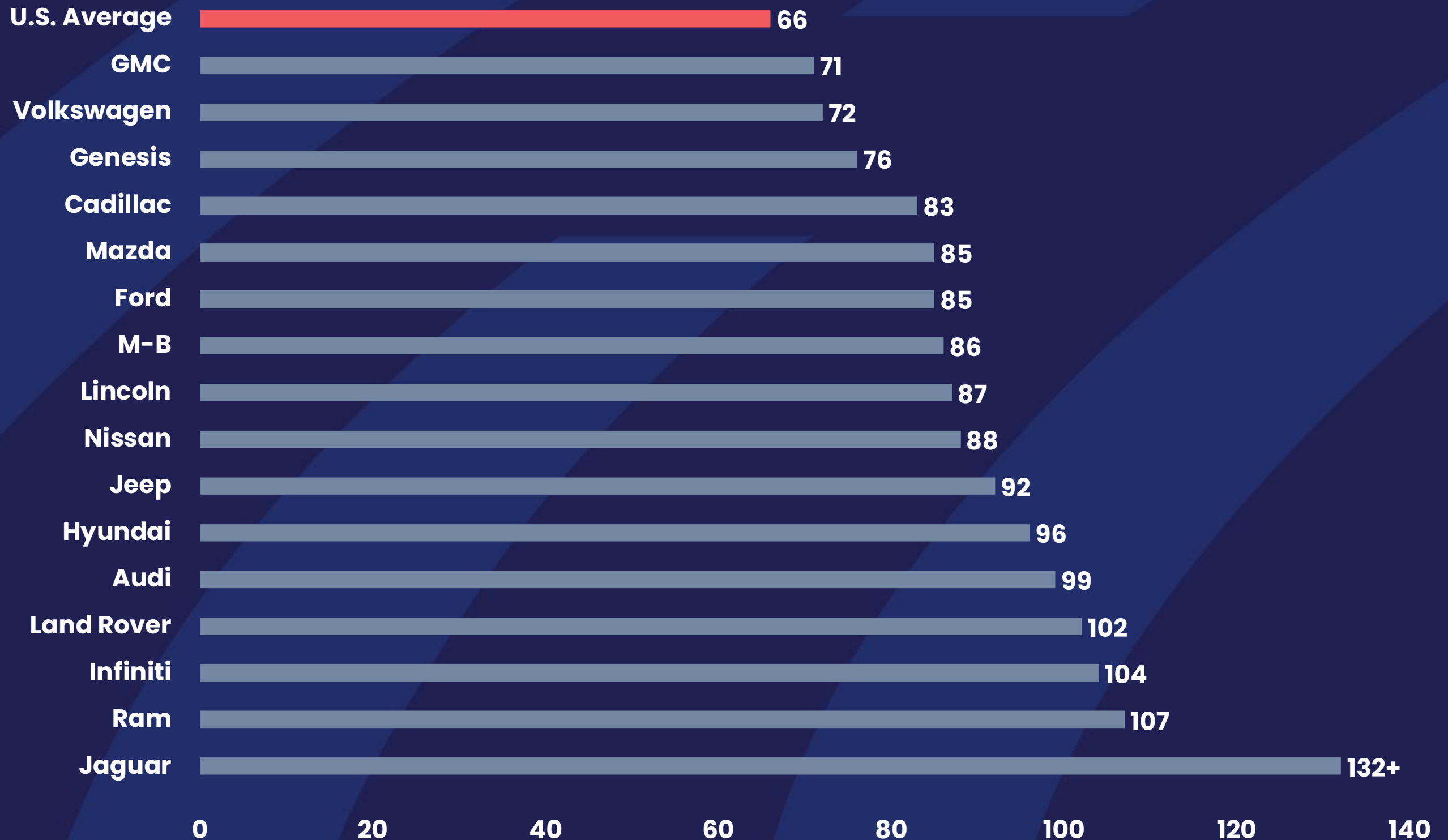
Days' Supply By Franchise

As of April 2025

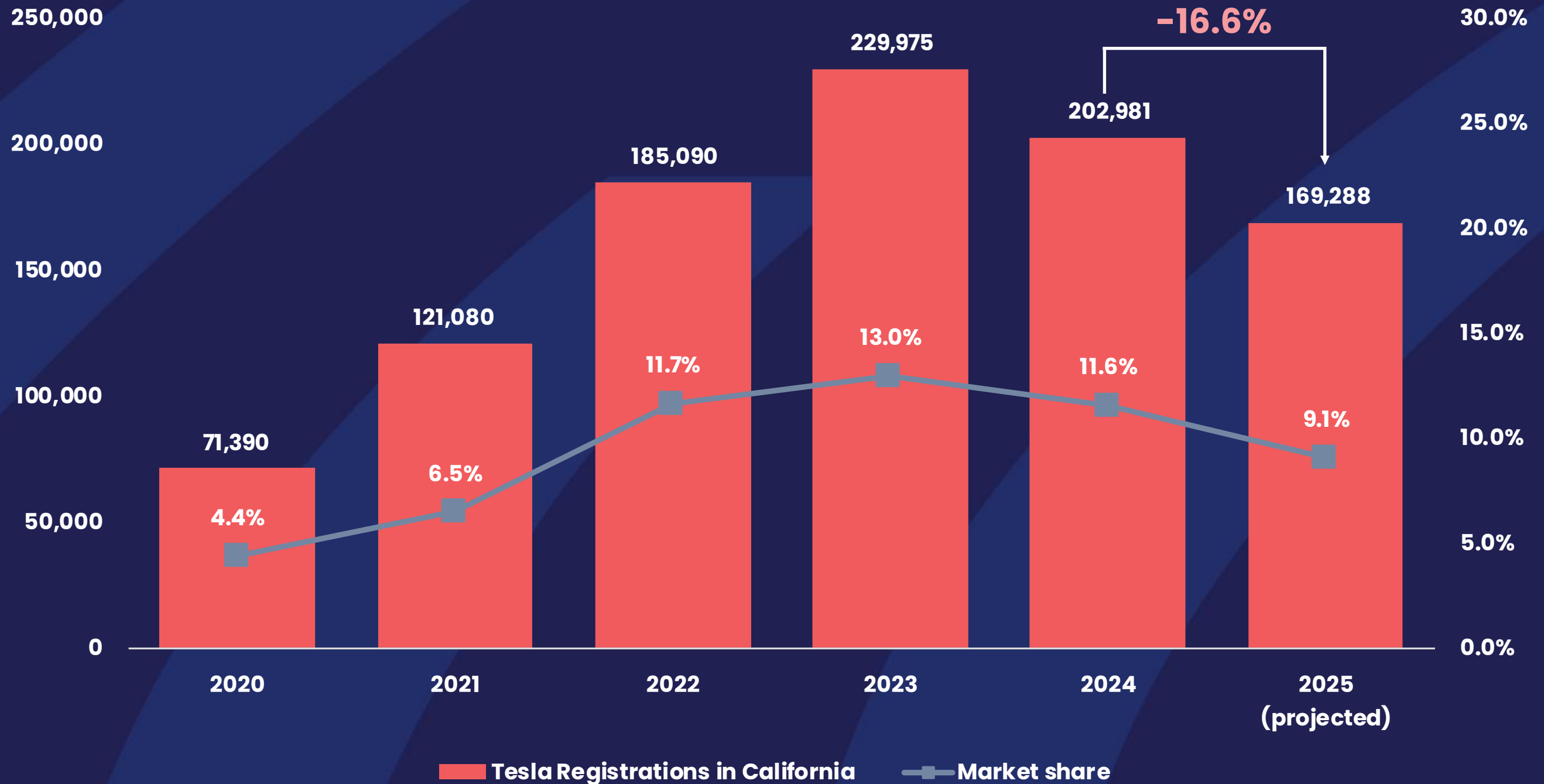


Days' Supply By Franchise

As of April 2025



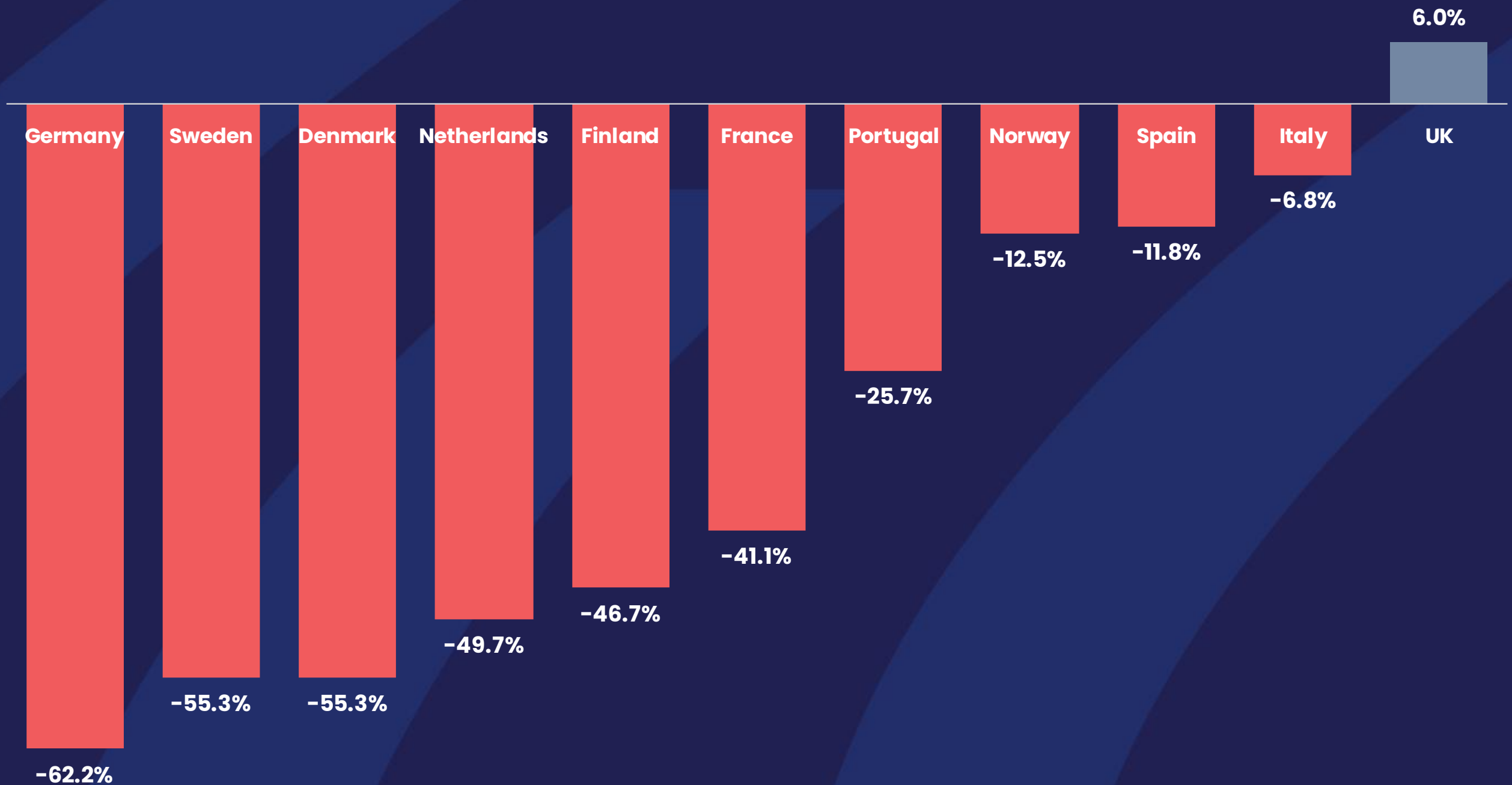
Tesla's California Registrations Continue to Fall



Source: California New Car Dealers Association

Tesla Sales Drop in Europe

Year-on-year change in new Tesla registrations in the first quarter of 2025

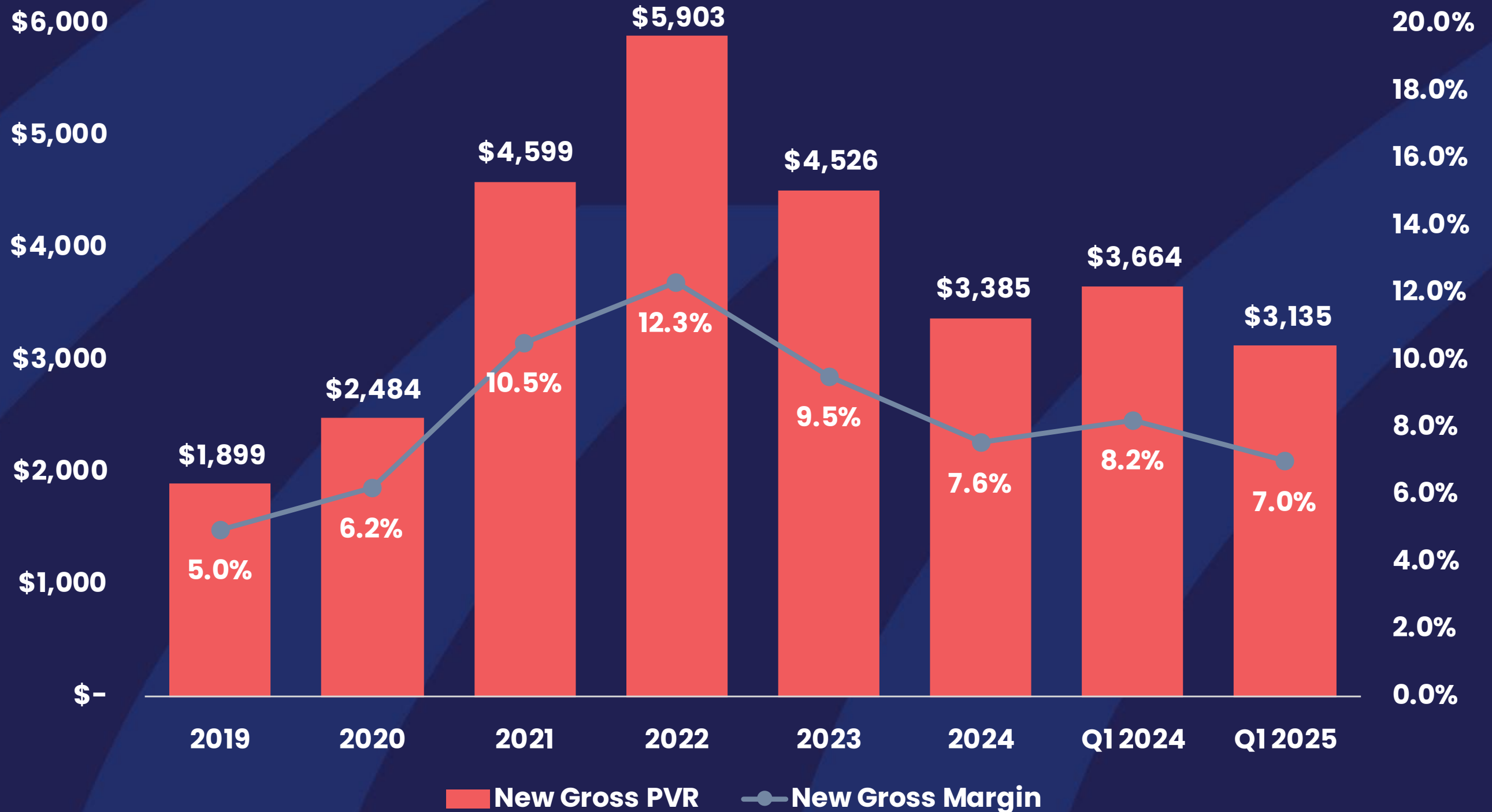


Source: CEA, Reuters



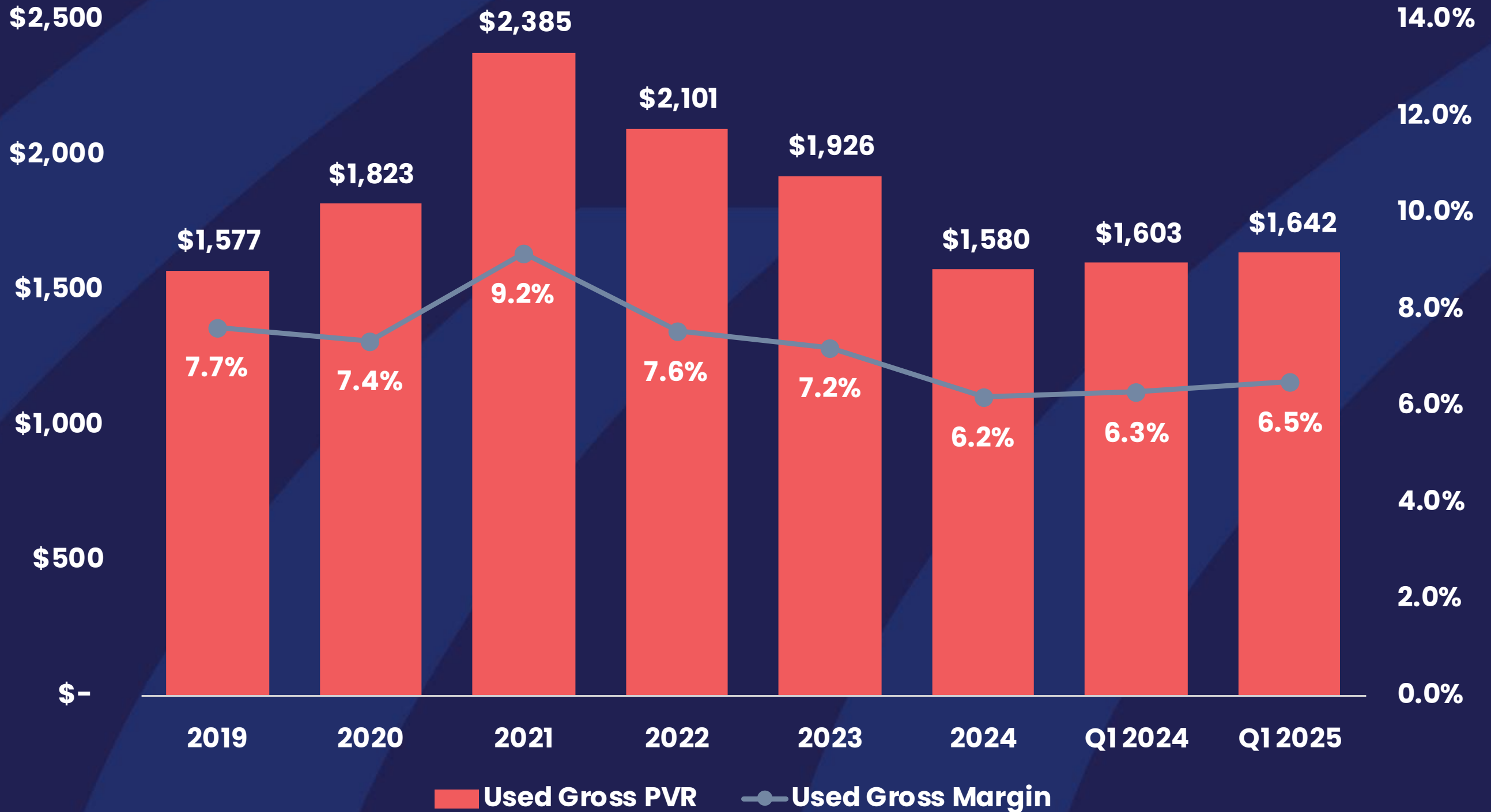
Q1 2025 DEALERSHIP PERFORMANCE UPDATE

NEW Gross Profit Margins Above Pre-Pandemic Levels



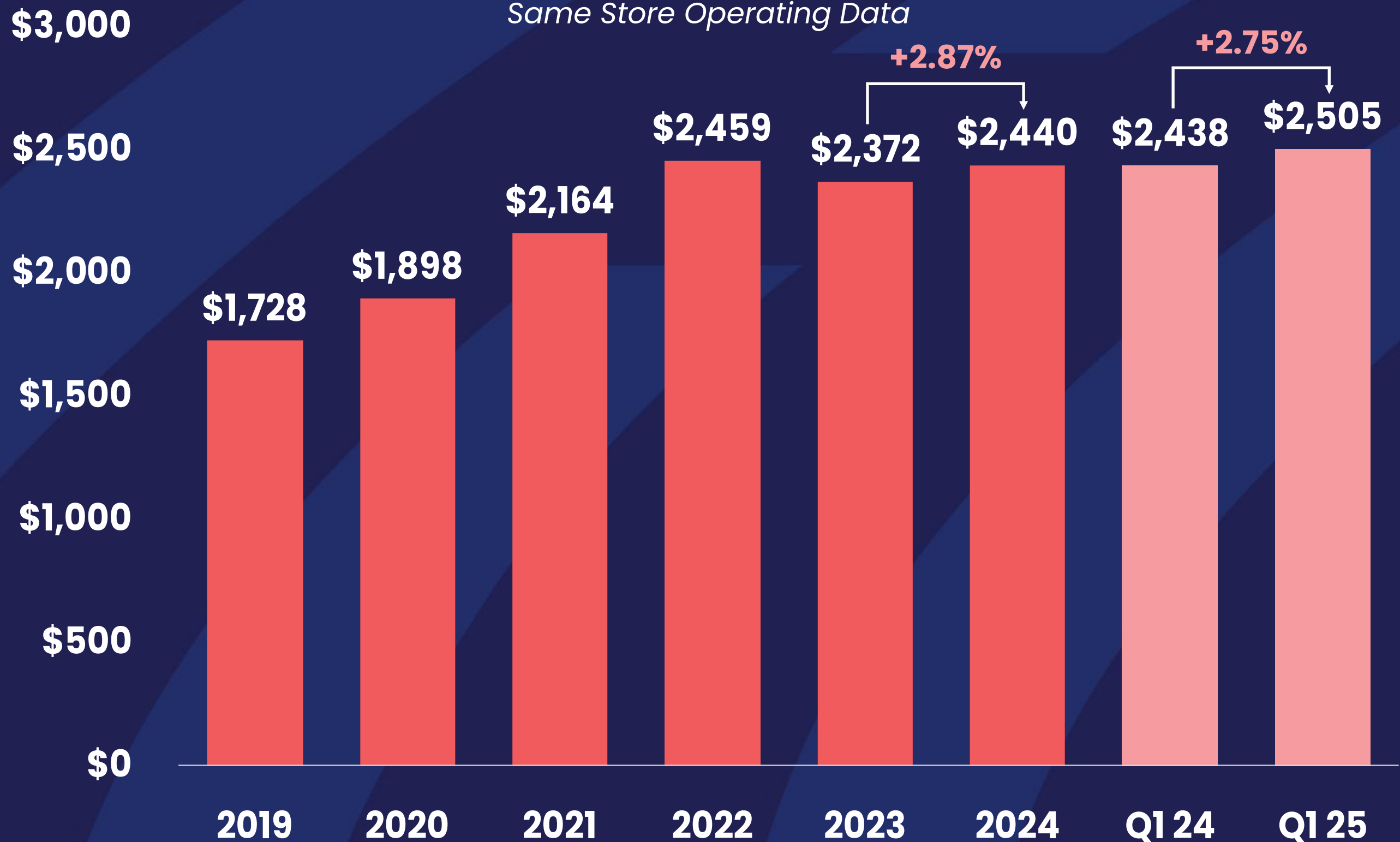
Source: SEC Filings, J.D. Power

USED Gross Profit Margins Below Pre-Pandemic Levels



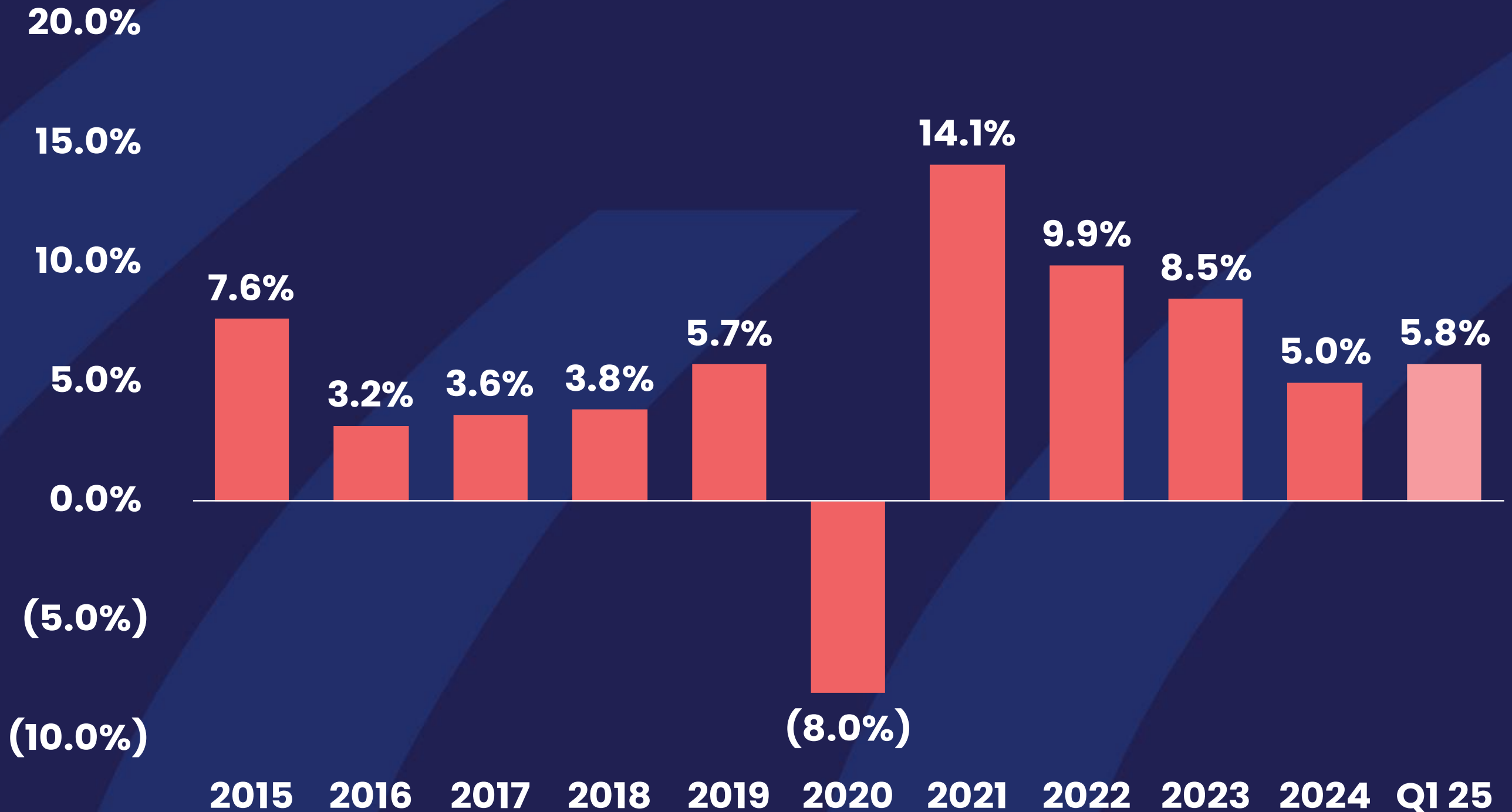
Source: SEC Filings, Cox Automotive

F&I Has Rebounded



Fixed Operations Are Strong

Fixed Operations Gross Profit Growth: Public Company Data
Same Store Operating Data



Profits Have Normalized

Same Store Operating Data



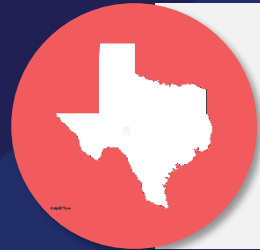
Source: SEC Filings



TEXAS MARKET UPDATE

Texas Market Update

Key benefits of operating in Texas



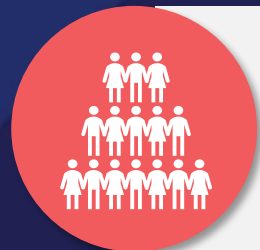
High growth state

One of the fastest-growing states in the nation, both in terms of population and economic output



Business-friendly state

No state income tax, a light regulatory burden, and a pro-growth policy framework



Large consumer base

Home to over 31 million residents and rapidly expanding suburban markets



M&A activity

2nd most active state in terms of dealership transactions from 2020-2025 with 139 total transactions

Benefit to dealers

Increases customer base and overall business performance

Improves profit potential and operational efficiency

Higher earnings potential

Increased buyer demand and lucrative exit opportunities

Due to the above factors, Texas dealerships typically demand premiums in the market

Texas Market Update

Key drawbacks of operating in Texas



Doc fee limitation

The doc fee in Texas is capped at \$225, well below many of the states across the country



Large rural areas

There are a number of rural areas across the Texas market that are isolated compared to the major metros



Add point risk

The metros of Texas continue to expand as population continues to move to the state



Real estate appreciation / land cost

The real estate in Texas has appreciated rapidly over the last number of years

Downside to dealers

Lower profit potential due to restricted fees

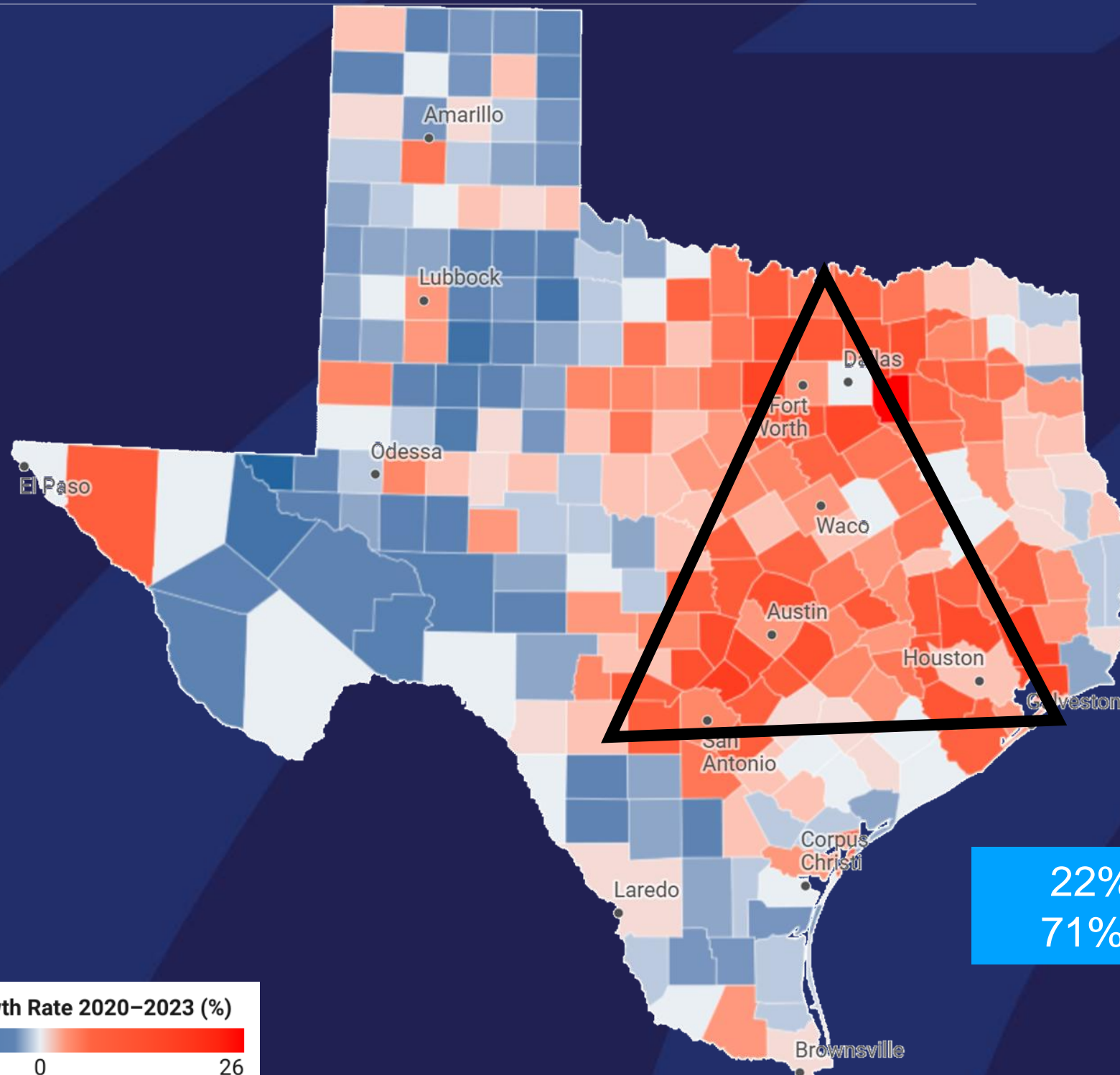
Rural Texas dealerships may not receive the same premiums

OEMs may continue to add points to the market, reducing value to current points

Increased RE values burden dealerships with higher expenses

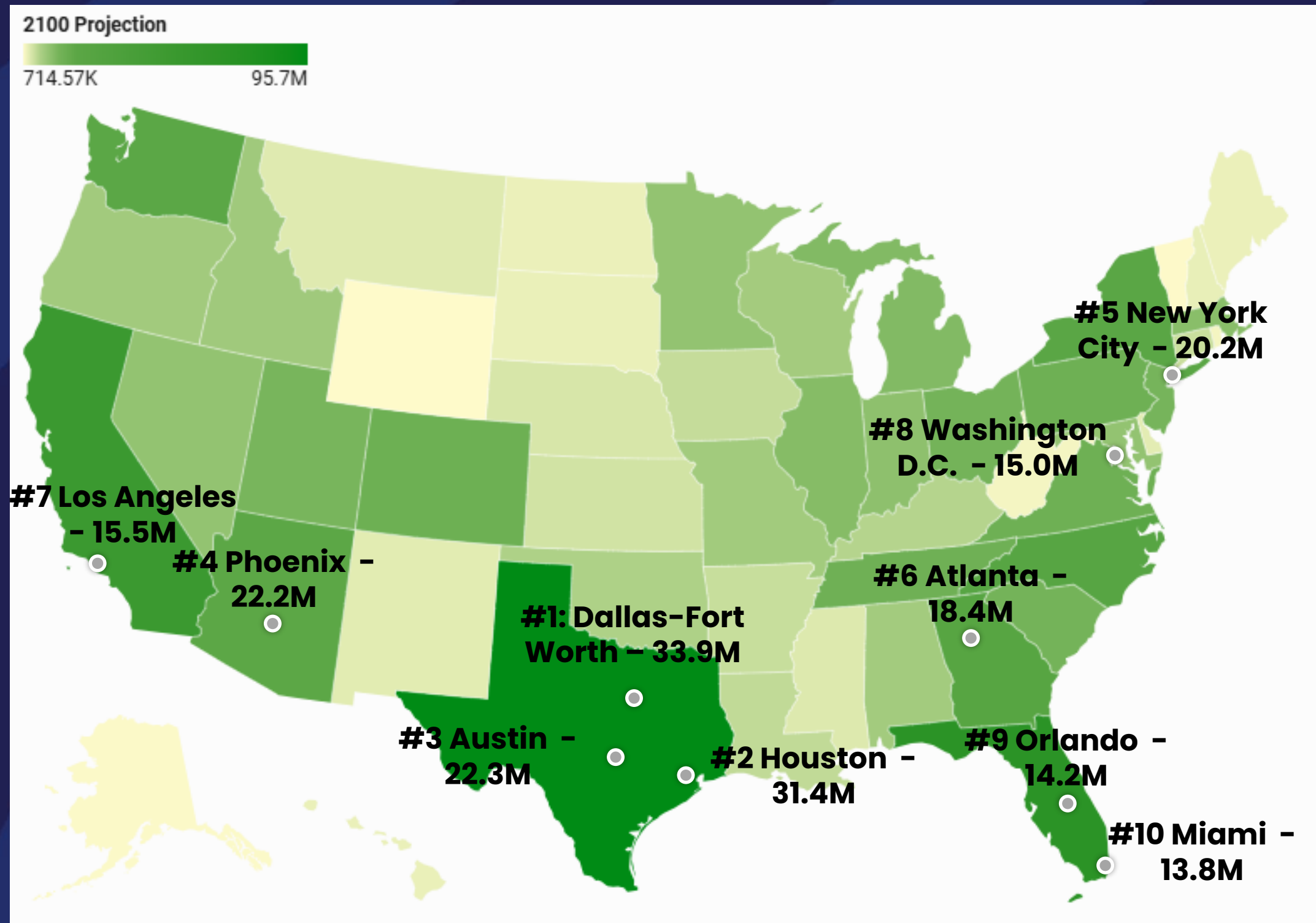
The above factors are some risks to Texas dealers that may impact valuations of certain dealerships across the state

Texas Growth By County



Future of America Lies in Texas

Projected most populous state in the country in 2100 – 95.7M residents



Future of America Lies in Texas

Metro Area	Year 2100 Rank	2100 Population	Current Rank	Current Population	Population Change
Dallas-Fort Worth, TX	1	34M	4	7.7M	26.2M
Houston, TX	2	31M	5	7.2M	24.2M
Austin, TX	3	22M	23	2.3M	20.0M
Phoenix AZ	4	22M	10	5.1M	17.3M
New York City, NY	5	21M	1	19M	1.8M
Atlanta, GA	6	18M	9	6.3M	12.4M
Los Angeles, CA	7	16M	2	13M	2.5M
Washington-Arlington, DC-VA	8	15M	6	6.3M	8.7M
Orlando, FL	9	14M	19	2.6M	11.6M
Miami, FL	10	14M	7	6.2M	7.6M

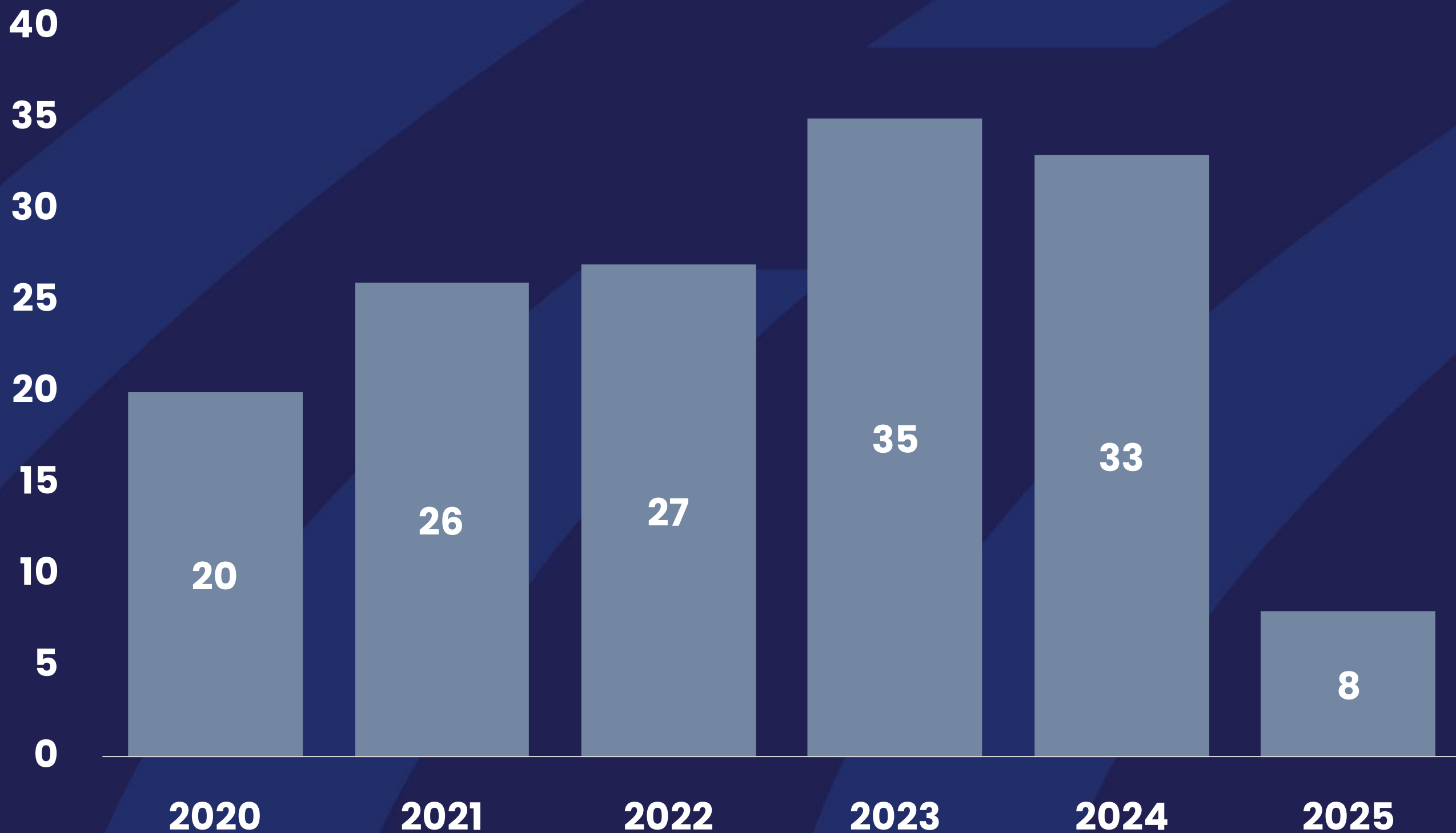
Fastest Growing US Cities Since 2020

City	State	2025 Population	2020 Population	% Increase
Celina	Texas	60,323	17,808	239%
Fulshear	Texas	59,321	17,558	238%
Royse City	Texas	31,084	13,719	127%
Manvel	Texas	21,952	10,224	115%
Melissa	Texas	29,727	14,336	107%
Princeton	Texas	35,020	17,537	100%
Anna	Texas	34,255	17,370	97%
Forney	Texas	43,196	23,880	81%
Amherst Town	Massachusetts	48,597	27,796	75%
Manor	Texas	24,273	14,112	72%
Georgetown	Texas	114,687	68,749	67%
West Haven	Utah	28,562	17,192	66%
Hutto	Texas	45,887	28,081	63%
Nocatee	Florida	27,556	16,914	63%
Saratoga Springs	Utah	62,024	38,294	62%
Lakewood Ranch	Florida	42,932	26,513	62%
Lathrop	California	47,031	29,096	62%
Trinity	Florida	20,613	12,761	62%
Coolidge	Arizona	21,531	13,436	60%
Prosper	Texas	48,889	30,816	59%

Texas Sale Data By County

County	2022 Total Cars Sold	2024 Total Cars Sold	% Change
Collin	47,637	62,985	32%
Denton	34,045	42,270	24%
Travis	48,350	59,927	24%
Hidalgo	36,557	44,170	21%
Williamson	37,172	43,200	16%
Harris	208,591	241,344	16%
Cameron	18,312	21,155	16%
Montgomery	20,146	23,214	15%
Bexar	83,172	93,739	13%
Tarrant	95,342	107,415	13%
Dallas	93,433	102,365	10%
Galveston	15,912	17,234	8%
Bell	16,292	17,566	8%
Lubbock	11,955	12,662	6%
Nueces	15,936	16,530	4%
Fort Bend	21,047	21,639	3%
El Paso	27,040	27,357	1%
Brazoria	12,563	12,244	-3%

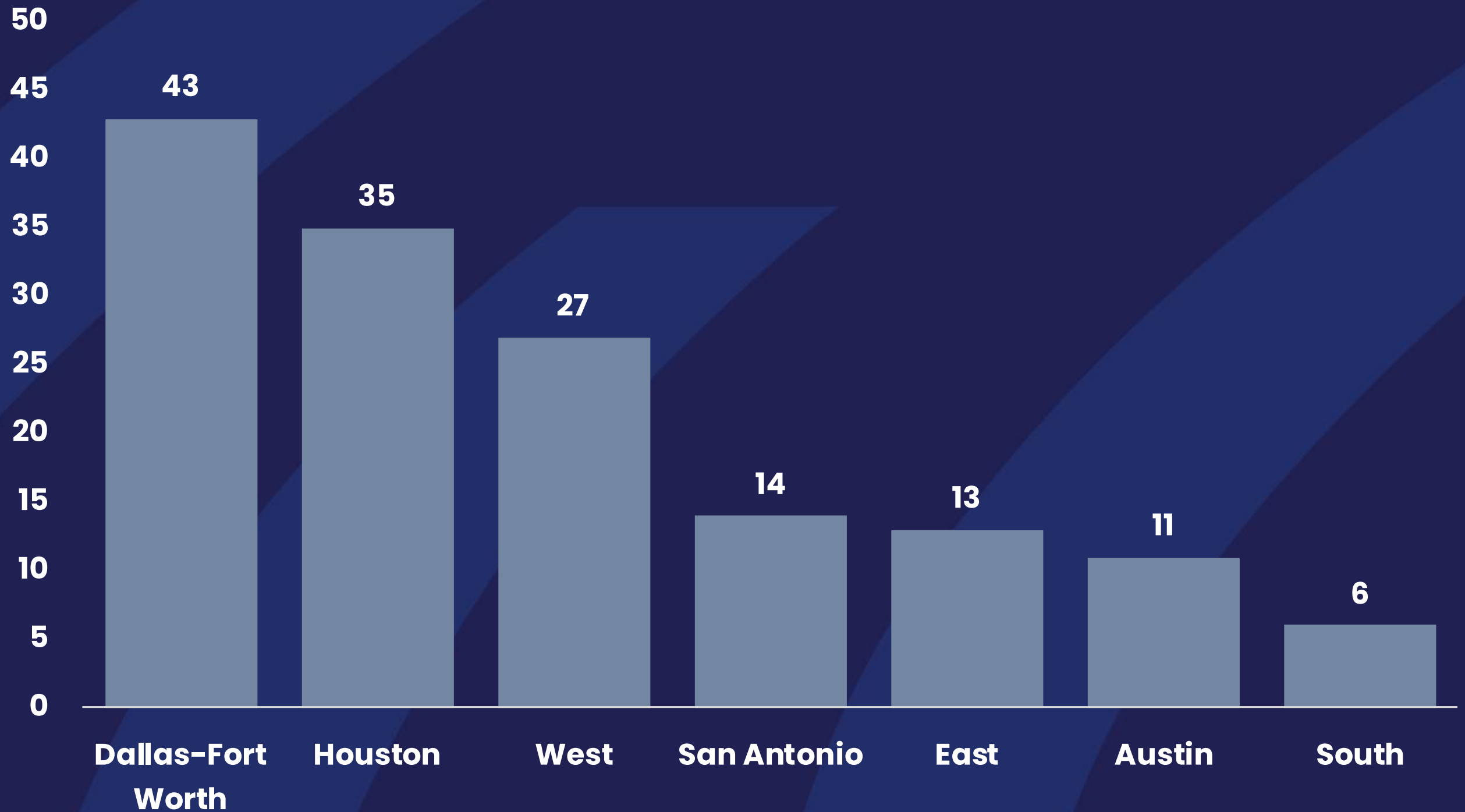
Texas Buy/Sell Transactions (2020-2025)



**This data only captures publicly reported transactions. There has likely been many private, unreported transactions during this period.*

Source: Automotive News, Haig Partners

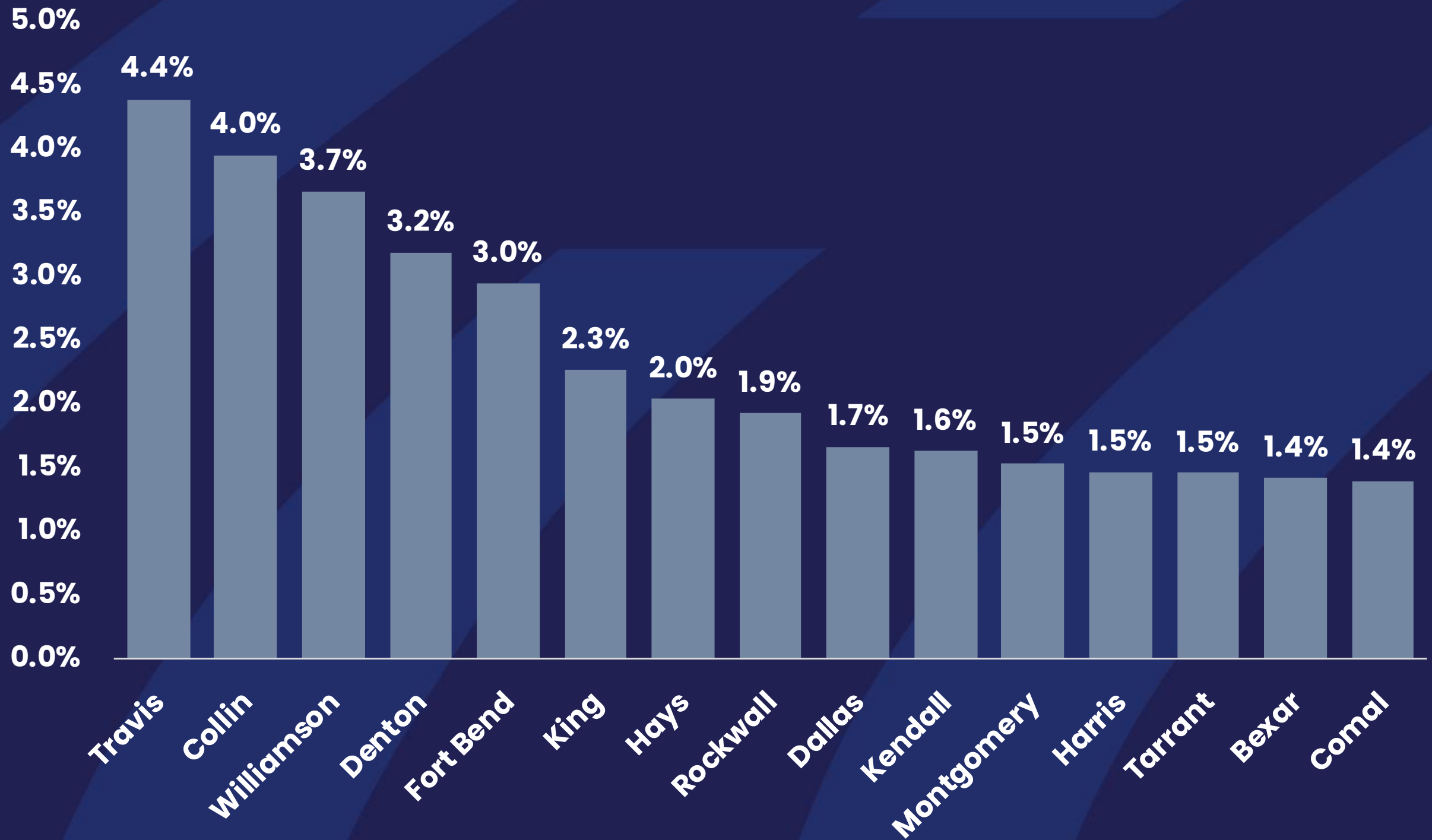
Texas Buy/Sell Transactions By MSA (2020-2025)



Where buyers come from (2023-2024)



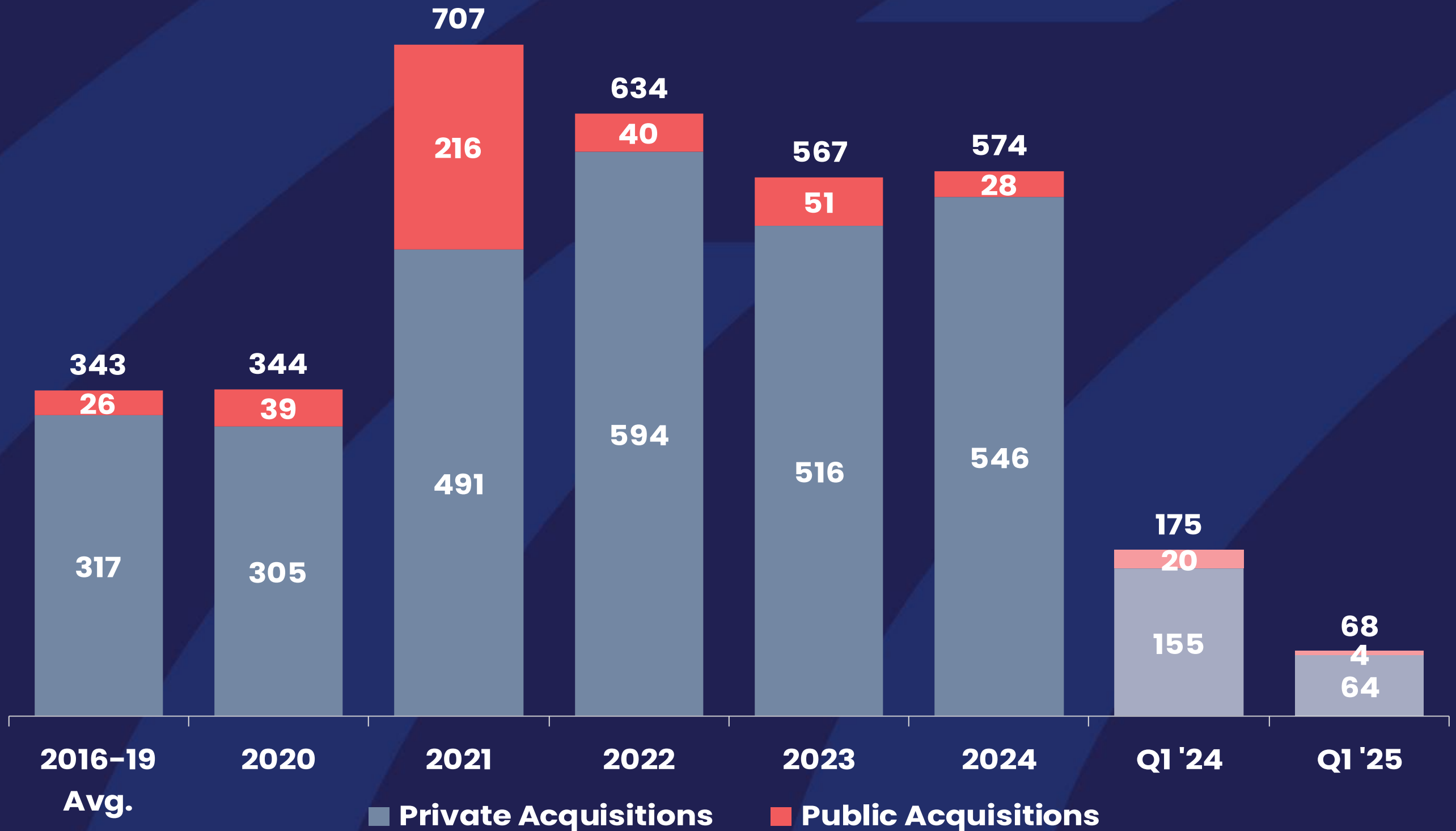
% of EVs to Total Vehicles (2024)





M&A UPDATE

U.S. Dealerships Bought Or Sold

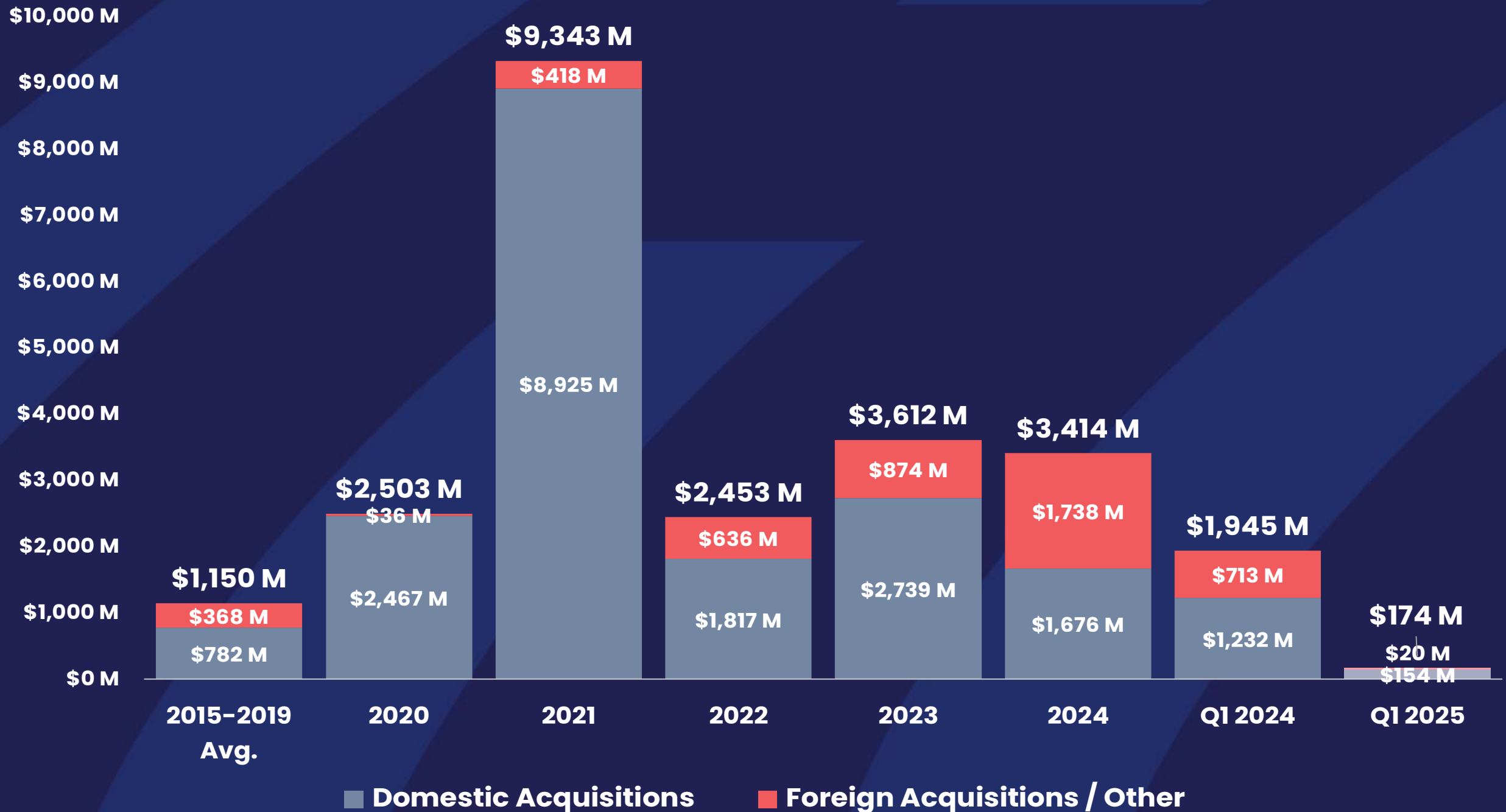


■ Private Acquisitions

■ Public Acquisitions

Source: Automotive News, SEC Filings, The Banks Report, Haig Partners

Public Retailers: Acquisition Spending

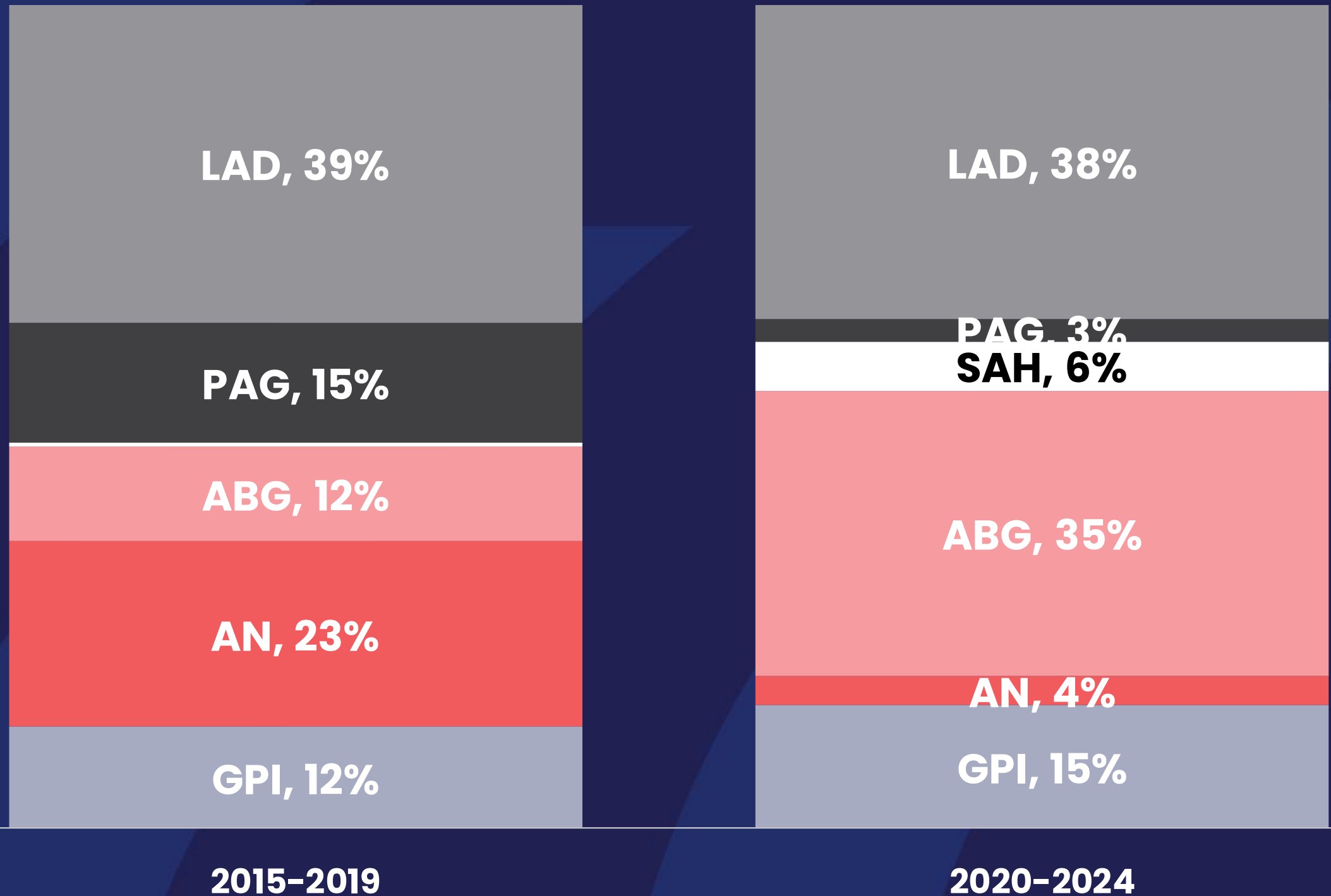


Public Company Acquisition Spending

Q4 | 2024
Haig Report®

On U.S. franchised auto dealership acquisitions

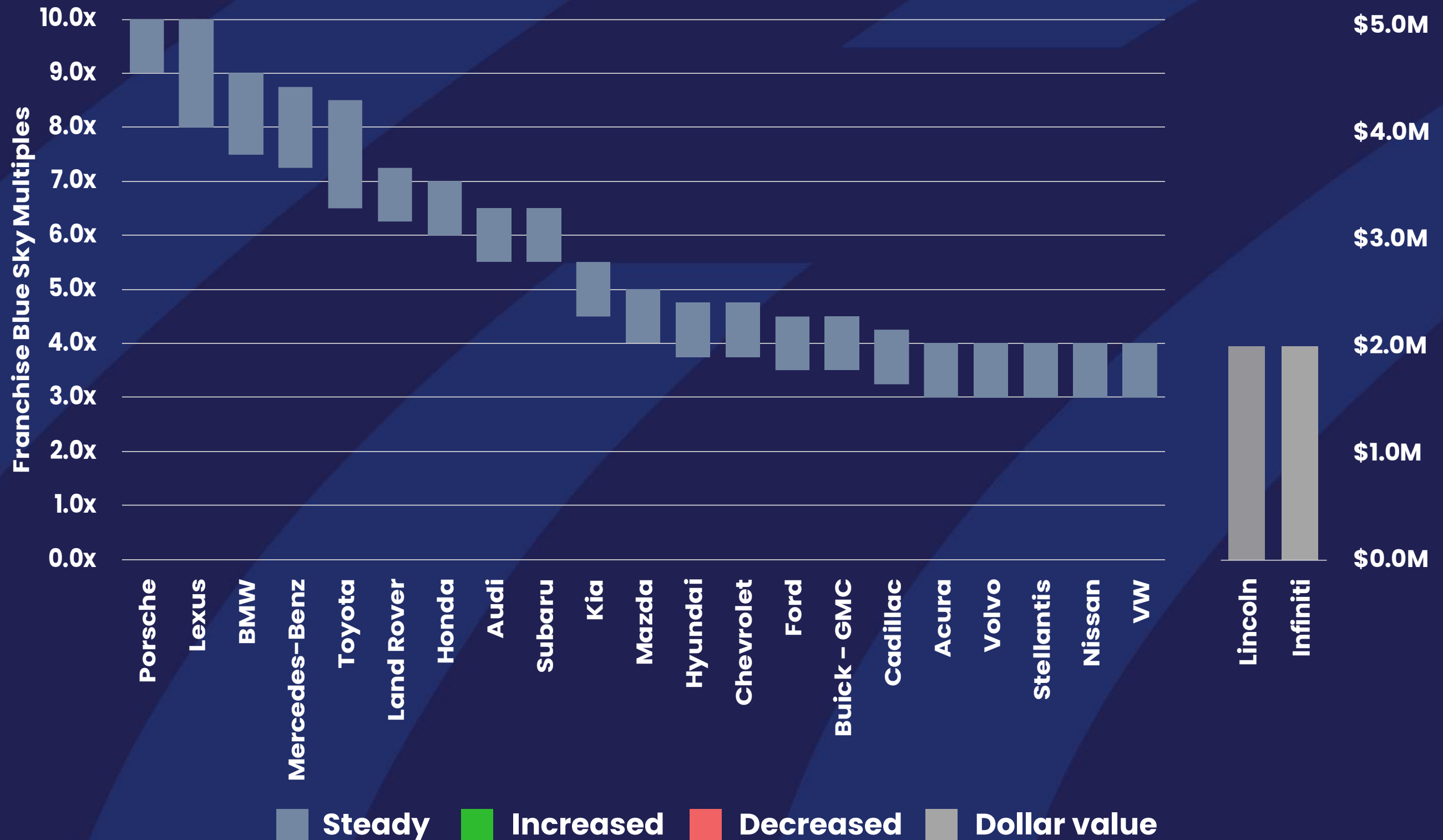
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%



Source: SEC Filings.

National Average Blue Sky Multiples

Q1 | 2025
Haig Report®



Factors That Influence Multiples



Under-performing



Metro markets



Rapid-growth markets



Low-tax markets



Geography well-suited to franchise



Good dealer – OEM relationship



Over-performing



Not marketed properly



Facility/real estate issues, including cost and add point risk



Slow/negative-growth markets



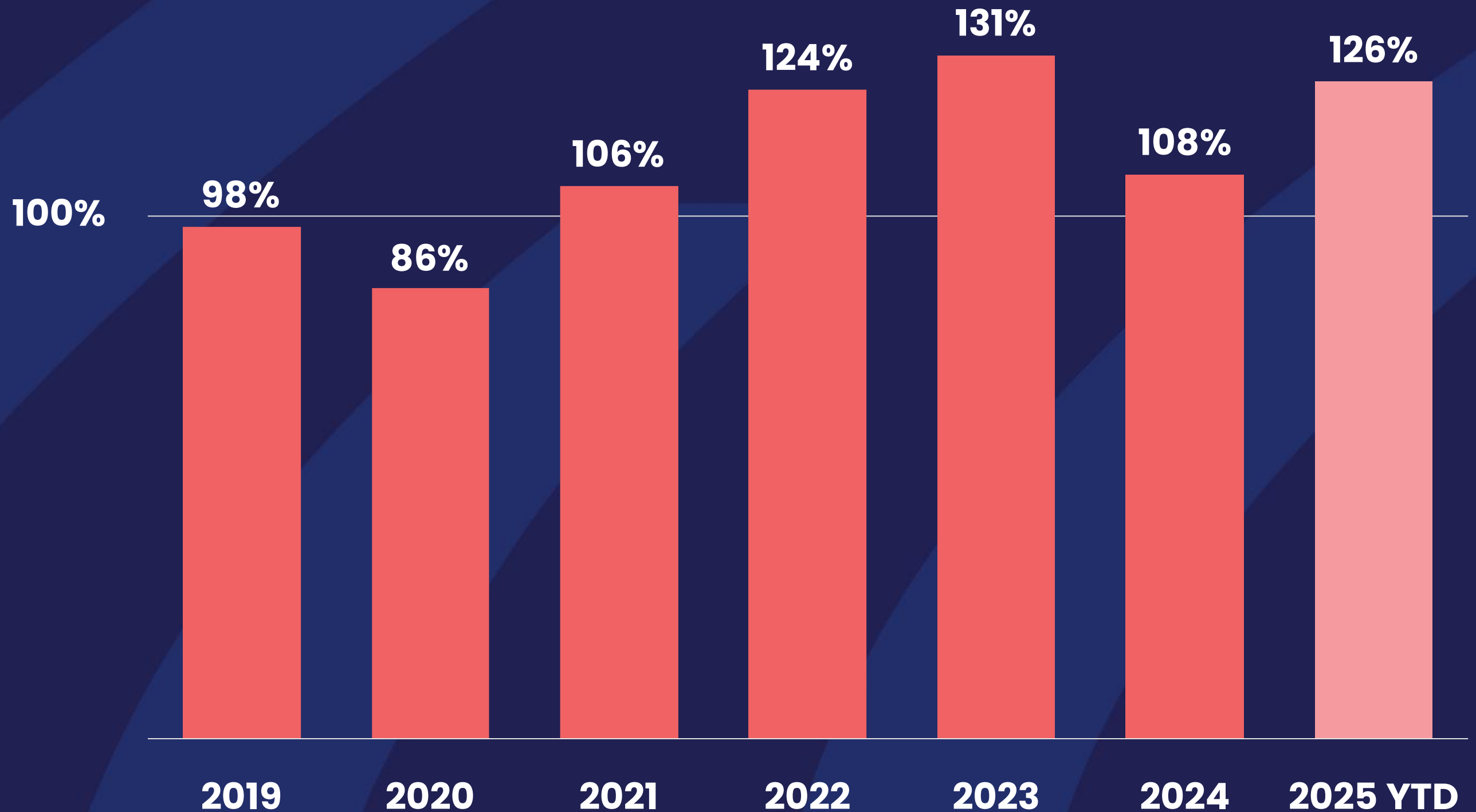
High-tax or over-dealered markets



Bad dealer – OEM relationship

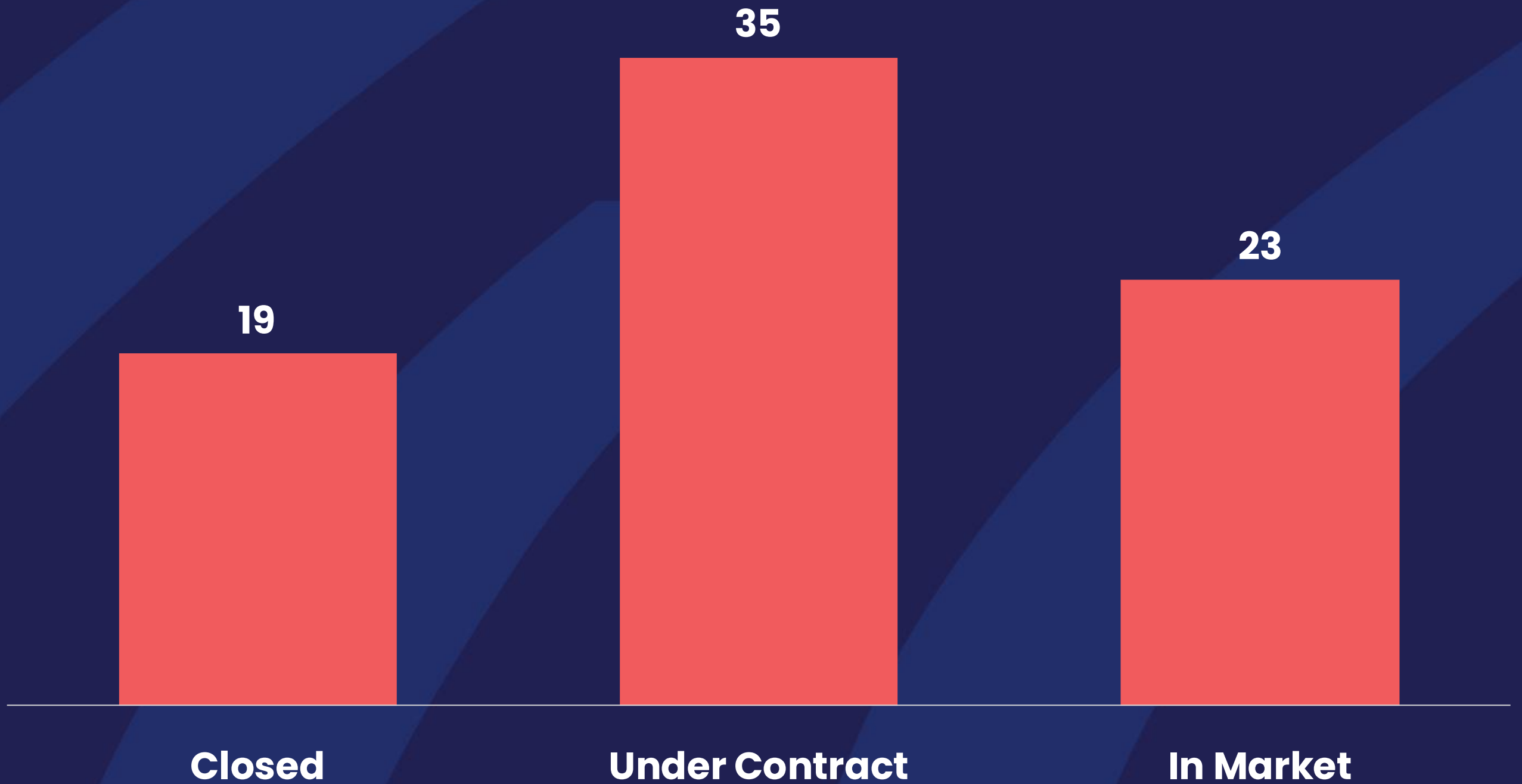
Estimated Vs. Accepted Blue Sky Values

Transacted Blue Sky values as a % of Haig Partners' valuation range midpoint

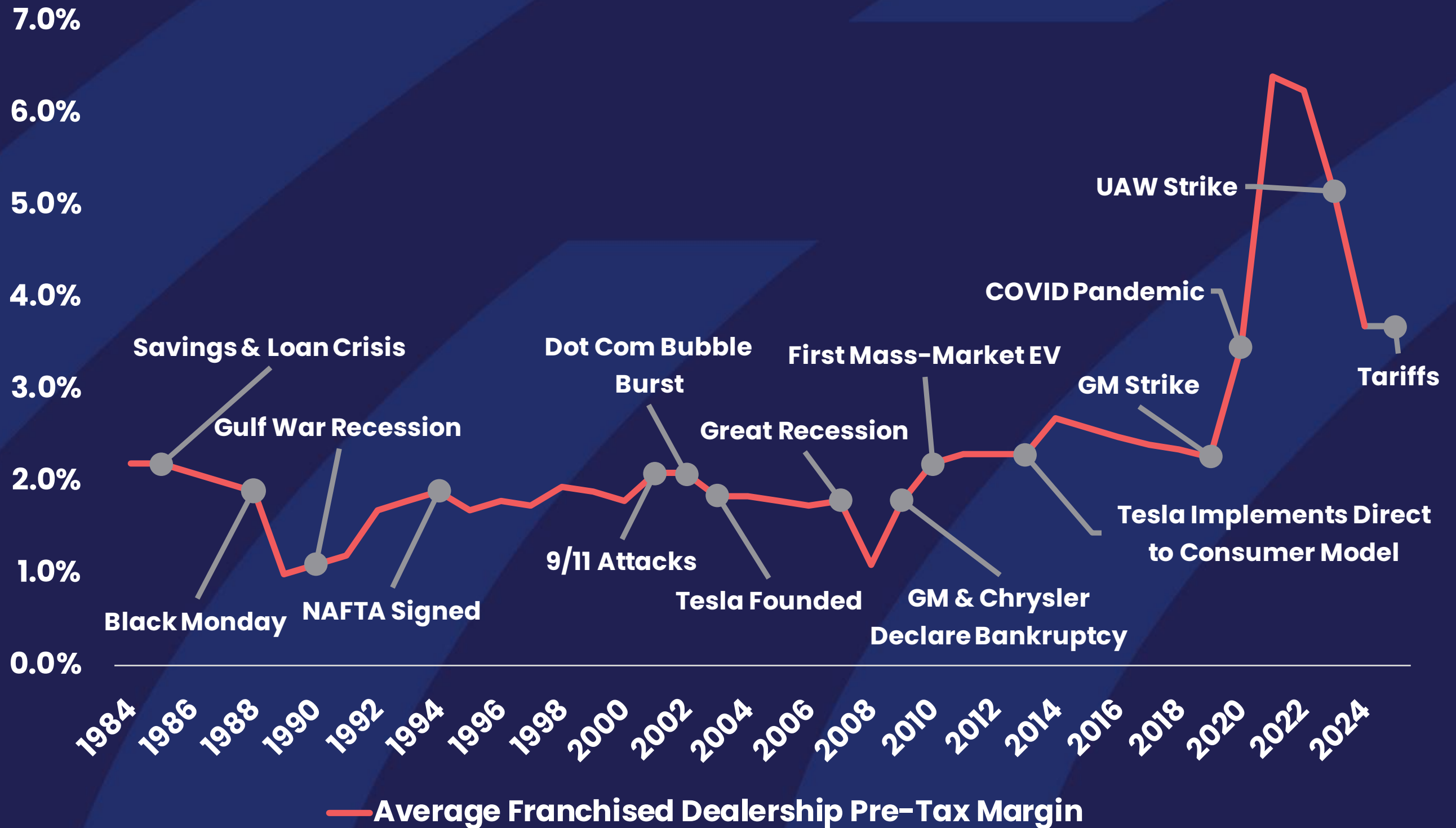


Tariff Impact On Buy-Sells

Haig Partners 2025 - Deal Pipeline (# of rooftops)




Despite Risks, Auto Retail is Remarkably Consistent



— Average Franchised Dealership Pre-Tax Margin

THANK YOU! – Questions?

Dave Rowe
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 **Dave**
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