

Shifting Dealer Sentiment Signals Strong 2026 Buy/Sell Market

Presented by:
Gabe Robleto, Director

KERRIGAN ADVISORS

The LGT logo, featuring the letters 'LGT' in a white serif font with a thin white swoosh underline, set against a solid blue square background.

June 2026

Honored to be the Leading Exclusive Sell-Side Advisor to Dealers Nationwide

Kerrigan Advisors' Sell-Side Accolades Since 2014

\$10B

Client
Proceeds

325+

Dealerships

435+

Franchises

30+

States

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The Only Firm in Auto Retail Dedicated
Exclusively to Sell-Side Advisory

Others have conflicts.
We have your interests.

Kerrigan Advisors' Team

Kerrigan Advisors' team is **comprised of industry leaders with decades of experience** in auto retail, investment banking, private equity, finance, accounting and real estate. Our firm is designed to support our clients, not market our firm or obtain "listings". We actively lead each client engagement from beginning to a successful outcome.

We attribute our firm's success to our laser-focus on fulfilling each client's personal and financial goals.



Erin Kerrigan
Founder & Managing Director

- Leads Buy/Sell Advisory
- Recognized buy/sell expert
- Lead author of The Blue Sky Report®



Ryan Kerrigan
Managing Director

- Leads Consulting & Capital Raising
- Started career at McKinsey & Co.
- Lead author of The Kerrigan Index™



Gabe Robleto
Director

- Transaction advisory
- 15 years of dealership real estate expertise, previously with CARS



Mercedes Hendricks, CPA
Senior Vice President

- Transaction support
- 15 years of public accounting experience, notably at Crowe



Chris Gempton, CPA
Senior Vice President

- Transaction advisory & support
- Two decades of atuo experience, previously with AutoNation



Marie Brashears
Vice President

- Transaction advisory & support
- Closed 60+ deals, 245+ dealerships



Pierre Dempsey, CFA
Vice President

- Transaction support
- Prior experience at JP Morgan



Juan Lacouture
Senior Associate

- Transaction support
- Prior experience at Truist



Max Clark, CPA
Associate

- Transaction support
- Prior experience at KPMG



Brian Shin
Analyst

- Transaction support
- Graduate of Georgetown University



Harriet Guan
Senior Marketing Analyst

- Marketing support
- Graduate of UC Irvine

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Kerrigan Advisors' Research and Expertise

The Blue Sky Report® and Kerrigan Index™ are considered the industry authority on auto retail buy/sells and valuation market trends. Our reports are distributed to **over 16,000 industry contacts in 35 countries**. Our extensive industry experience and proprietary research provide our clients with the comfort of knowing they are working with the most informed advisors in auto retail.

Kerrigan Advisors is the Industry on Auto Retail Buy/Sells and Dealership Valuations



Our Commentary is Featured in the Following Industries and Business Media



* Only buy/sell firm to be interviewed
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Kerrigan Advisors' Office Locations

Kerrigan Advisors is strategically positioned to serve our clients in North America with our bi-coastal offices.



SESSION 1

Insights from the Q1 2026 Report

THE
BLUE SKY REPORT®
A KERRIGAN QUARTERLY

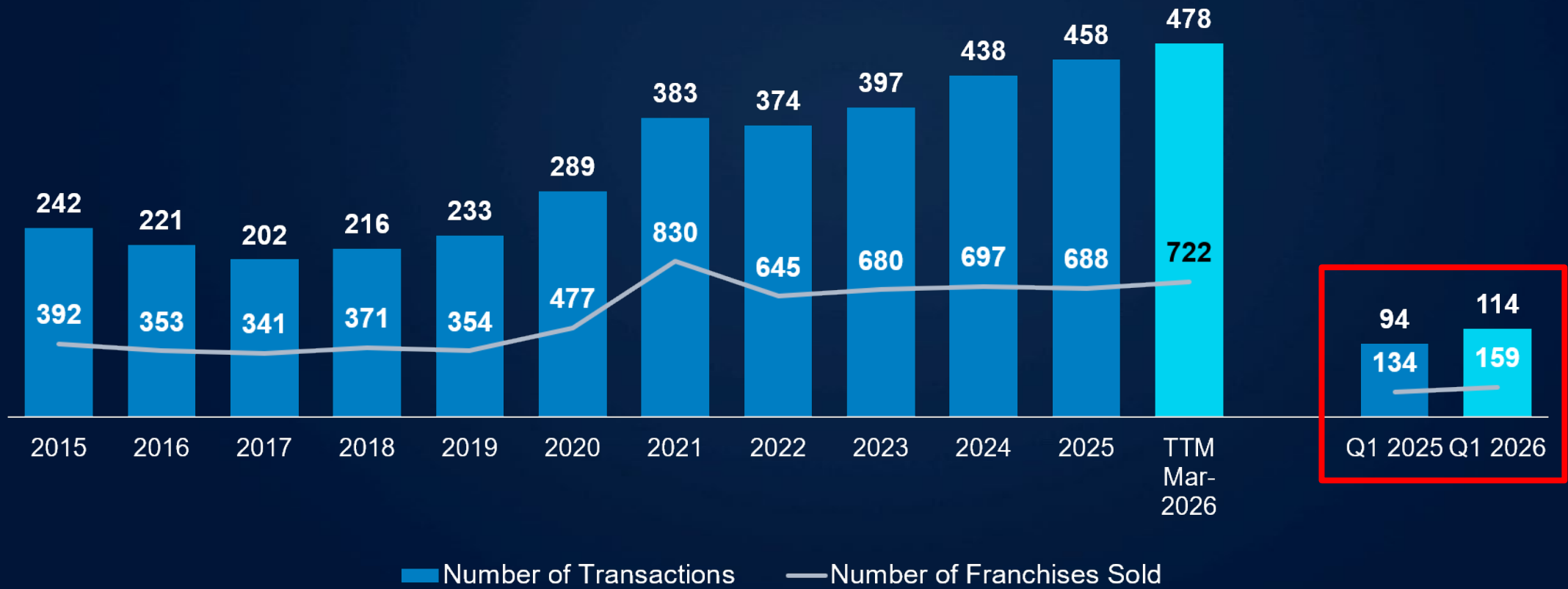


Buy/Sell Market Breaking Records



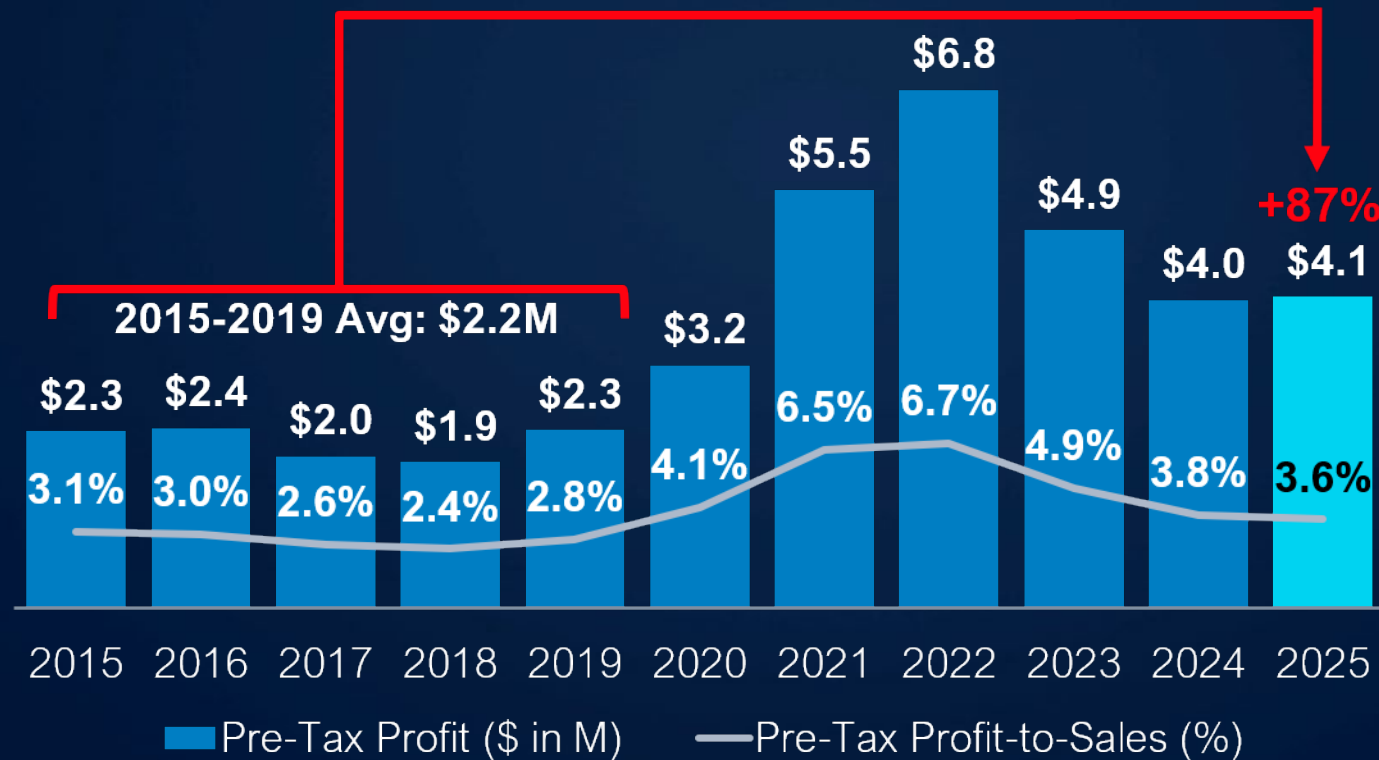
Transaction Activity Hits New Record in Q1 2026

Number of Dealership Transactions vs. Franchises Sold



Industry Earnings are Stabilizing at Higher Levels

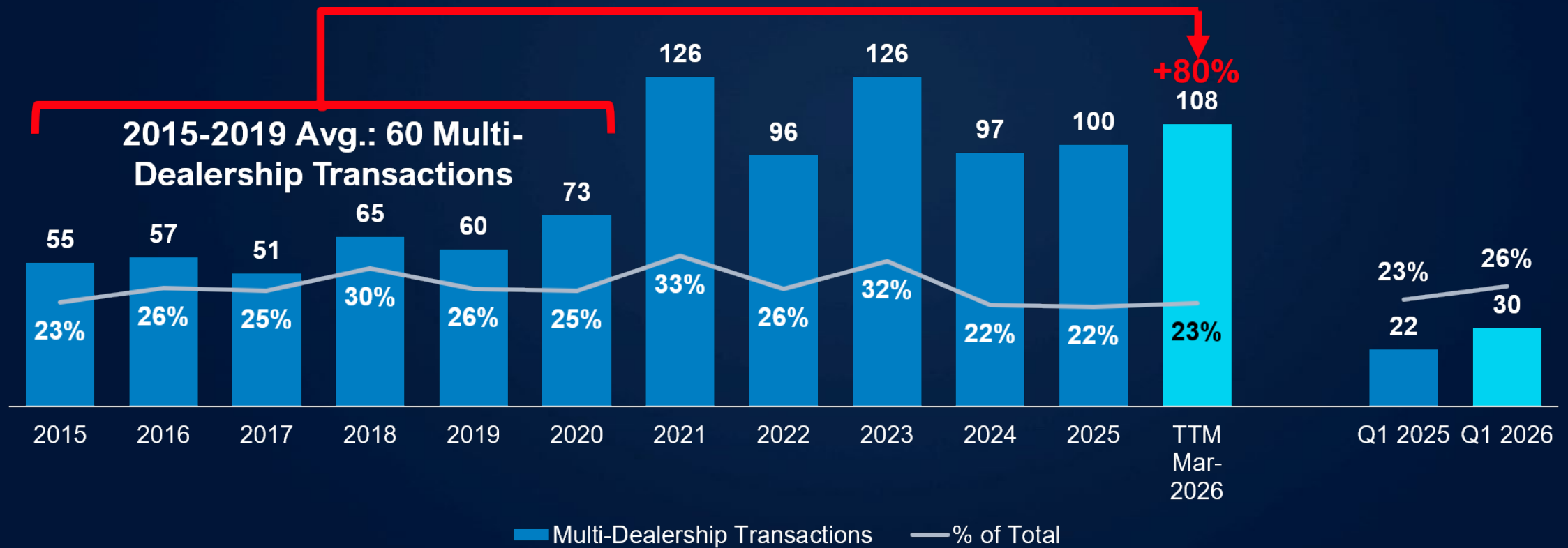
Estimates for US Public Dealer Groups' Average Pre-Tax Profit per Dealership (\$ in Millions) vs. Pre-Tax Profit-to-Sales (%)



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Group Transactions Remain Elevated

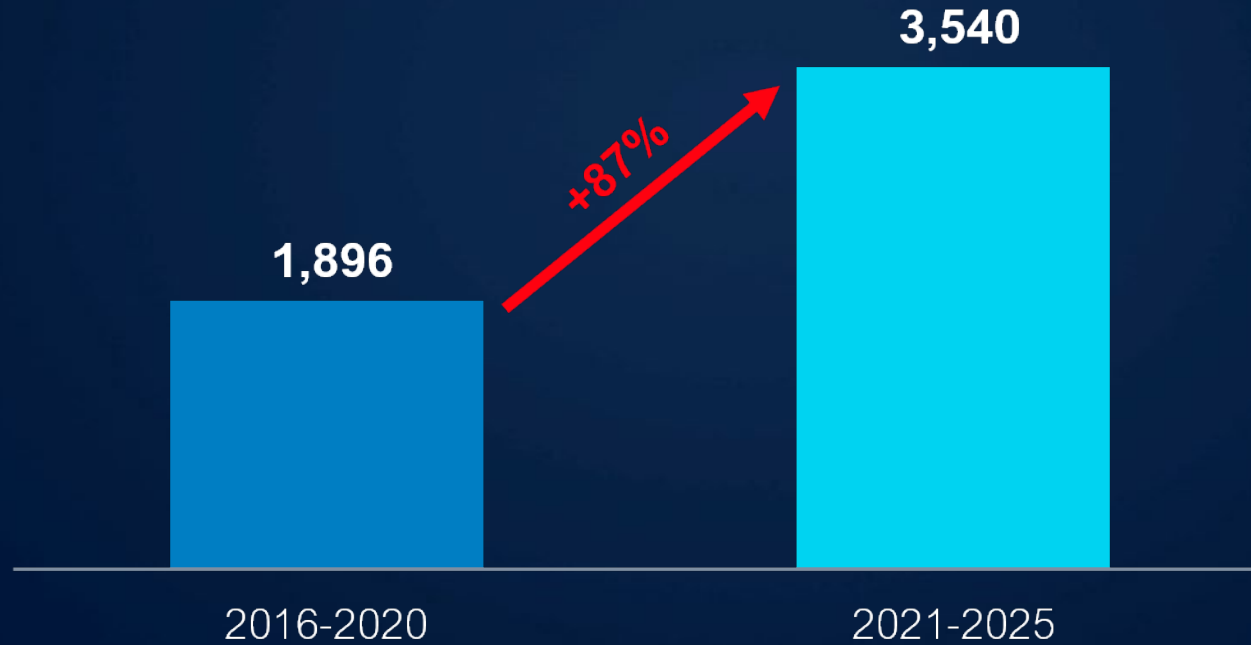
Number of Multi-Dealership Transactions vs. Number of Multi-Dealership Transactions
as a Percentage of Total Dealership Transactions



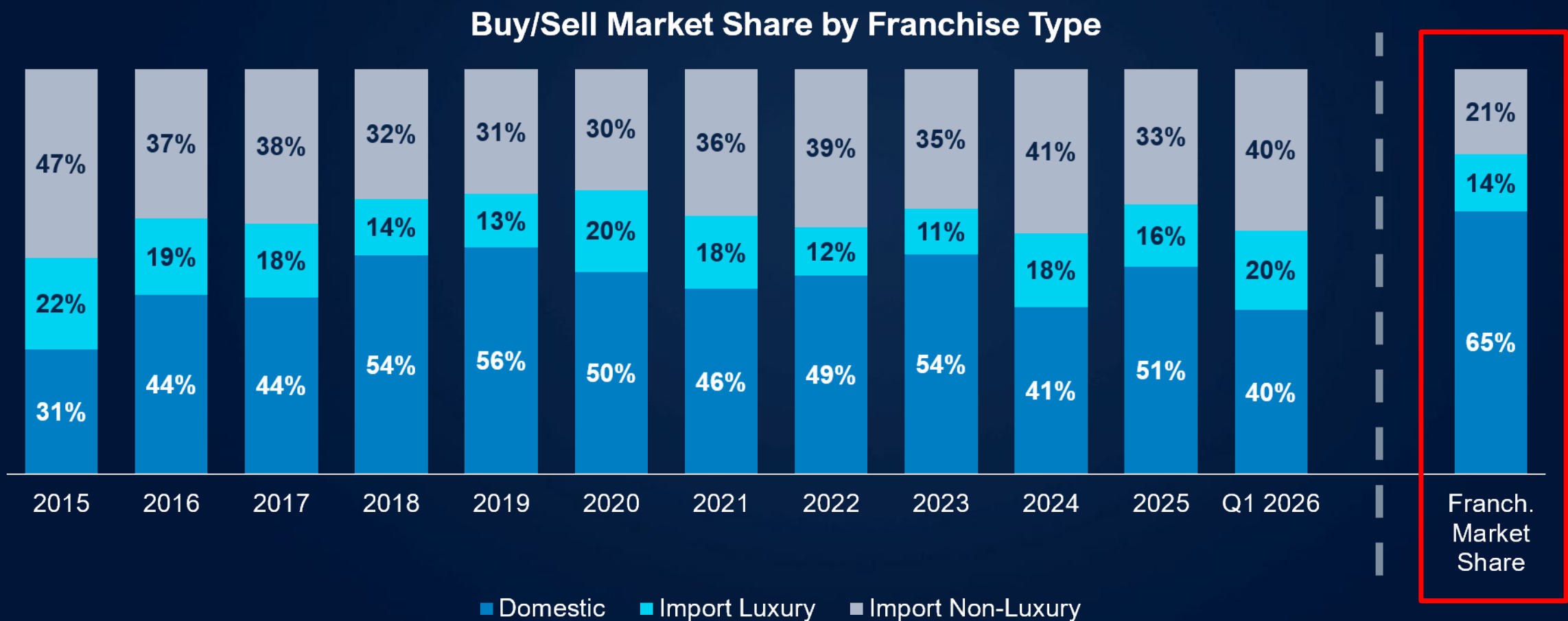
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Consolidation Continues at Accelerated Pace

Number of US Franchises Sold

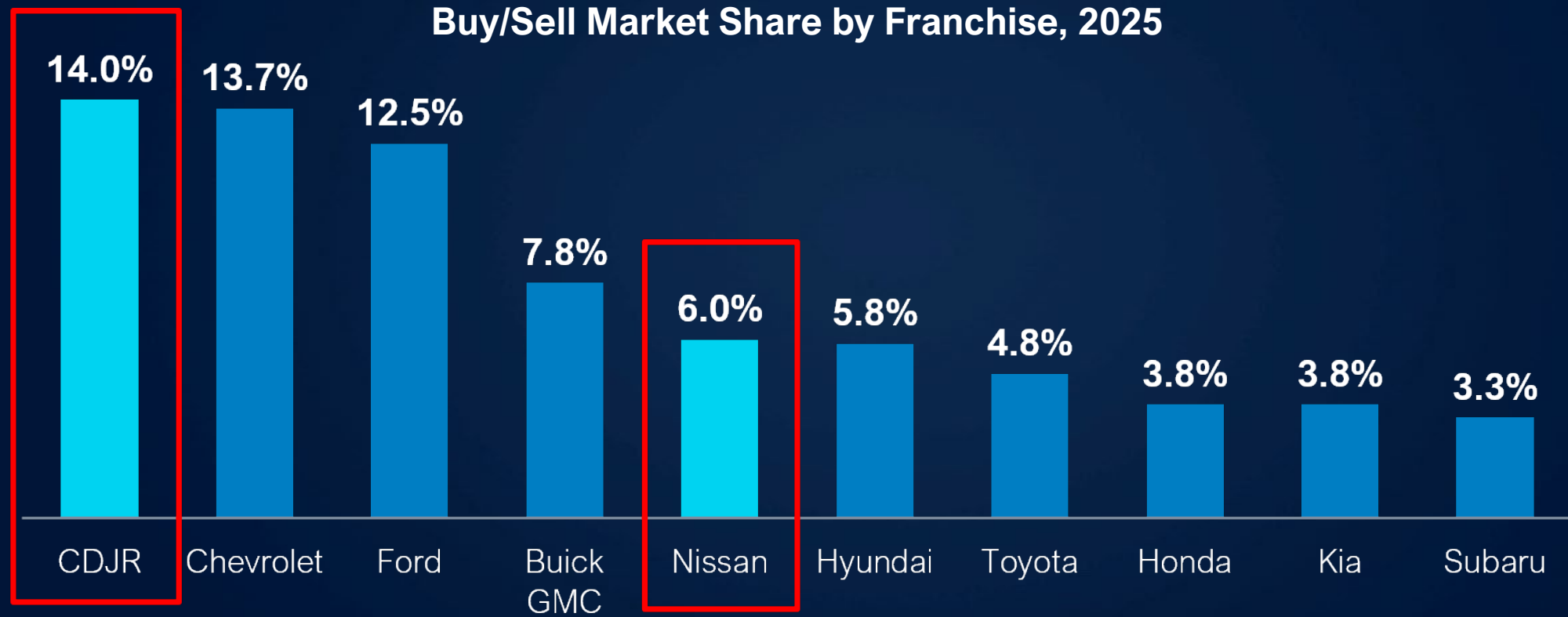


Imports Represent a Disproportionate Share of Buy/Sells



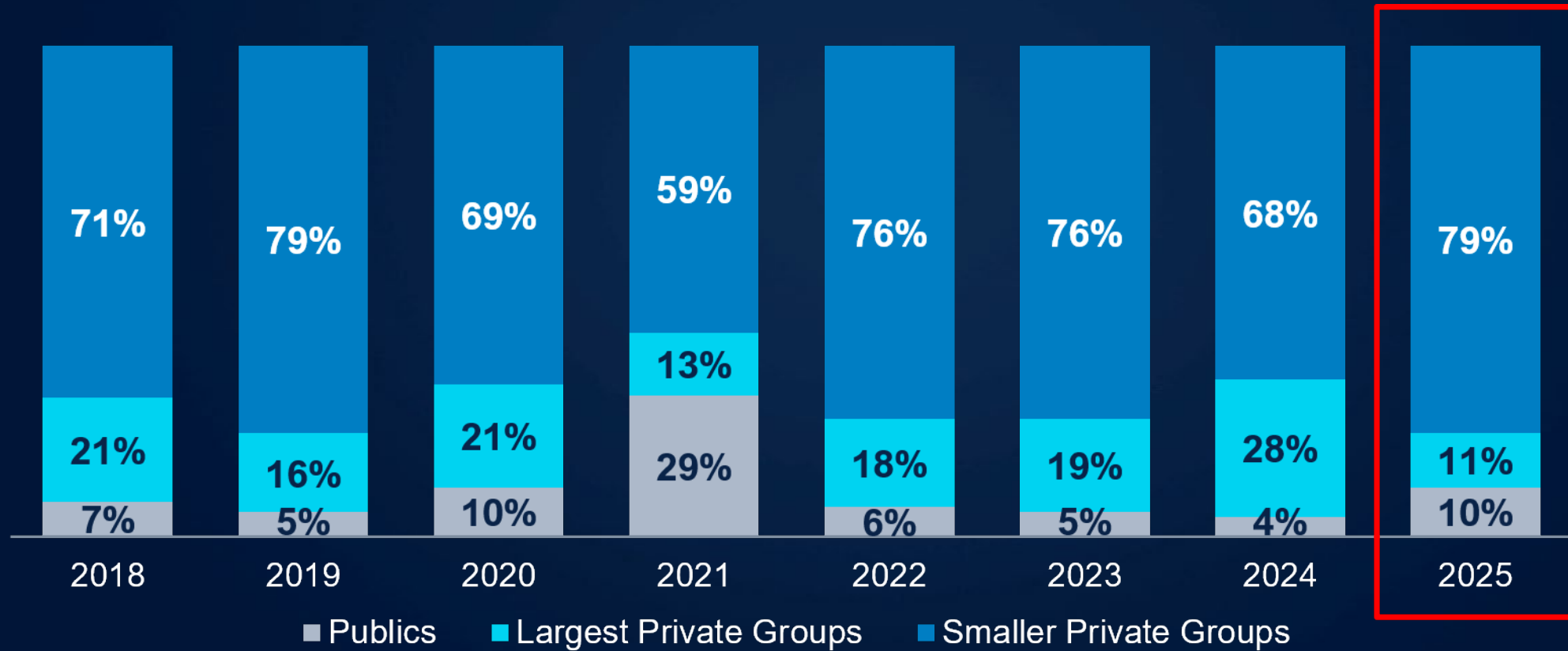
Source: The Banks Report, Automotive News, Kerrigan Advisors' Research

Top 10 Sold Franchises in 2025



Smaller Groups Represent Majority of Buyers

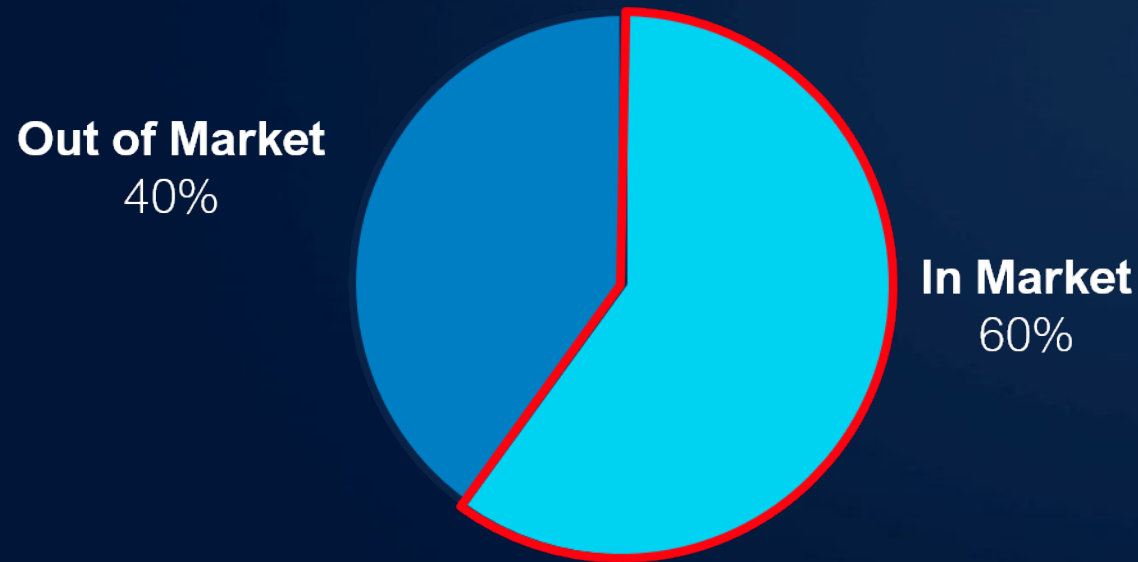
Buy/Sell Market Share by Buyer Type



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Buyers Focused on Growing Regional Scale

Share of Franchises Acquired by Location of Buyer's Existing Presence, 2025



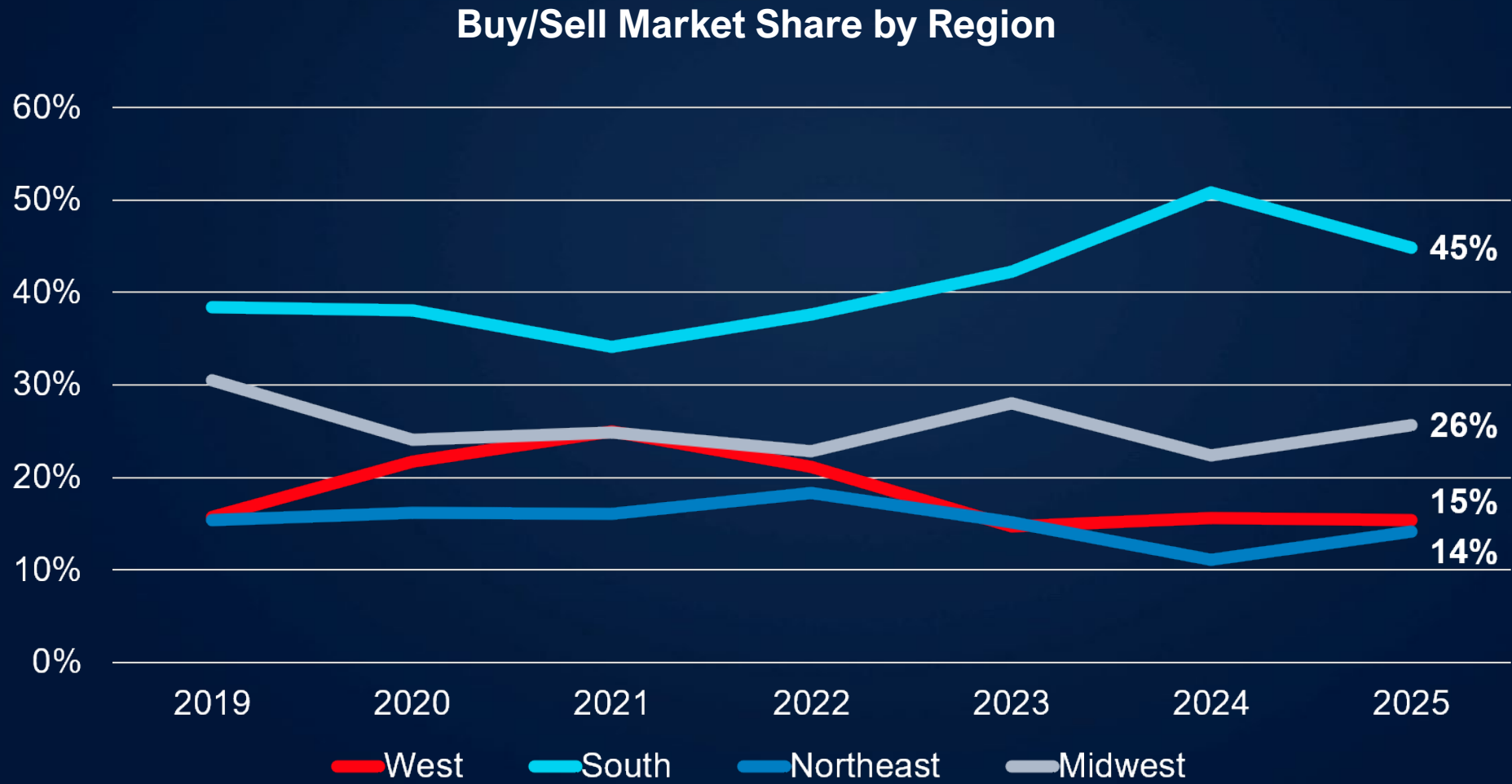
“We obviously get leverage in the businesses that we’re adding so long as we’re adding them into geographies and densities that make sense. And that is a big part of the calculation.”

Mike Manley, CEO
Q4 2025 Earnings Call

AutoNation



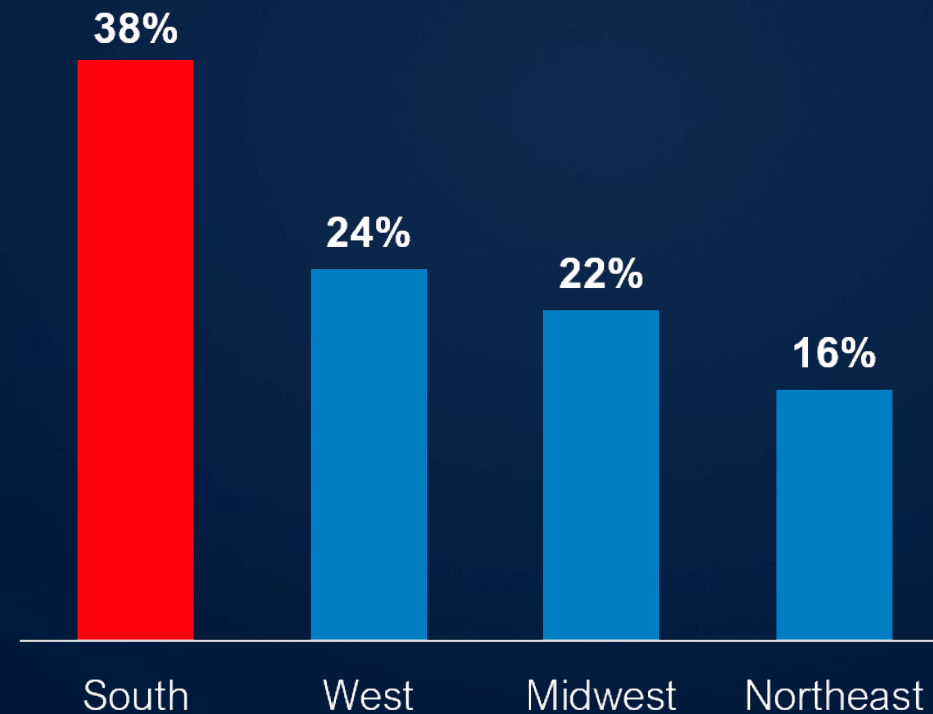
Southern US Remains Top Market for Buy/Sells



Source: The Banks Report, Automotive News, Kerrigan Advisors' Research

Overwhelming Buyer Demand Leads to Blue Sky Premiums in South

Share of Buyers in Kerrigan Advisors' Buyer Database by Target Region



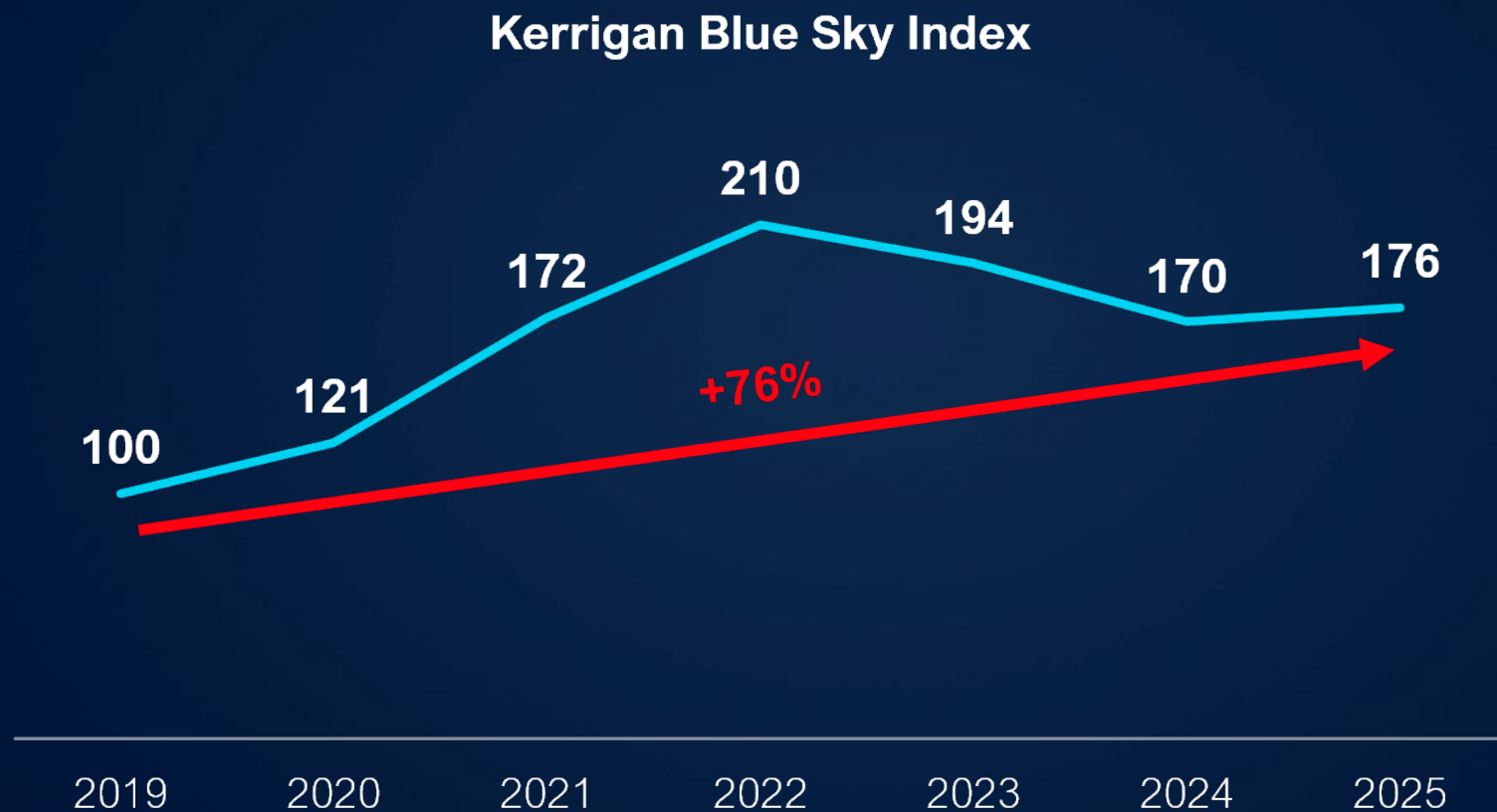
Florida & Texas are Top Growth State in US

Change in Population of Top 10 Most Populous US States, 2025 vs. 2020

US Average Growth: 3.1%



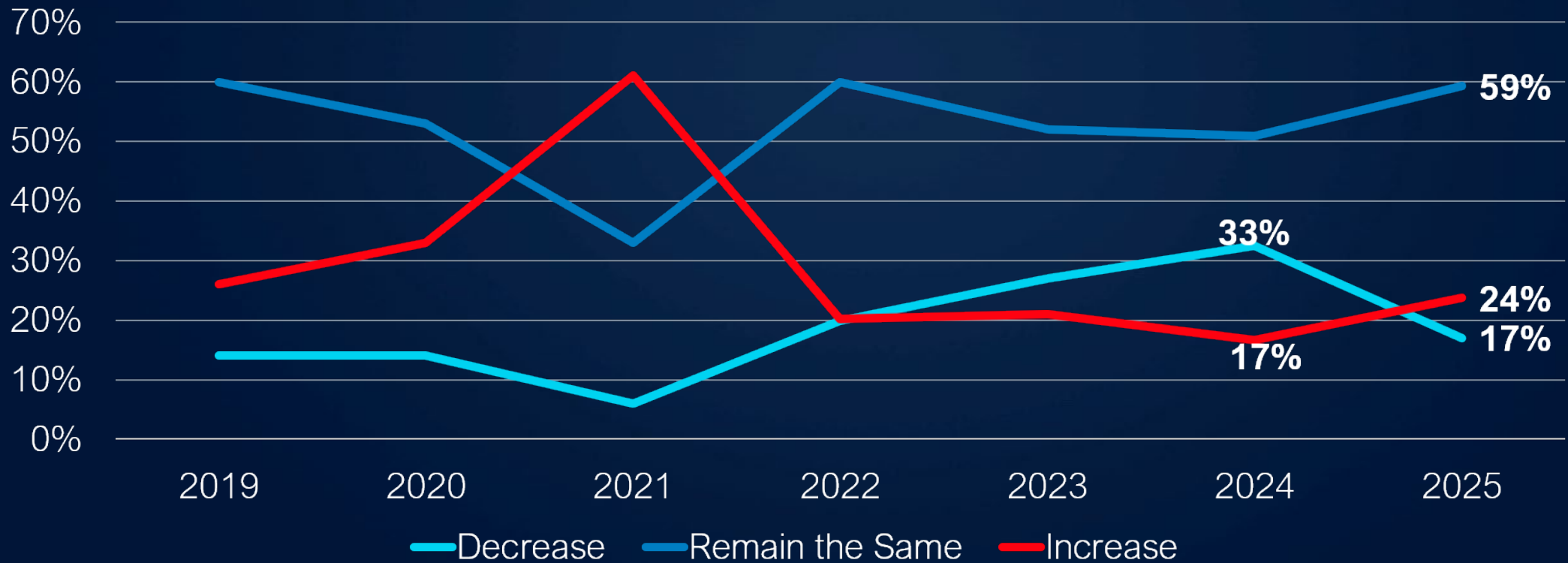
The Kerrigan Blue Sky Index on the Rise



Blue Sky Valuation Outlook Improving

2025 Kerrigan Dealer Survey Results

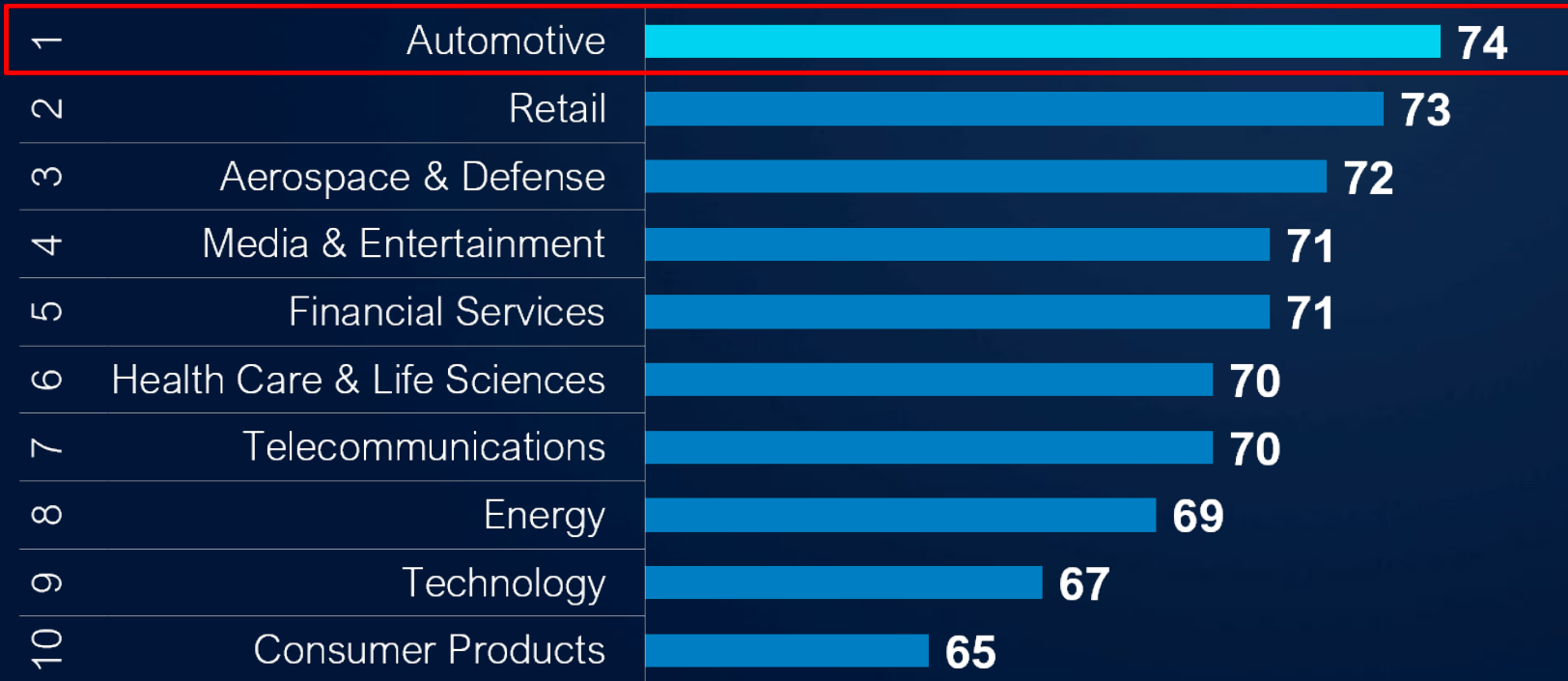
How do you expect the value of your dealership or dealership group to change in the next 12 months?



Sellers See More Risk on Horizon

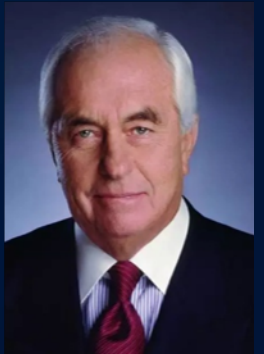
Auto Industry Most Likely at Risk for Major Disruption

AlixPartners Disruption Index Executives Survey, 2026 Disruption Score & Rank by Industry



“We’re not in the old car business.”

Roger Penske,
Chairman & CEO
Q4 2025 Earnings Call

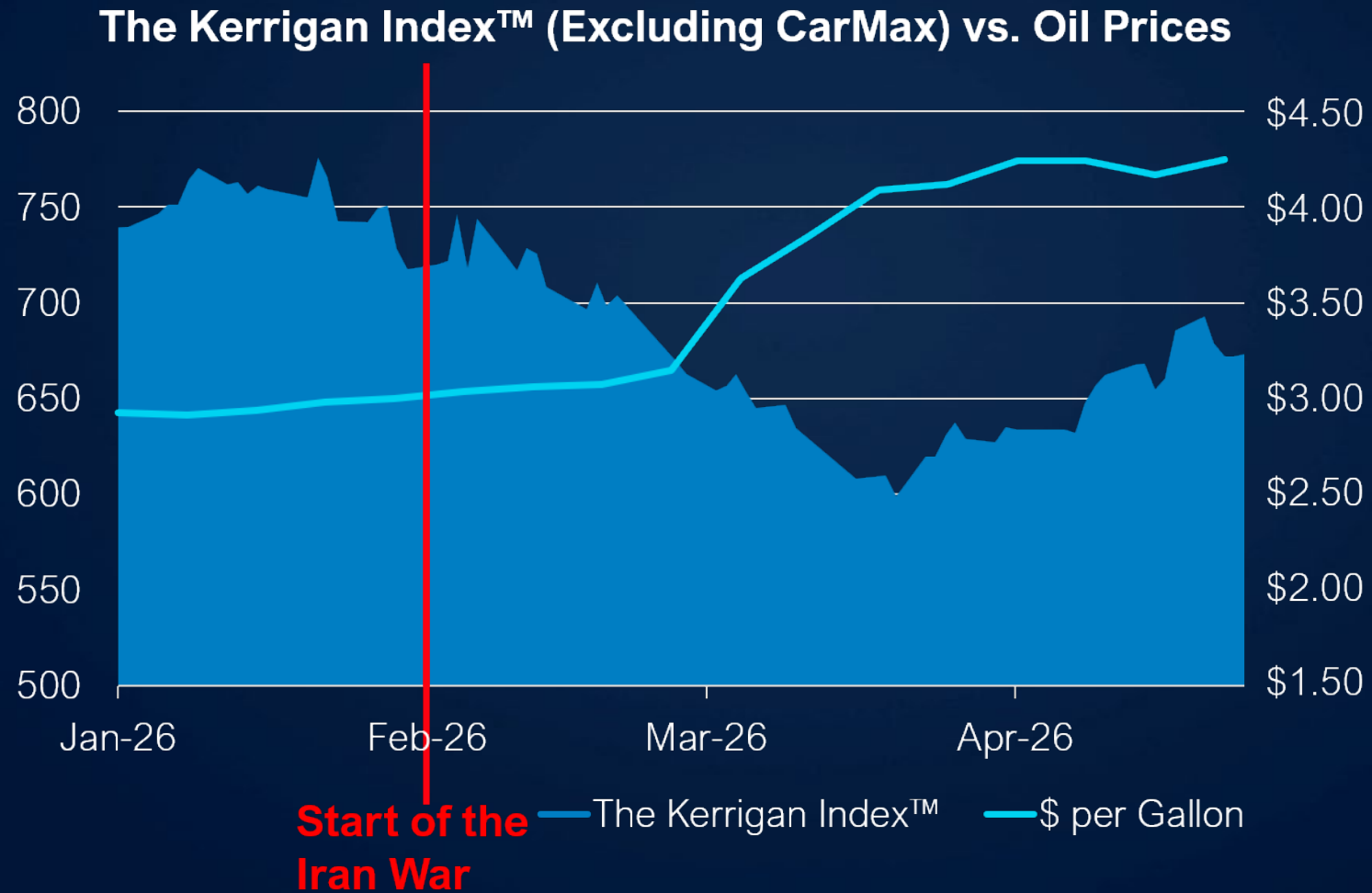


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Source: AlixPartners, Automotive News

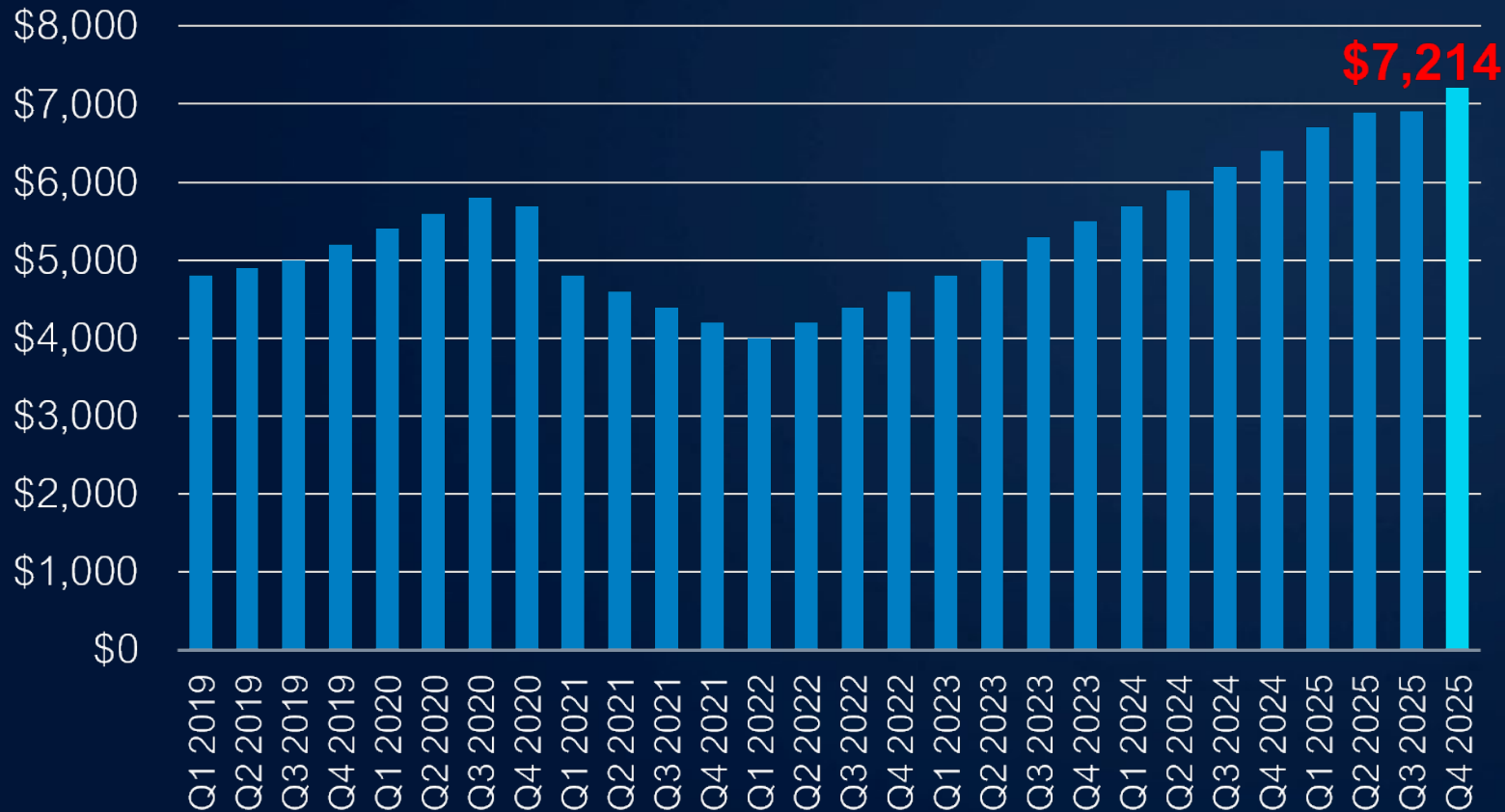
Note: Highest Score is 100, signaling the maximum possible amount of disruption

War and Gas Prices Recently Dampen Wall Streets' View



Negative Equity – An Industry Headwind

Average Vehicle Negative Equity



“No doubt that affordability is front of mind.”

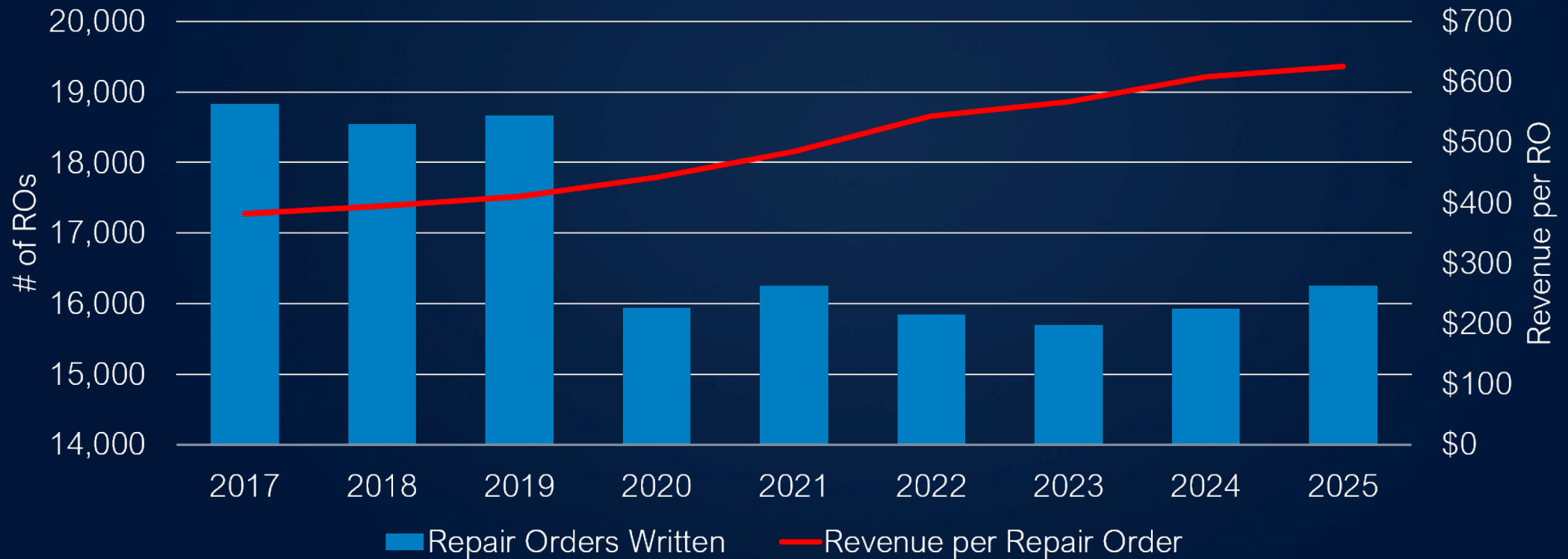
Mike Manley, CEO
Q4 2025 Earnings Call

AutoNation



Service Growth Based on Price Not Market Share – Sustainable?

Average Dealership Annual Number of ROs Written vs. Revenue per RO



Carvana's High Volume Sales Model Dwarfs Industry Average

Average Revenue (\$ in Millions) vs. Retail Units per Location



“Customer Care tools powered by our AI brain have driven meaningful customer experience gains: more than 30% of [Carvana] car buyers and 60% of [Carvana] car sellers now complete the entire process without interacting with a Customer Advocate until their delivery or pickup.”

Ernie Garcia, III,
Chairman & CEO



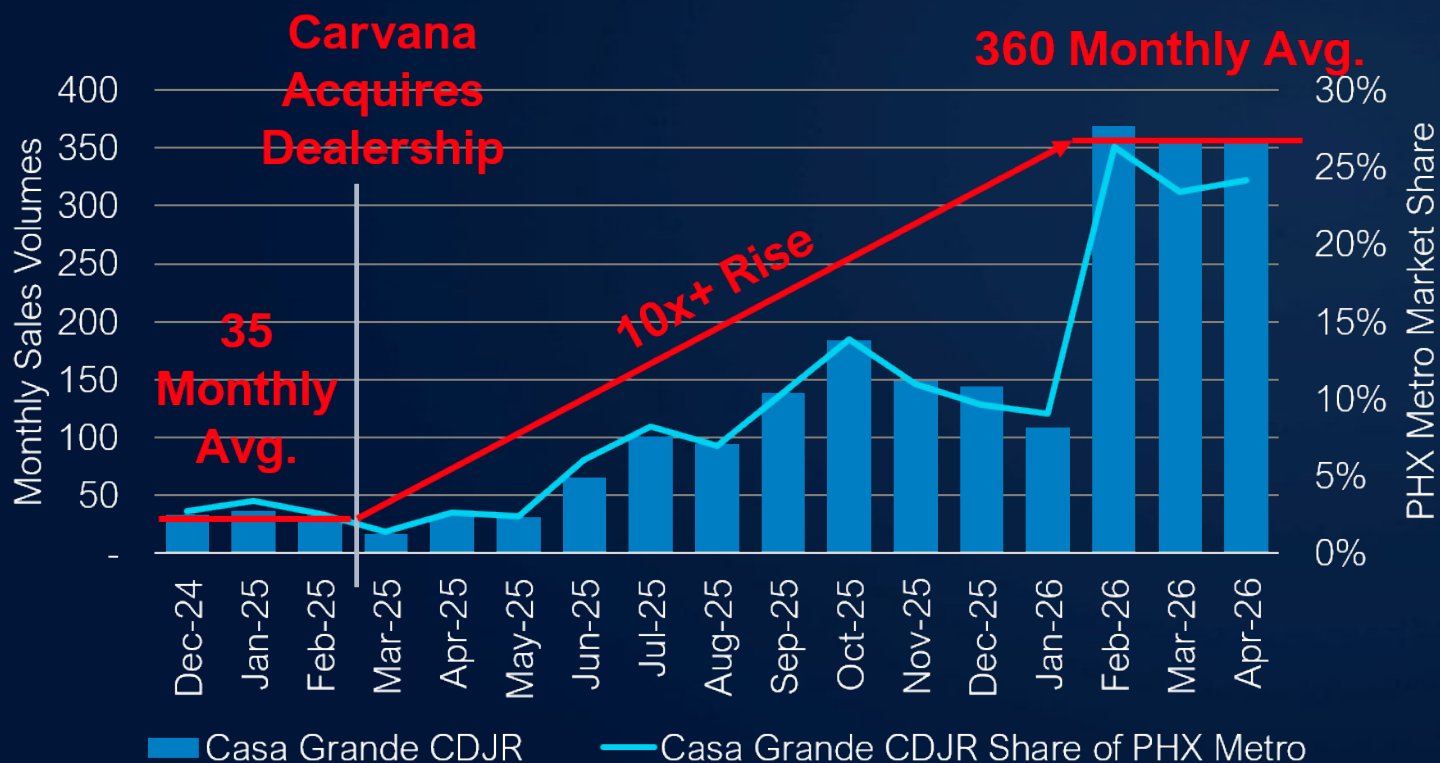
CARVANA



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The Carvana AI-Enabled Model Plays Out in Phoenix

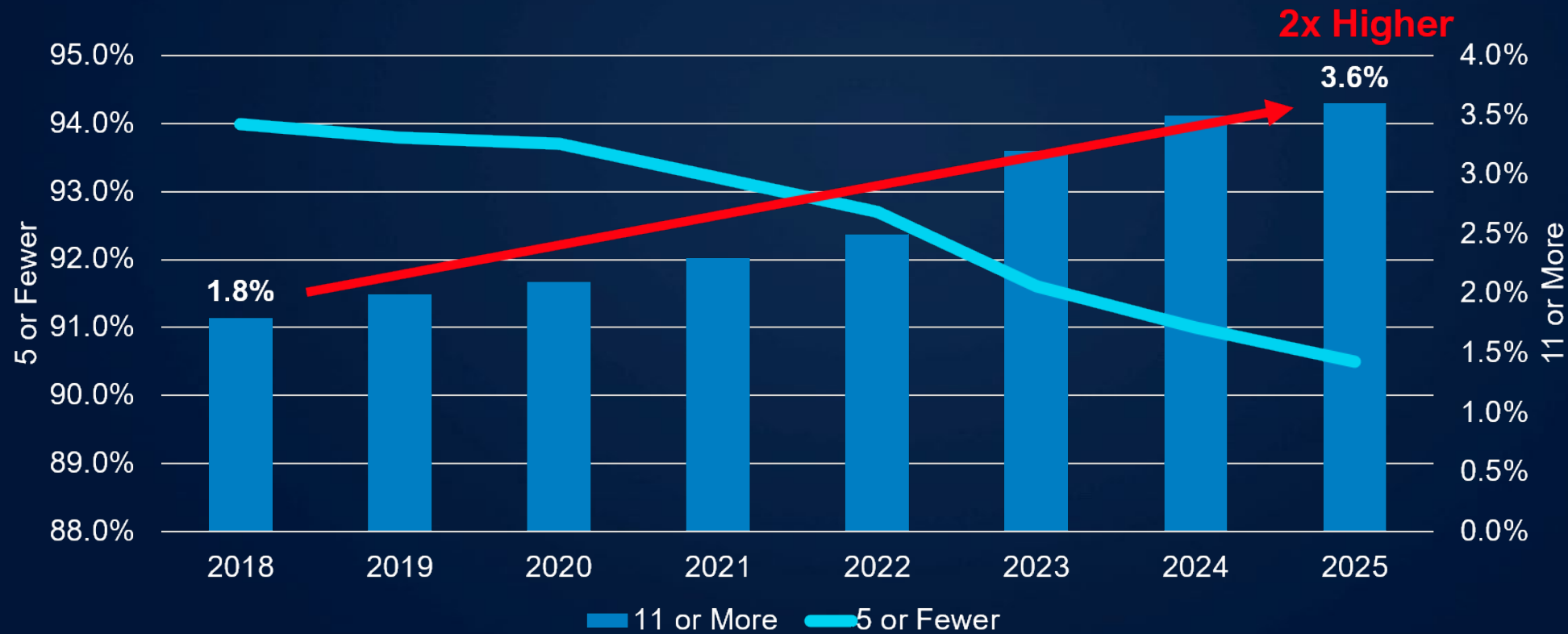
Carvana CDJR Monthly Sales vs. Phoenix Market Share (%)



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Scale - Imperative for Success in Auto Retail

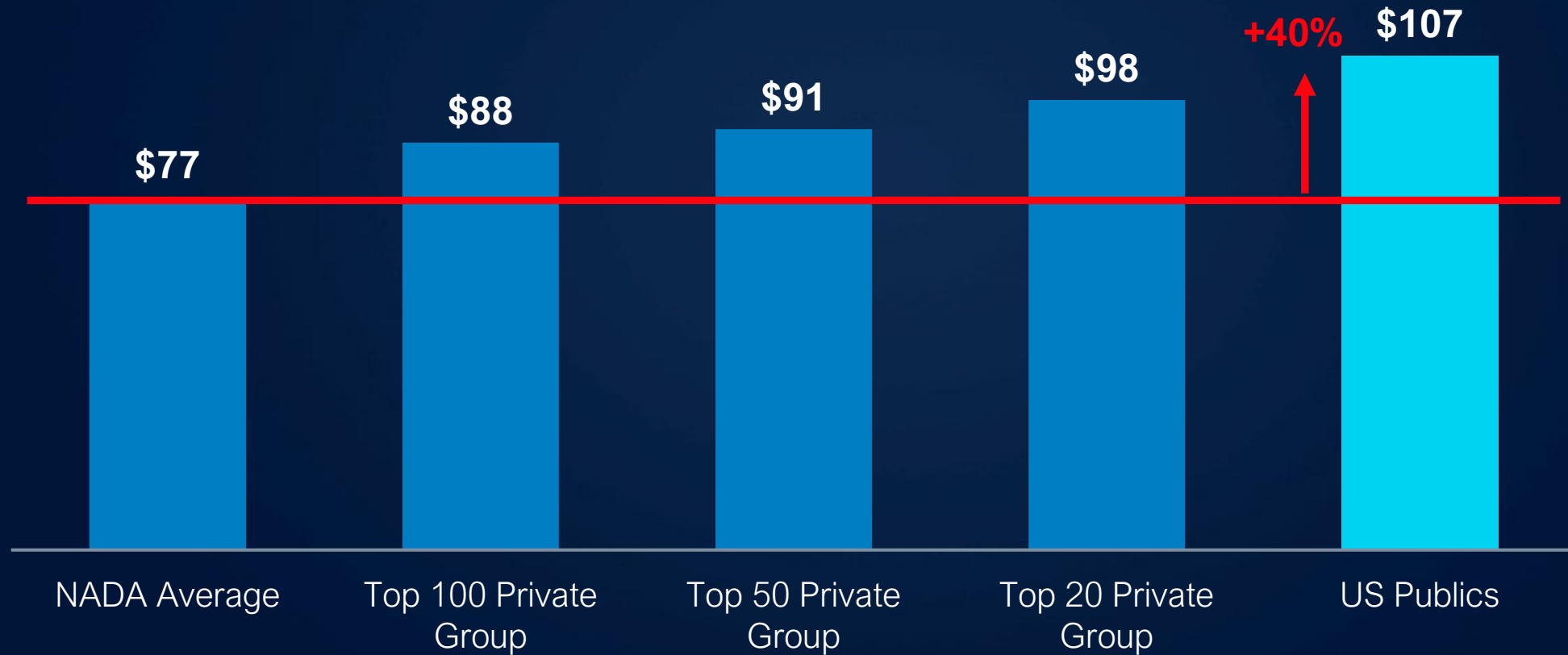
Share of Dealer Owners by Number of Stores Operated



Source: NADA Industry Analysis

Scale on a Rooftop Level Key to Profitability

Annual Revenue per Dealership, \$ in Millions, 2025



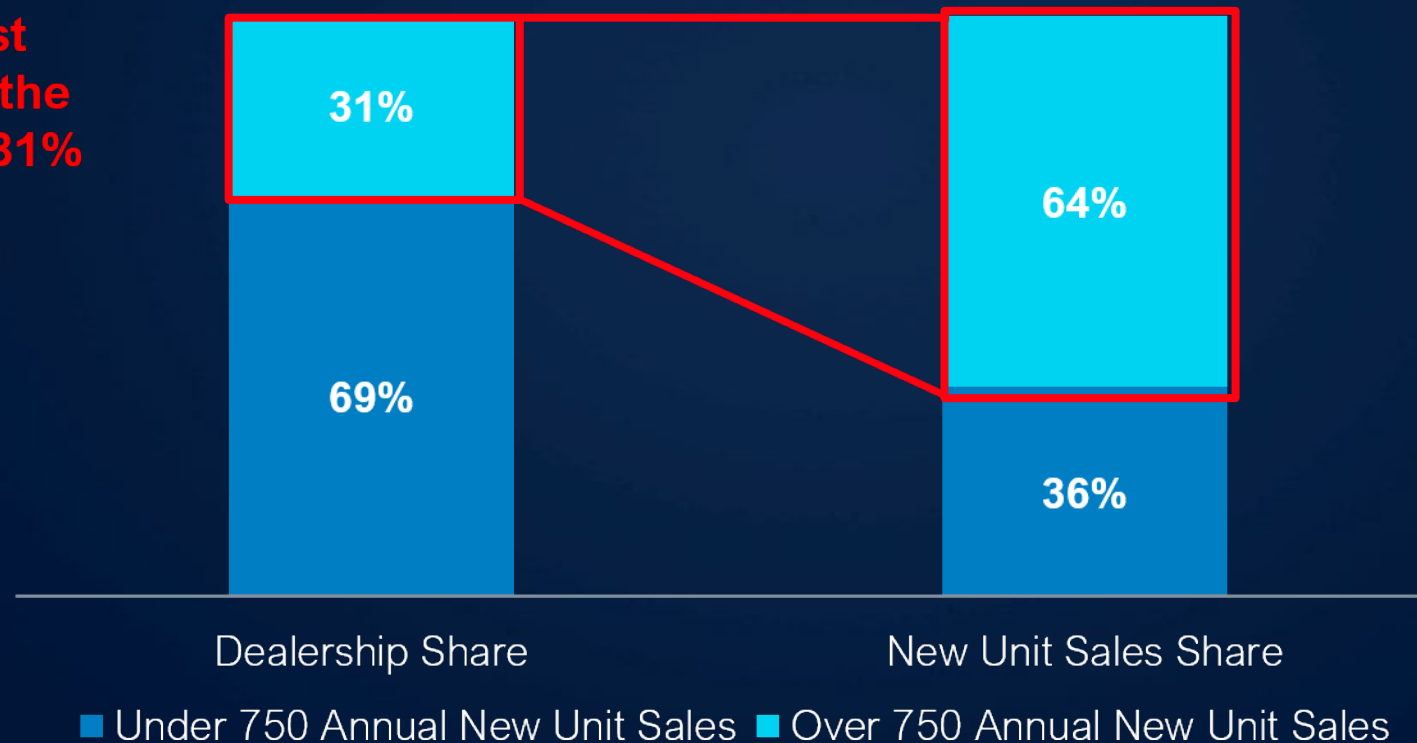
Source: NADA Industry Analysis, SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic, Kerrigan Advisors' Research & Analysis

Note: This analysis is based on the publics acquiring 62 dealerships.

31% of Highest Volume Stores Represent 64% of Industry Sales

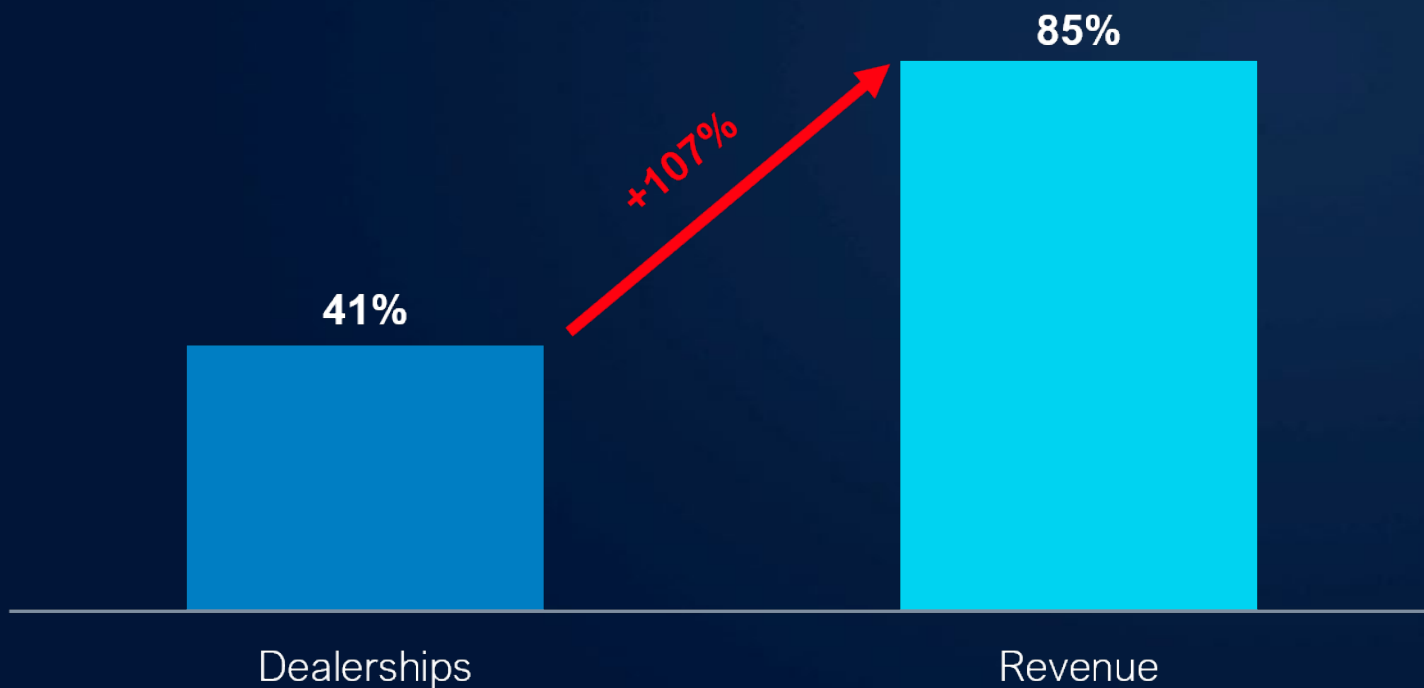
Share of US Light Vehicles Sold and Dealerships by Dealership Volume

Buyers Most Interested in the Stores in the 31%



Top 150 Focus on Revenue Growth More than Rooftop Count

Change in Top 150 Dealership Groups' Number of Dealerships
Owned vs. Total Revenue, 2024 vs. 2014



“Our belief is that in the future, those retailers who can drive scale, productivity and lower cost per transaction will be the winners.”

Daryl Kenningham, CEO
Q4 2025 Earnings Call

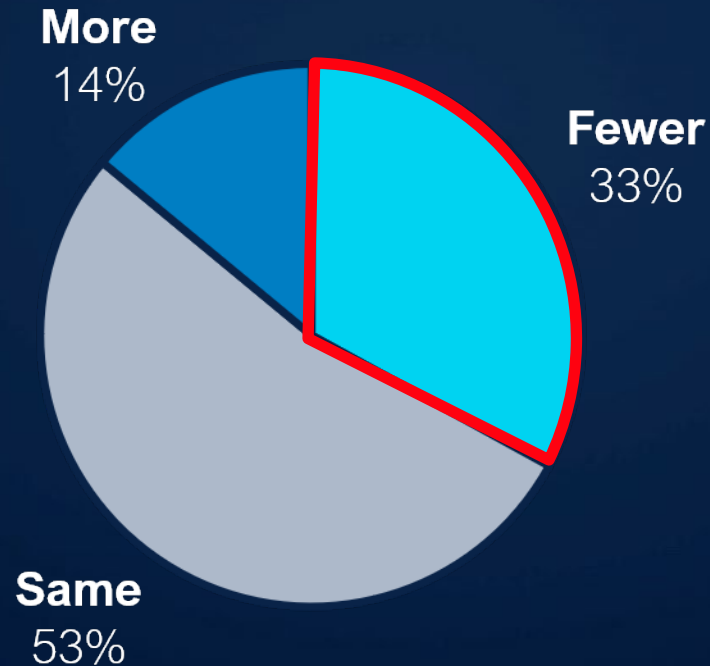


GROUP 1

OEMs Increasingly Predict Fewer, Larger Dealer Groups

2025 Kerrigan OEM Survey Results

Do you believe your OEM will have more, fewer, or the same number of dealers in your network in the next 5 years?



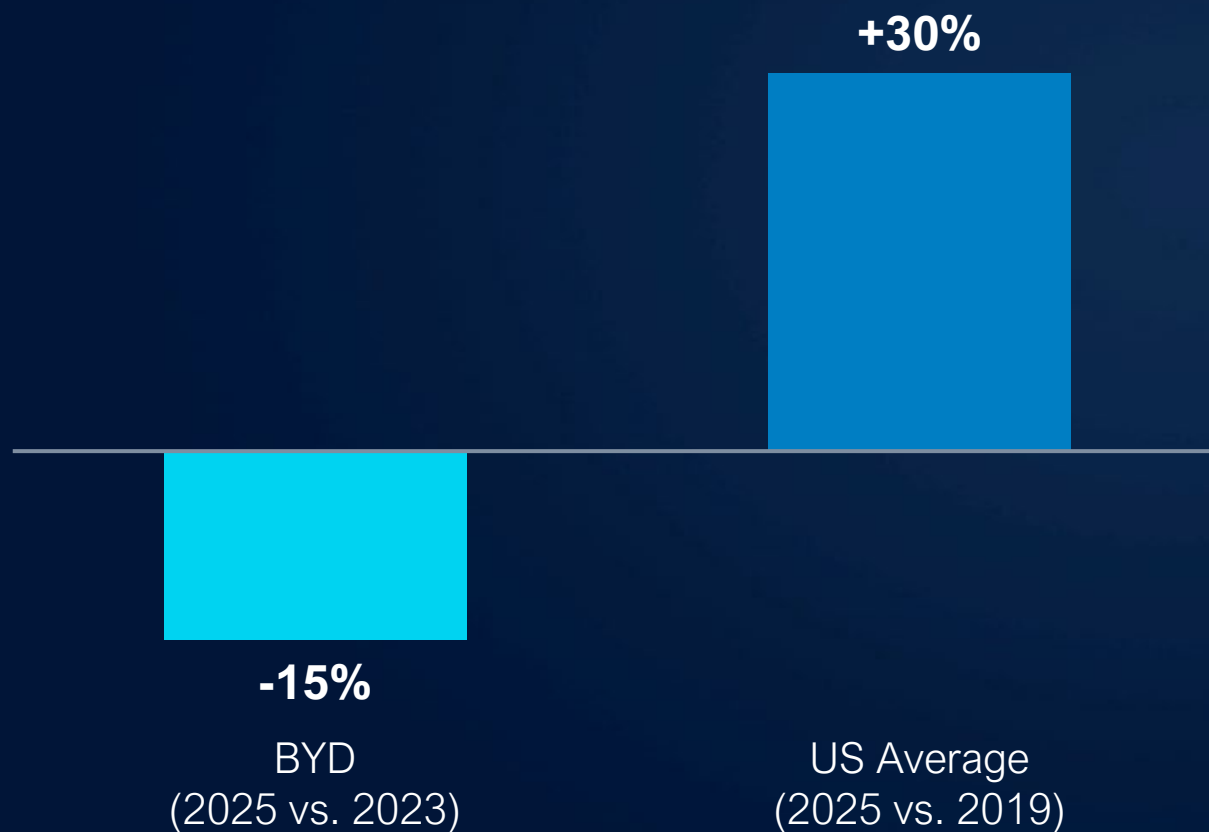
Chinese OEMs Pose Risk to Legacy Franchises

Estimated Change in Global Automotive Sales for Highest Volume OEMs, 2024 vs. 2019, in Millions



Chinese Vehicle Pricing Results in Growing Market Share

Change in Average New Car Price



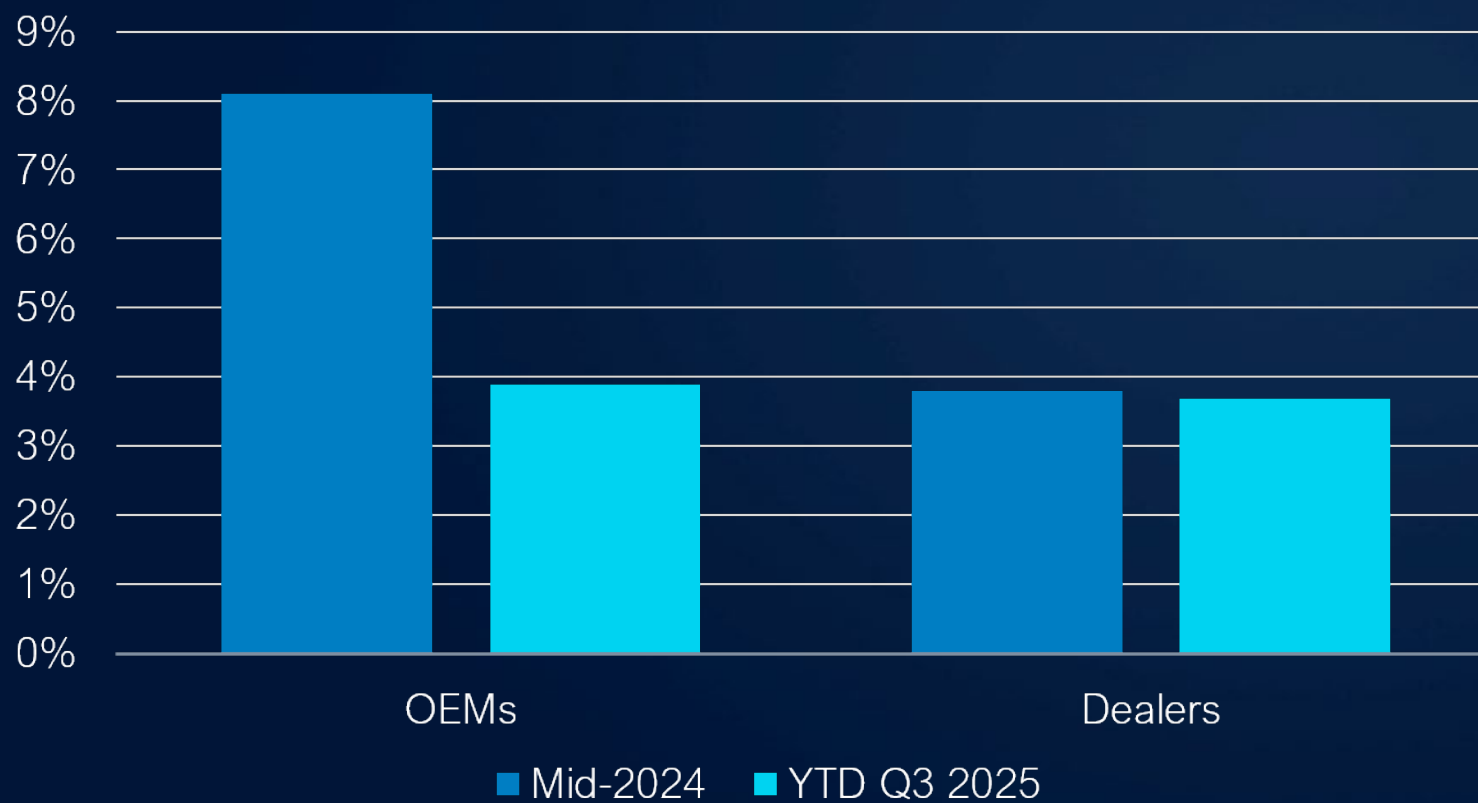
“In the UK, they [the Chinese OEMs] doubled their share. They have nearly 10% of the market now.”

Randall Seymore,
COO-International
Q4 2025 Earnings Call



OEMs Can Only Absorb Tariffs For So Long

Estimated Pre-Tax Profit-to-Sales Margin



“Thank God for our manufacturer partners last year in '25... Manufacturers are doing everything they can to fight this tariff battle.”

Jeff Dyke,
President & Director
Q4 2025 Earnings Call

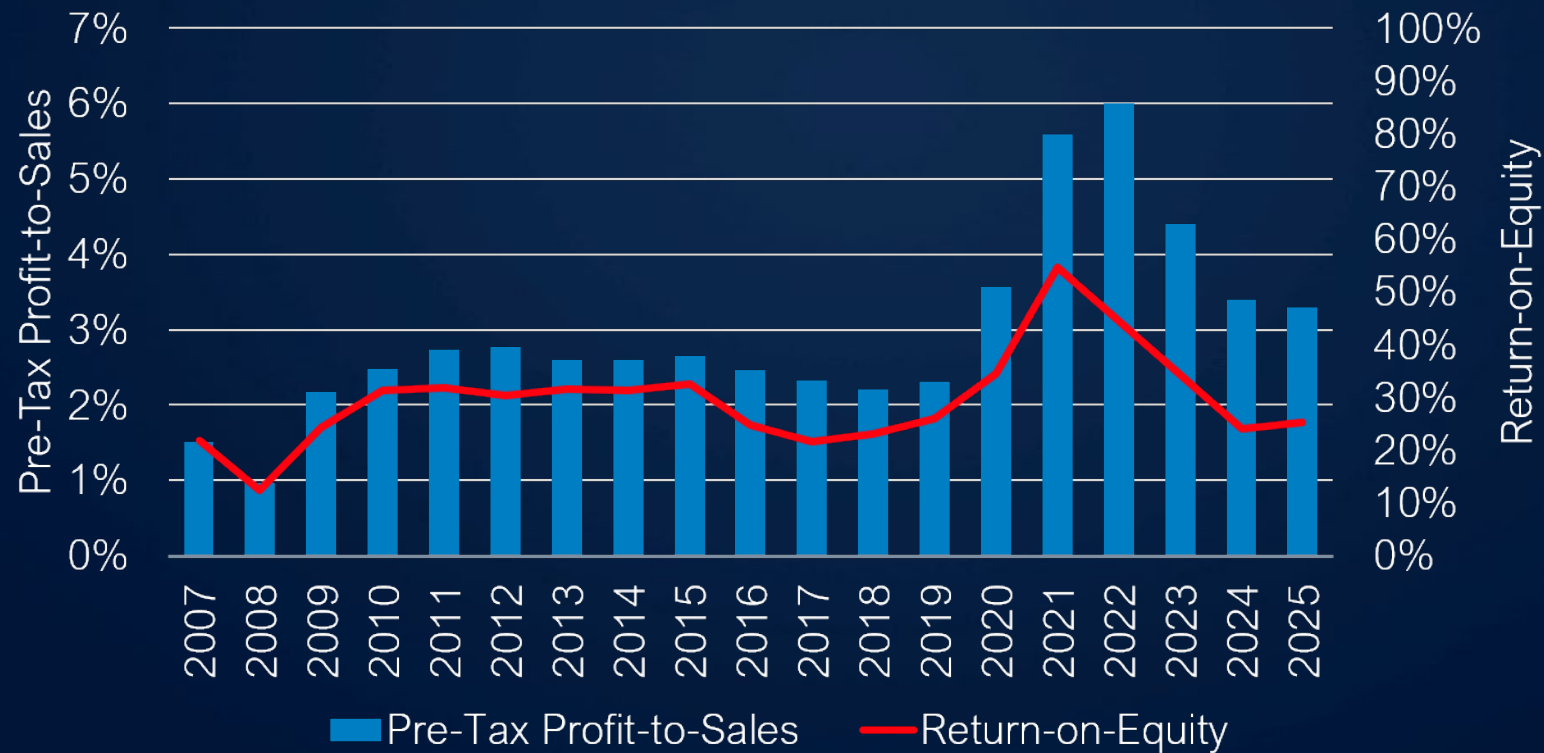


Despite Risk Factors, Consolidators See Sunshine Ahead for Auto Retail



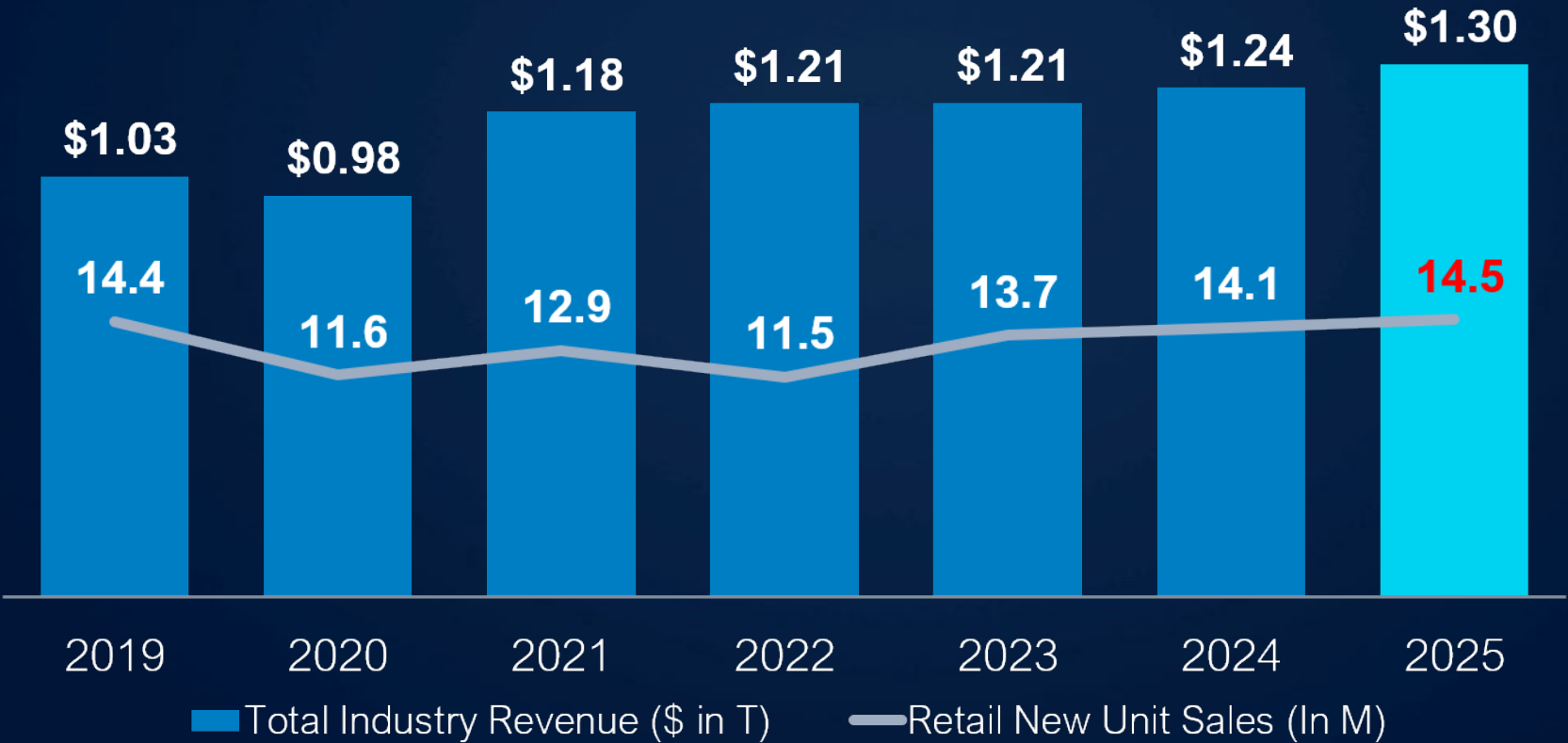
Perhaps the Best Retail Industry in Which to Invest

Average Dealership Pre-Tax Profit-to-Sales vs. Return on Equity



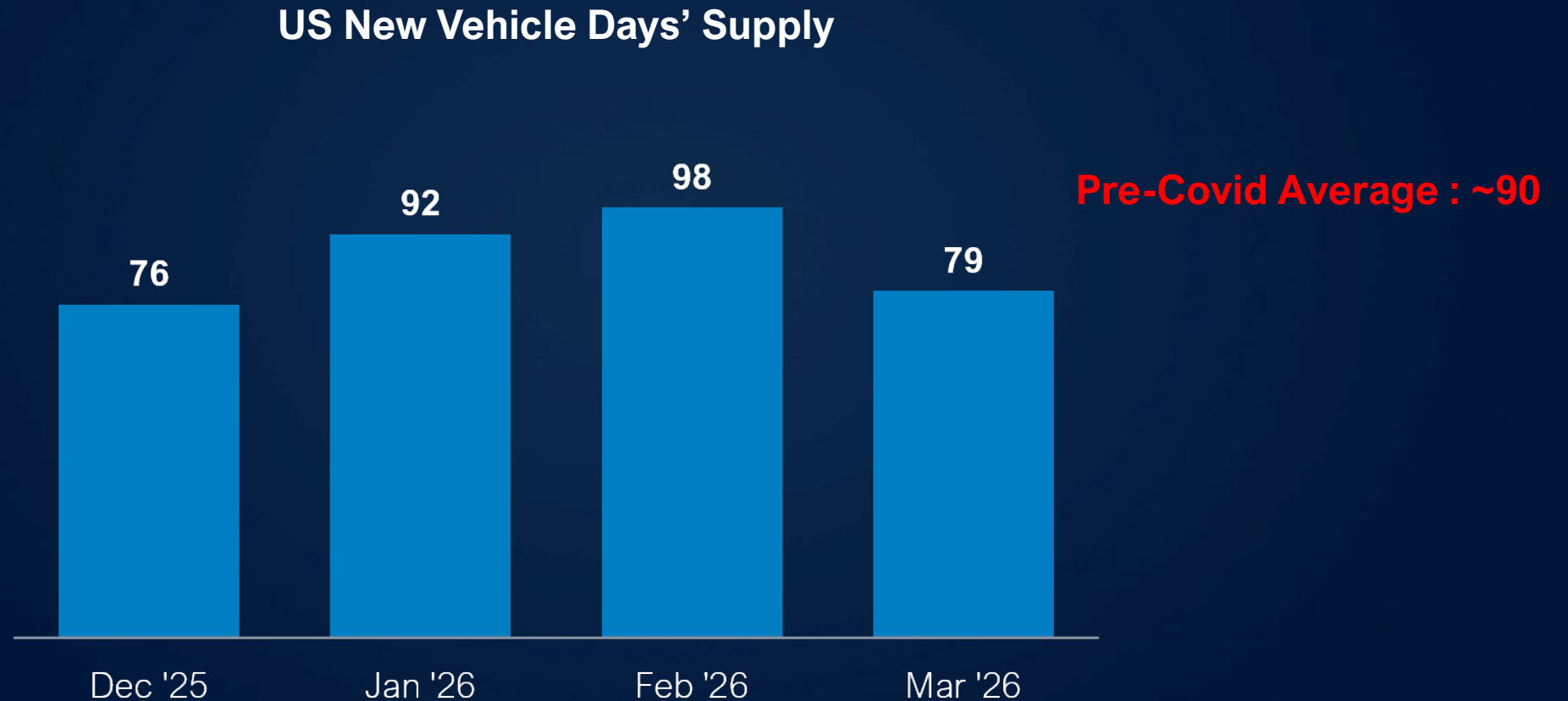
Industry Revenue and Retail Unit Sales at Record

Total Industry Revenue (\$ in Trillions) vs. Retail Light Vehicle Sales (In Millions)



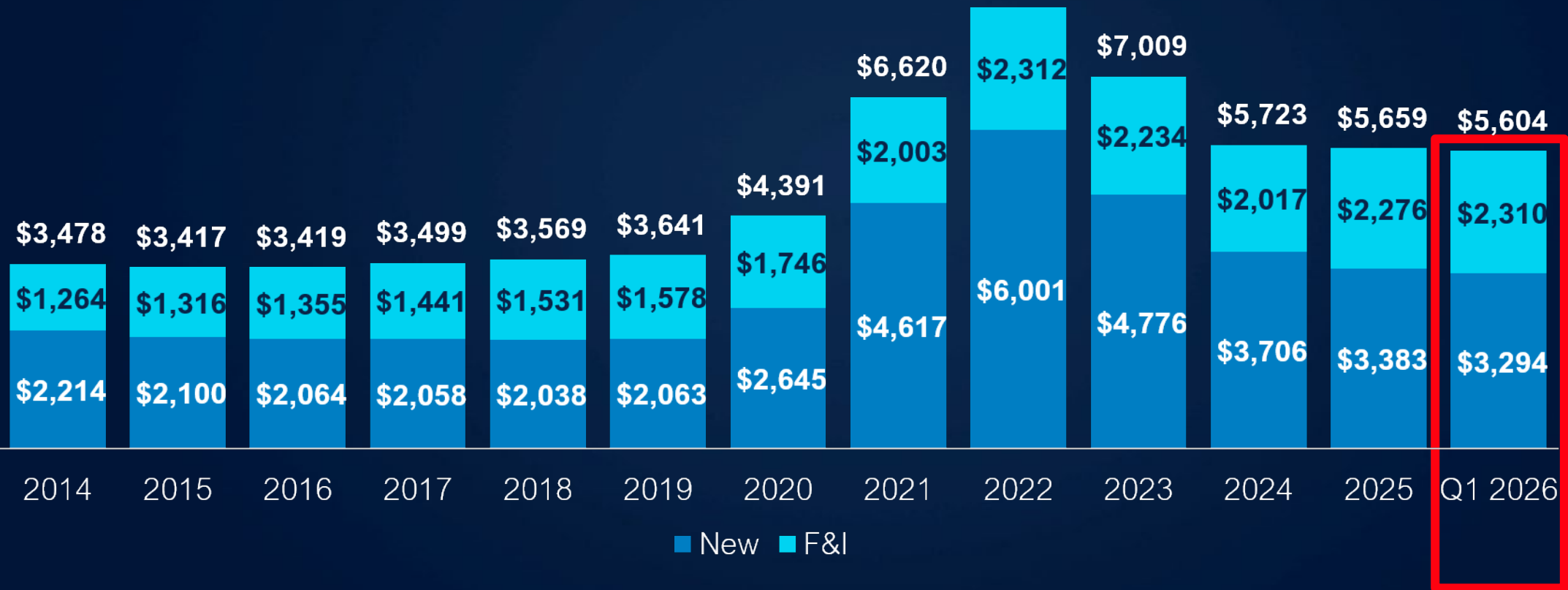
Source: SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic, Kerrigan Advisors' Research & Analysis

OEMs Showing More Production Discipline



New Vehicle Grosses & F&I Normalizing Much Higher

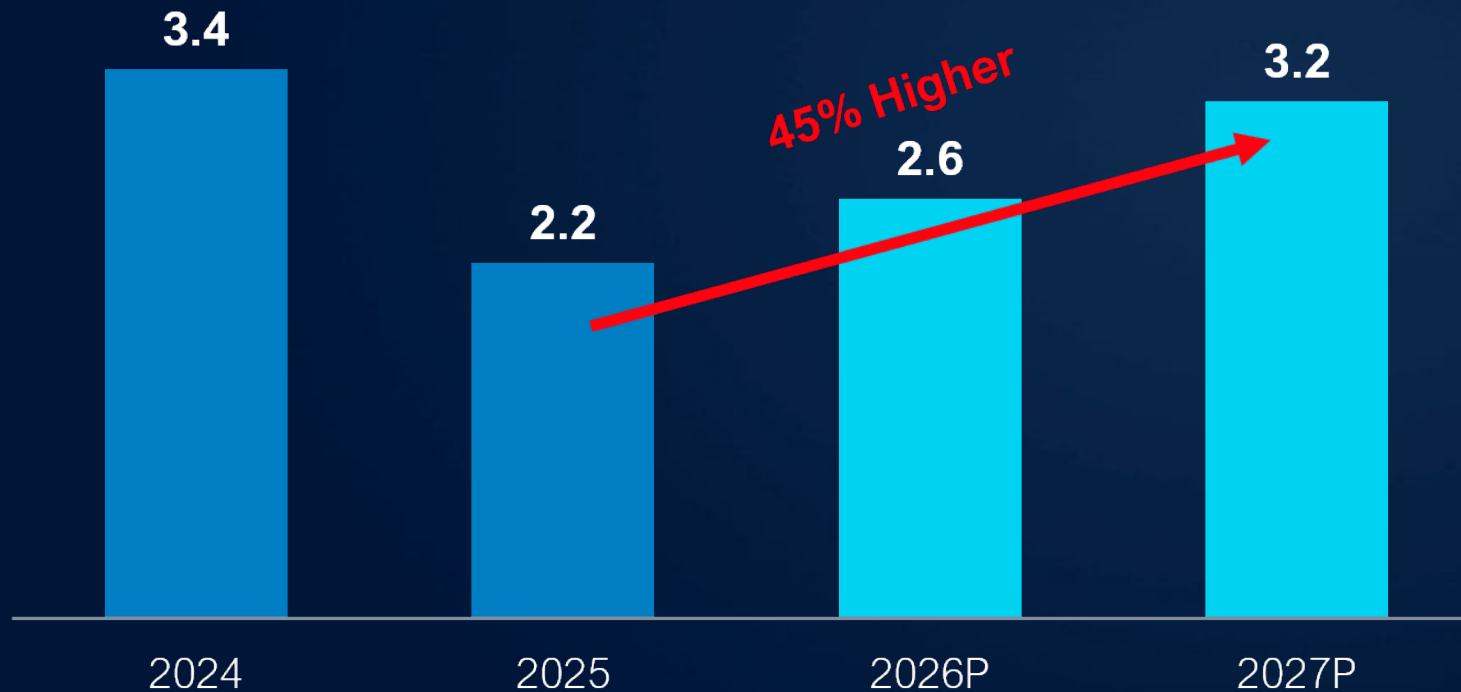
US Public Dealer Groups' Average New and F&I Gross Profits per Vehicle Retailed



Source: SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic

Used Vehicle Business Growth Expected

Anticipated Lease Returns, In Millions



“Increased lease returns into the business is a very, very good thing.”

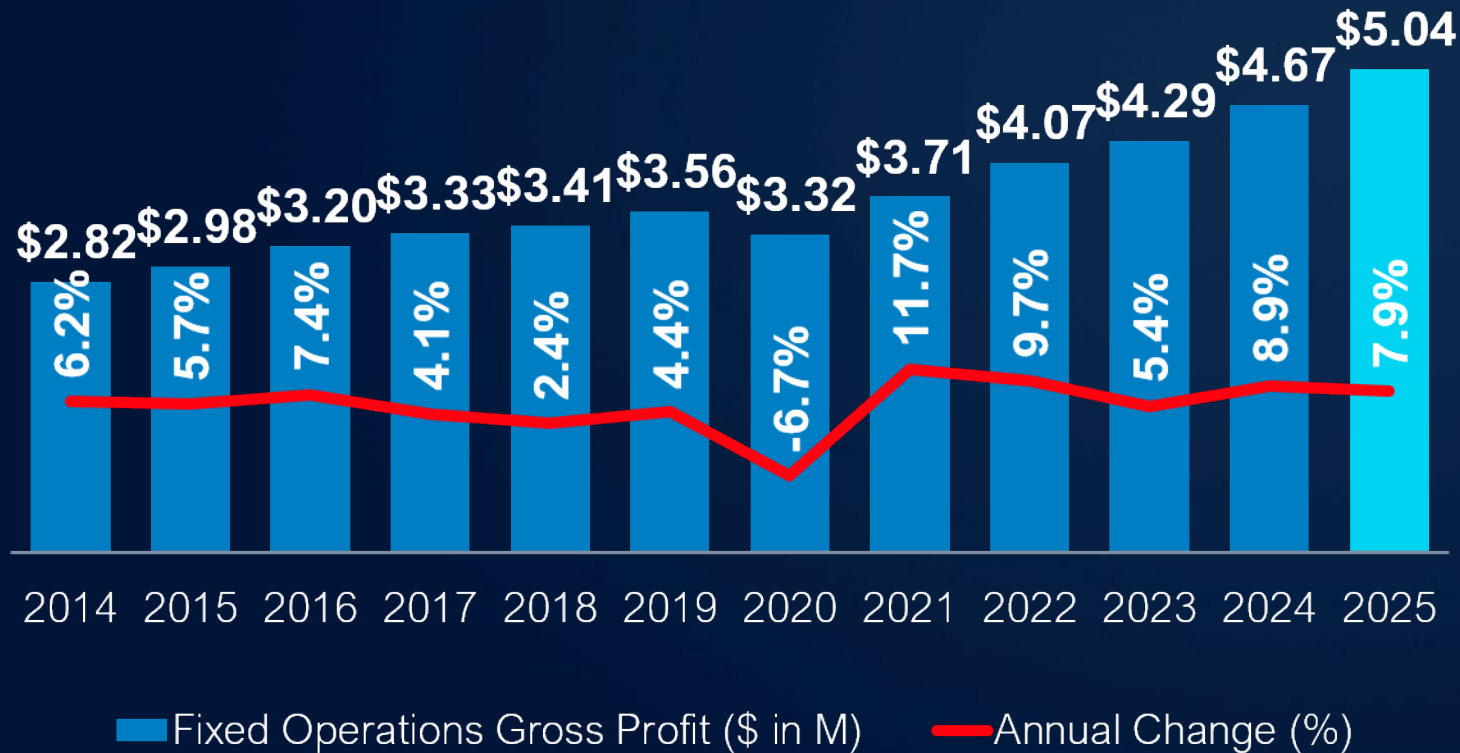
Mike Manley, CEO
Q4 2025 Earnings Call

AutoNation



Fixed Operations Continues to Grow at Elevated Pace

Average Dealership Fixed Operations Gross Profit (\$ in Millions)
vs. Annual Change (%)



“We’re optimistic about our Parts & Service business and where that’s headed.”

David Hult,
President & CEO
Q4 2025 Earnings Call



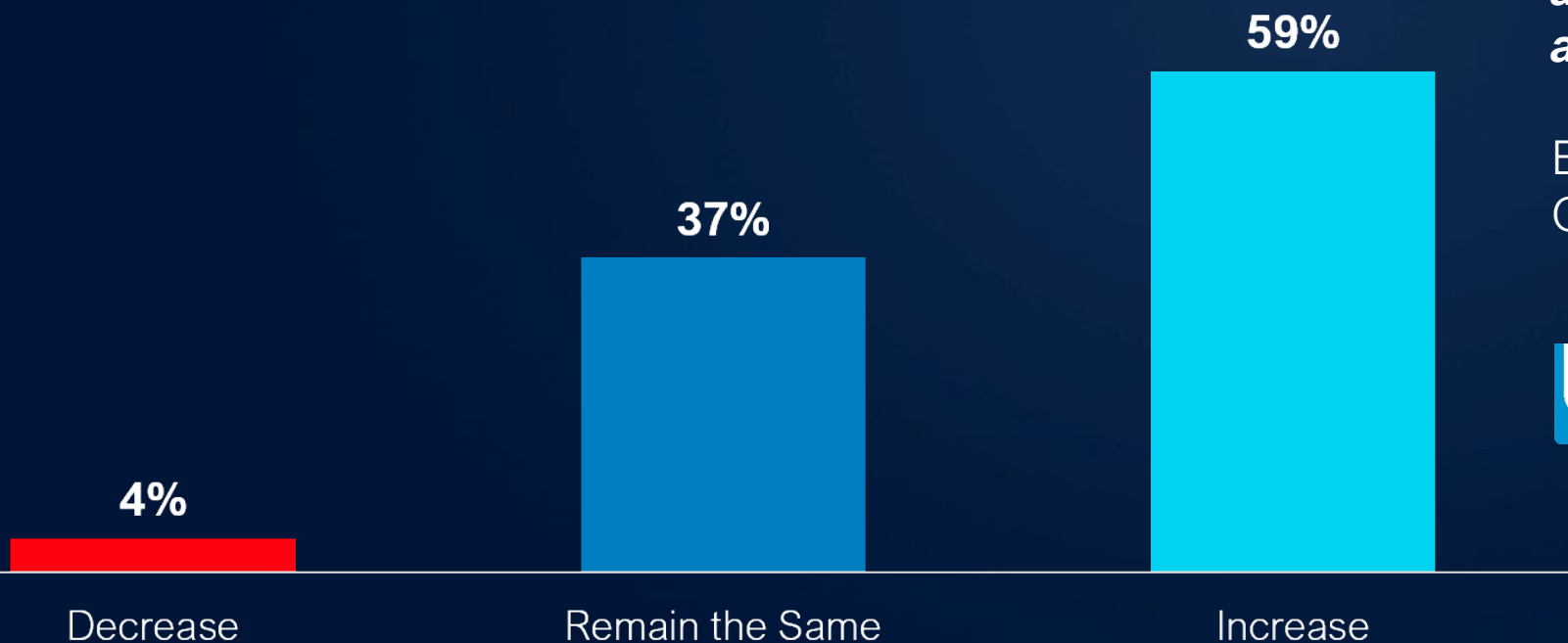
ASBURY
AUTOMOTIVE GROUP

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AI Amplifies Consolidators Profit Projections

2026 Kerrigan OEM Survey Results

How do you expect AI will impact future dealership profits?



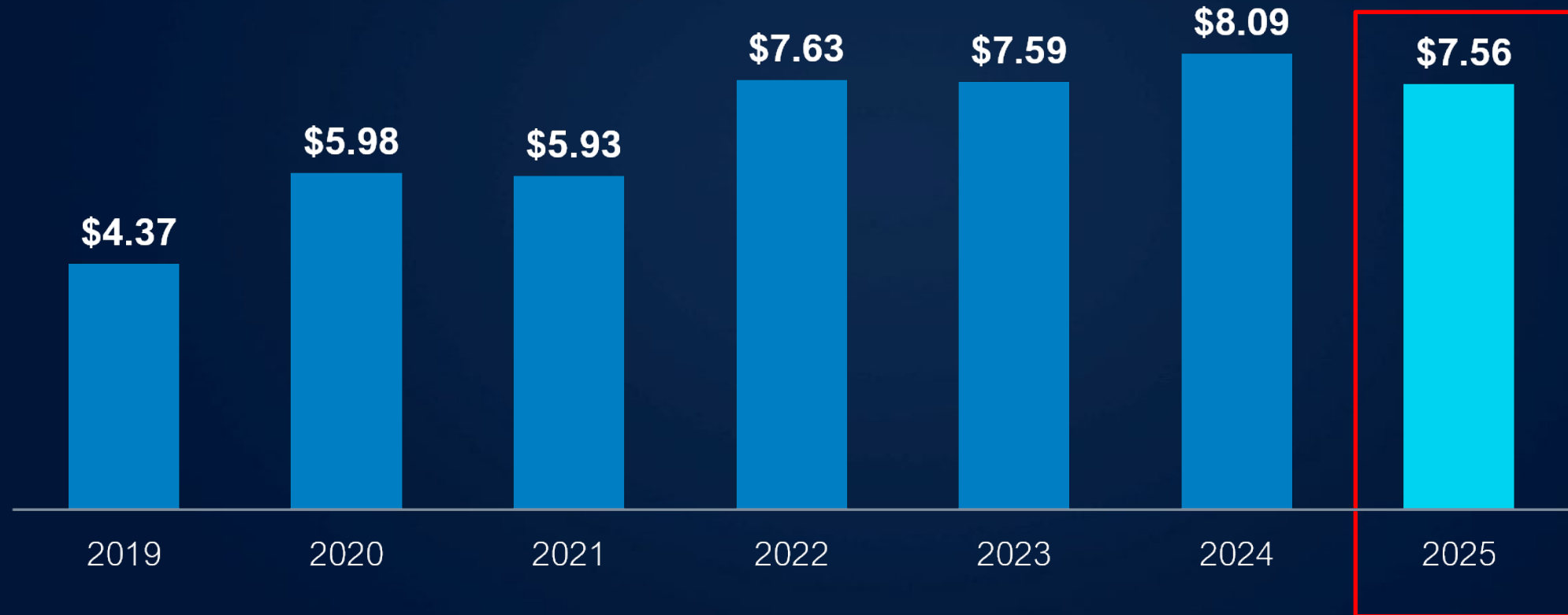
“As we think about our future, we think about leveraging our best people to be able to do more with less.”

Bryan DeBoer, CEO
Q4 2025 Earnings Call



Acquirers Have Tremendous Access to Capital

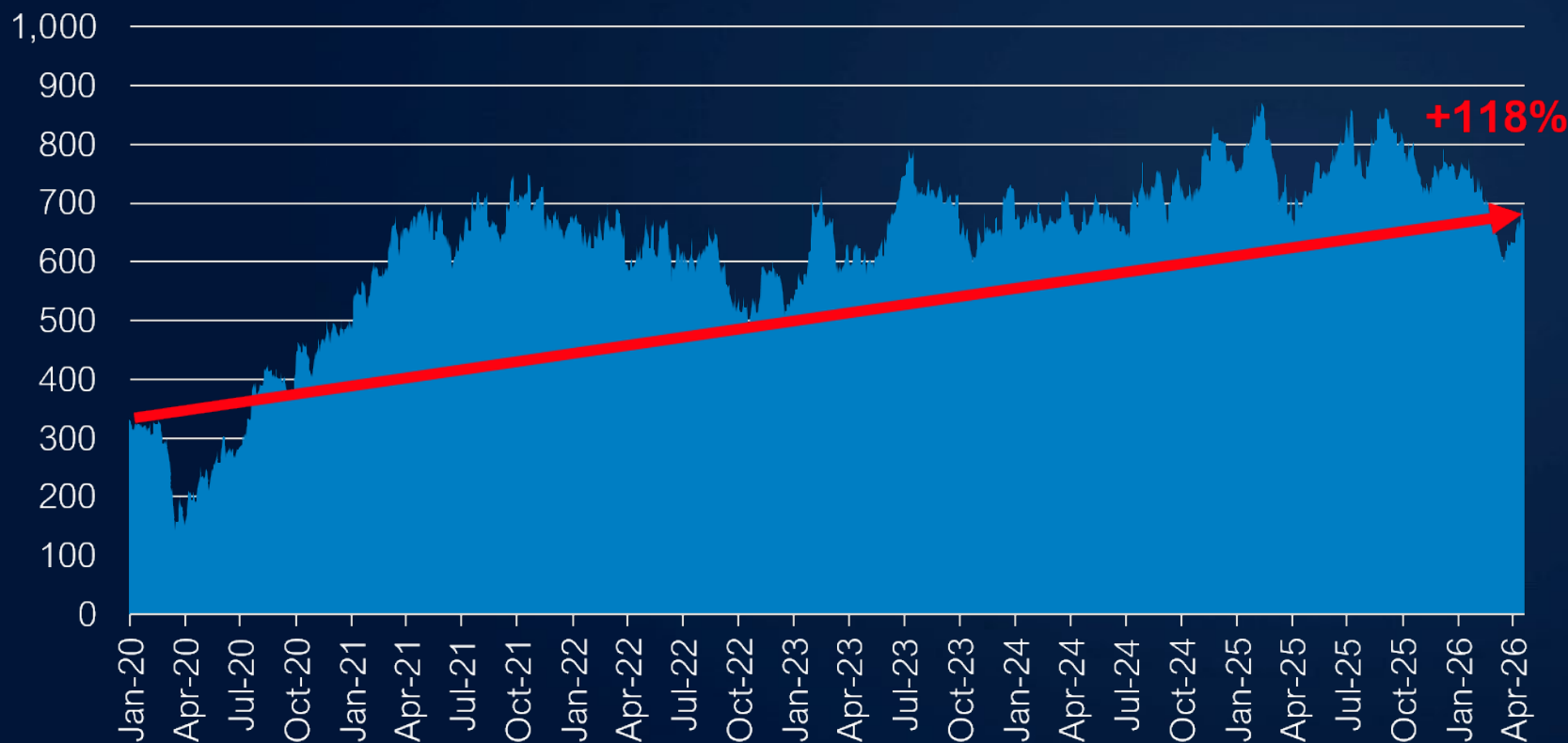
US Public Dealer Groups' Total Available Capital and Liquidity, \$ in Billions



Source: SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic

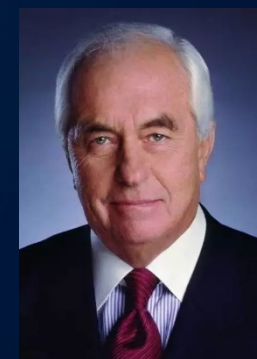
Valuations Remain More than Double Pre-Pandemic Period

The Kerrigan Index™, Excluding CarMax



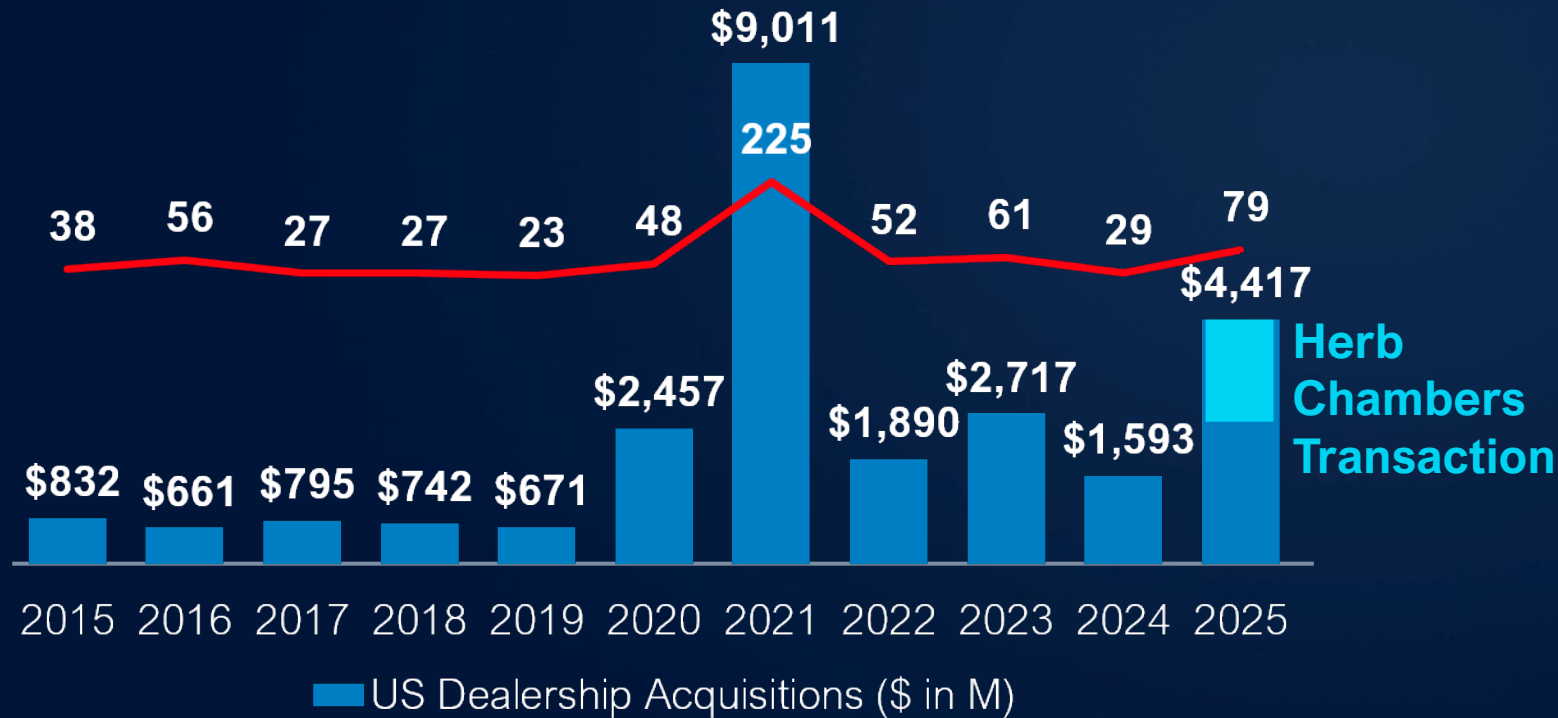
“The Big Beautiful Bill, tax refunds, lower interest rates and GDP growth will have a positive impact on all of our operations.”

Roger Penske,
Chairman & CEO
Q4 2025 Earnings Call



Increased Acquisition Spending by Public Groups

US Public Dealer Groups' US Dealership Acquisition Spending
(\$ in Millions) vs. Number of US Franchises Acquired



"This was a strategic market for us. It's a defensive position. New England isn't a growth market, but it's a very stable market. It performs well in a downturn."

David Hult,
President & CEO
Q4 2025 Earnings Call

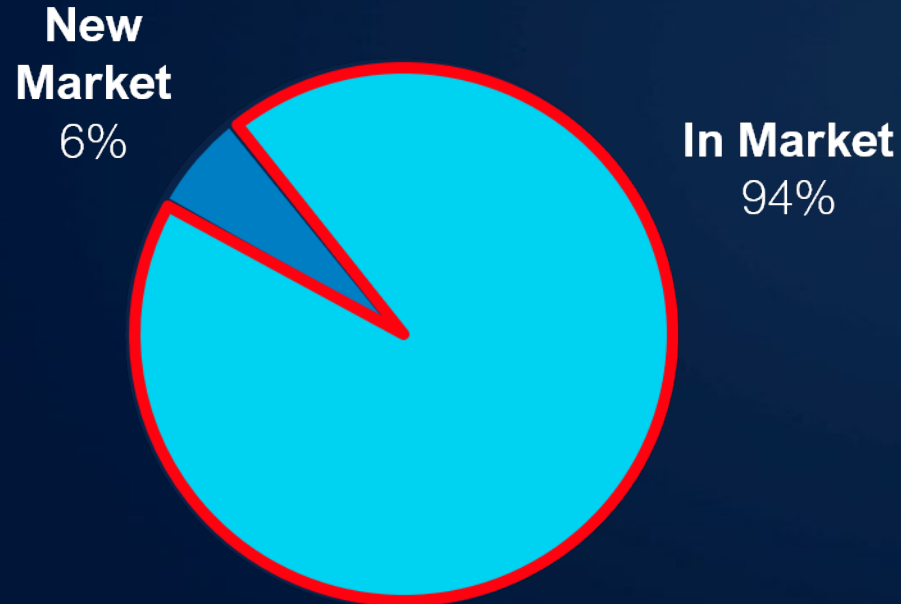


ASBURY
AUTOMOTIVE GROUP

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Regional Scale is Powerful

US Public Dealer Groups' Acquisitions by Market Type, 2025 (Excluding Asbury-Herb Chambers Transaction)



“These acquisitions reflect our strategy to add store density into markets where we have a presence. It allows us to rapidly bring significant scale synergies to the acquired dealerships.”

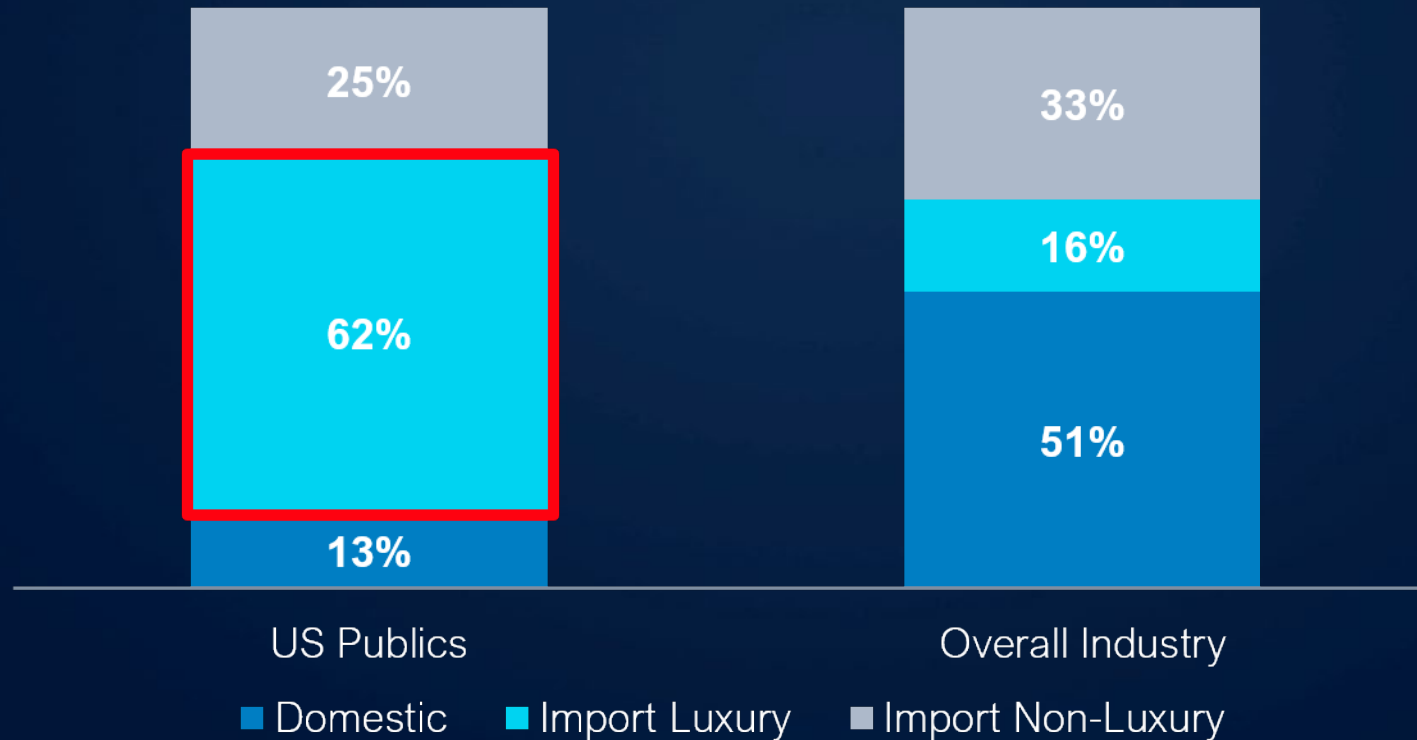
Mike Manley, CEO
Q4 2025 Earnings Call

AutoNation



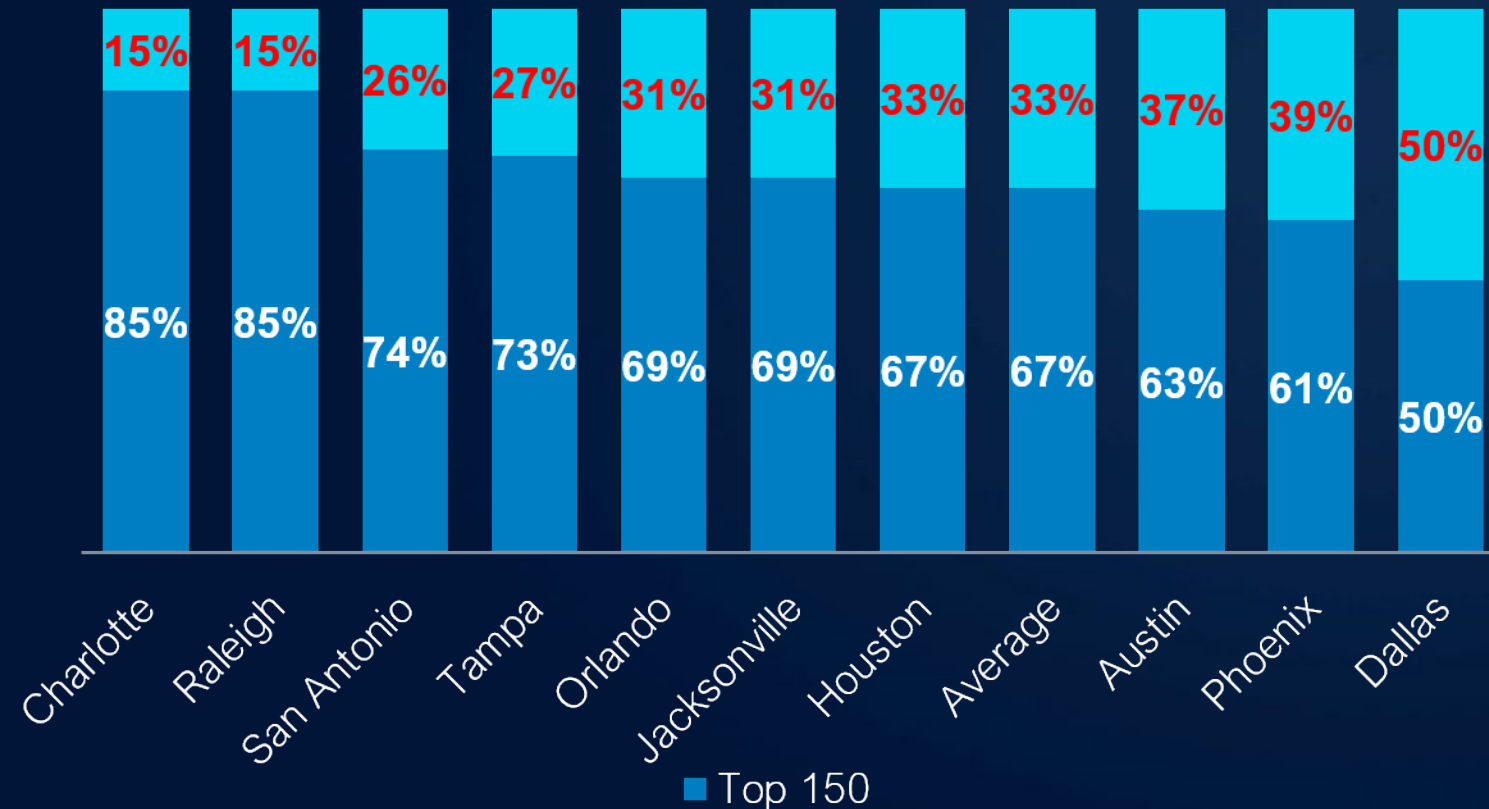
Luxury Bias – Taking Key Chess Pieces Off the Table

US Public Dealer Groups' Acquisitions (Excluding Asbury-Herb Chambers Transaction) vs. Buy/Sell Market Share by Segment, 2025



Premier Franchises in Top Metros Mostly Consolidated

Ownership Type of Toyota and Top Luxury Franchises (Lexus, Porsche, BMW and Mercedes) in Top 10 Fastest Growing US Metros



“In terms of opportunities, I think we were selective. I think you saw where we spent our money in terms of regions and brands.”

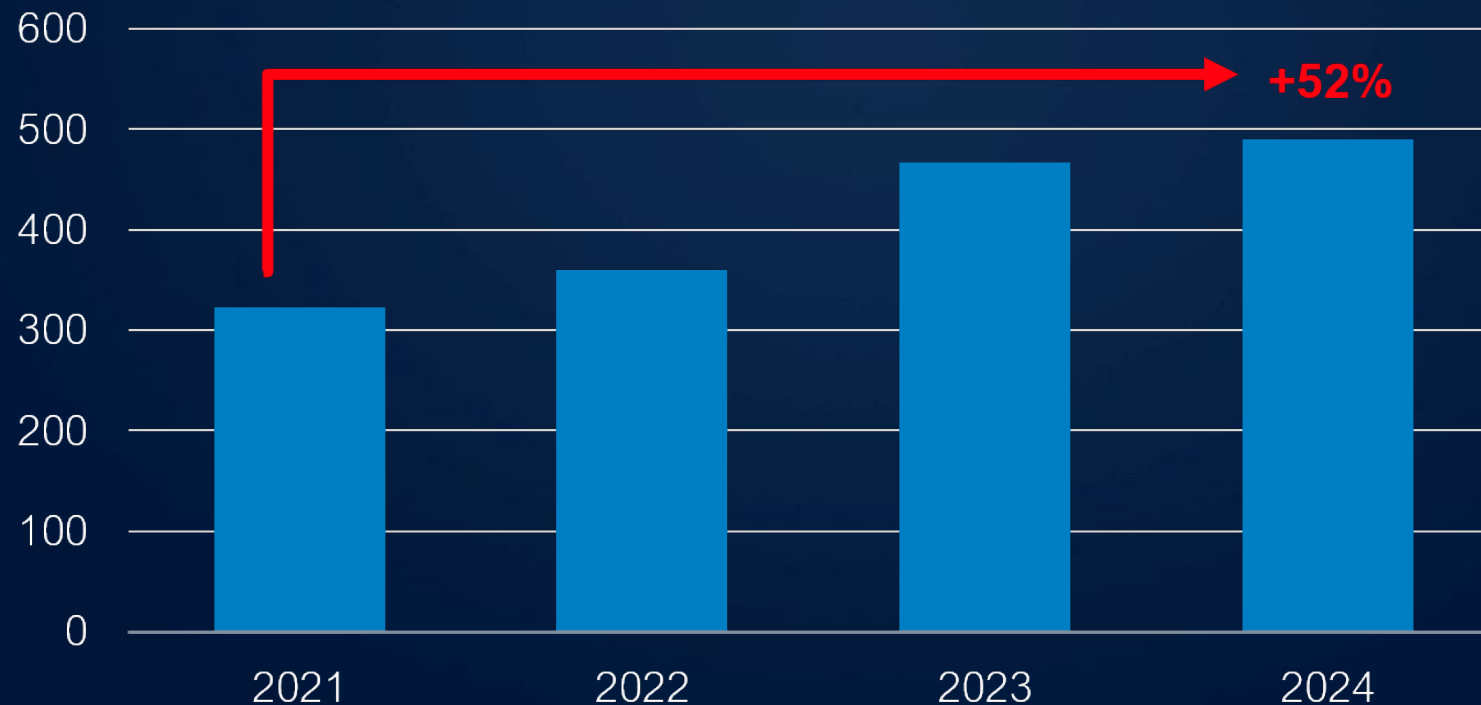
Thomas Szlosek, CFO,
Q4 2025 Earnings Call



AutoNation

Buyers Also Tapping into Outside Capital For Growth

**Estimated Number of Dealerships Owned by Top 150
Dealership Groups Backed by Outside Capital**



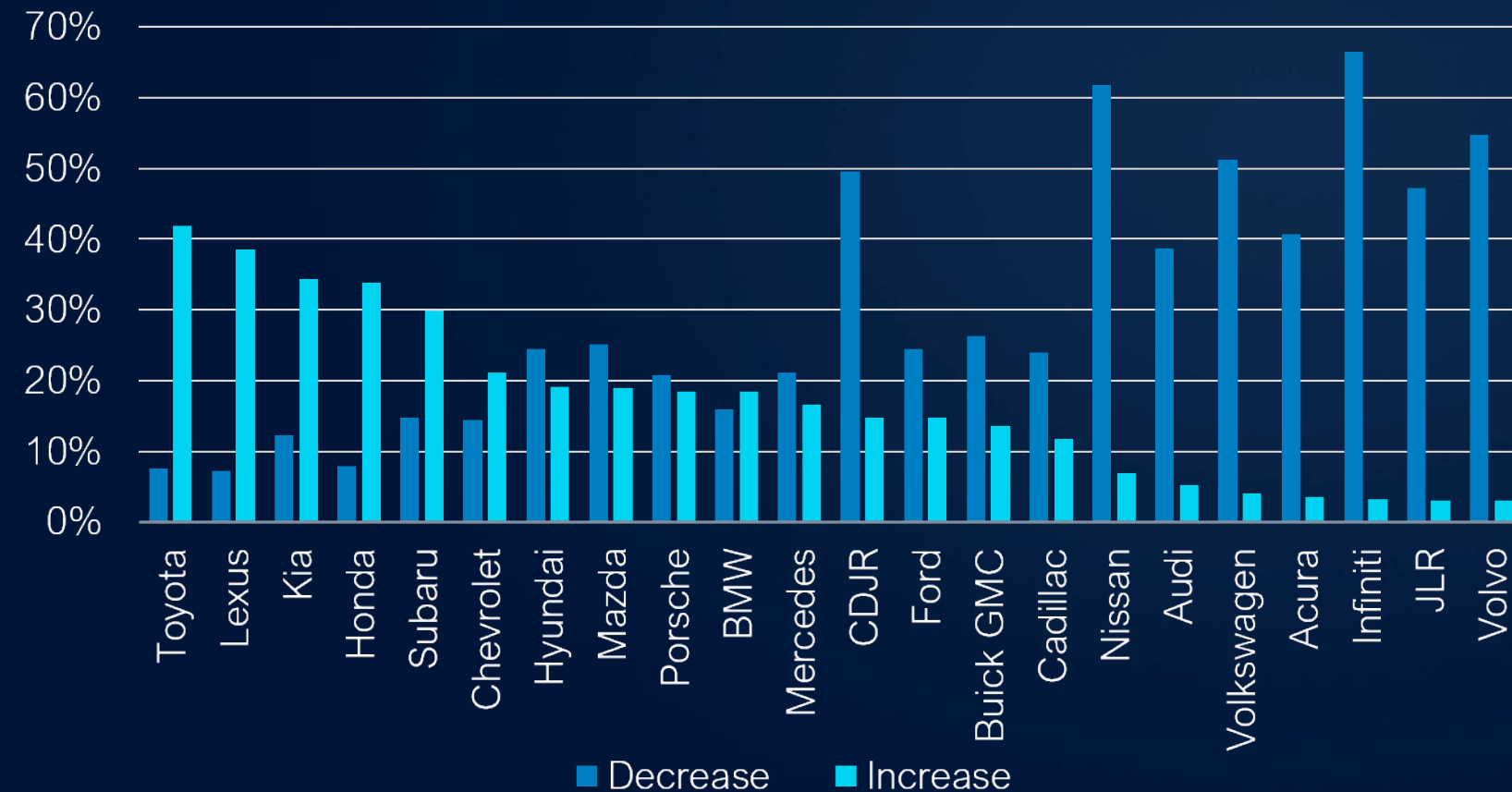
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Greater Divergence in Blue Sky Values

Franchise Valuations and Demand are Diverging

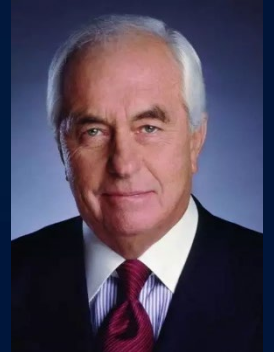
2025 Kerrigan Dealer Survey Results

How do you expect these franchises to change in value over the next 12 months?



“Toyota, Lexus, Porsche and BMW... have grown significantly for us over the last four or five years.”

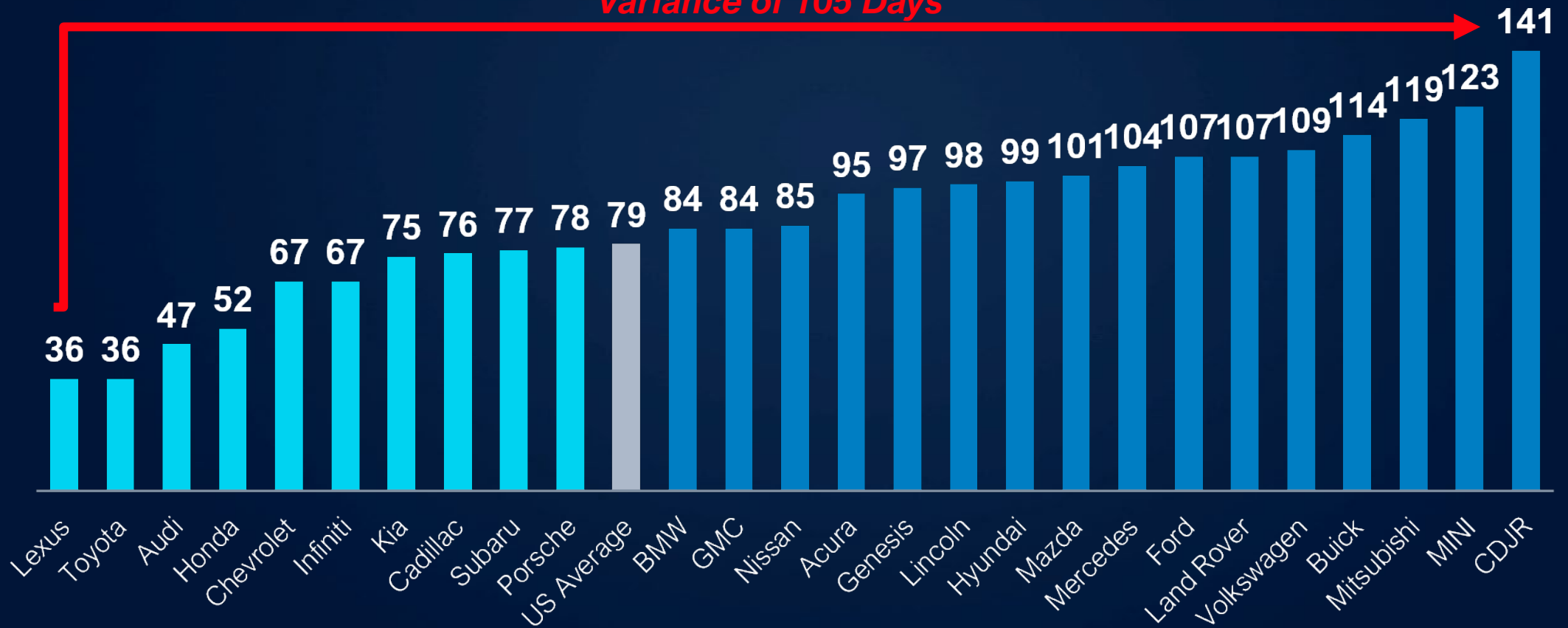
Roger Penske,
Chairman & CEO
Q4 2025 Earnings Call



Extreme Differences in OEM Performance

US New Vehicle Days' Supply, March 2026

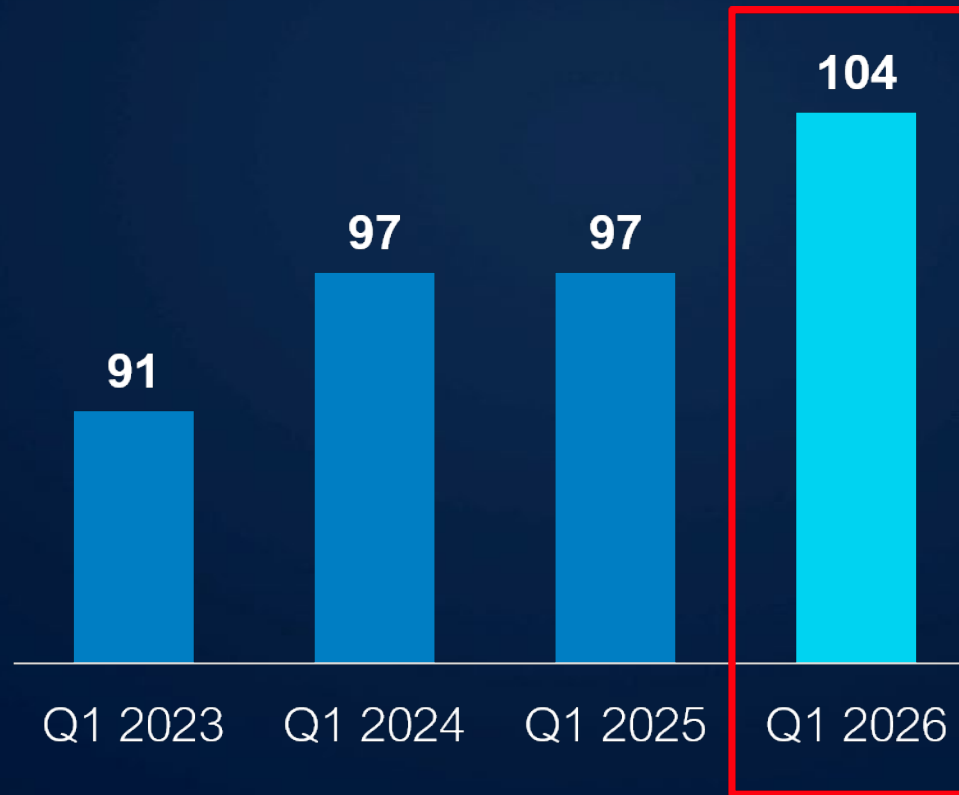
Variance of 105 Days



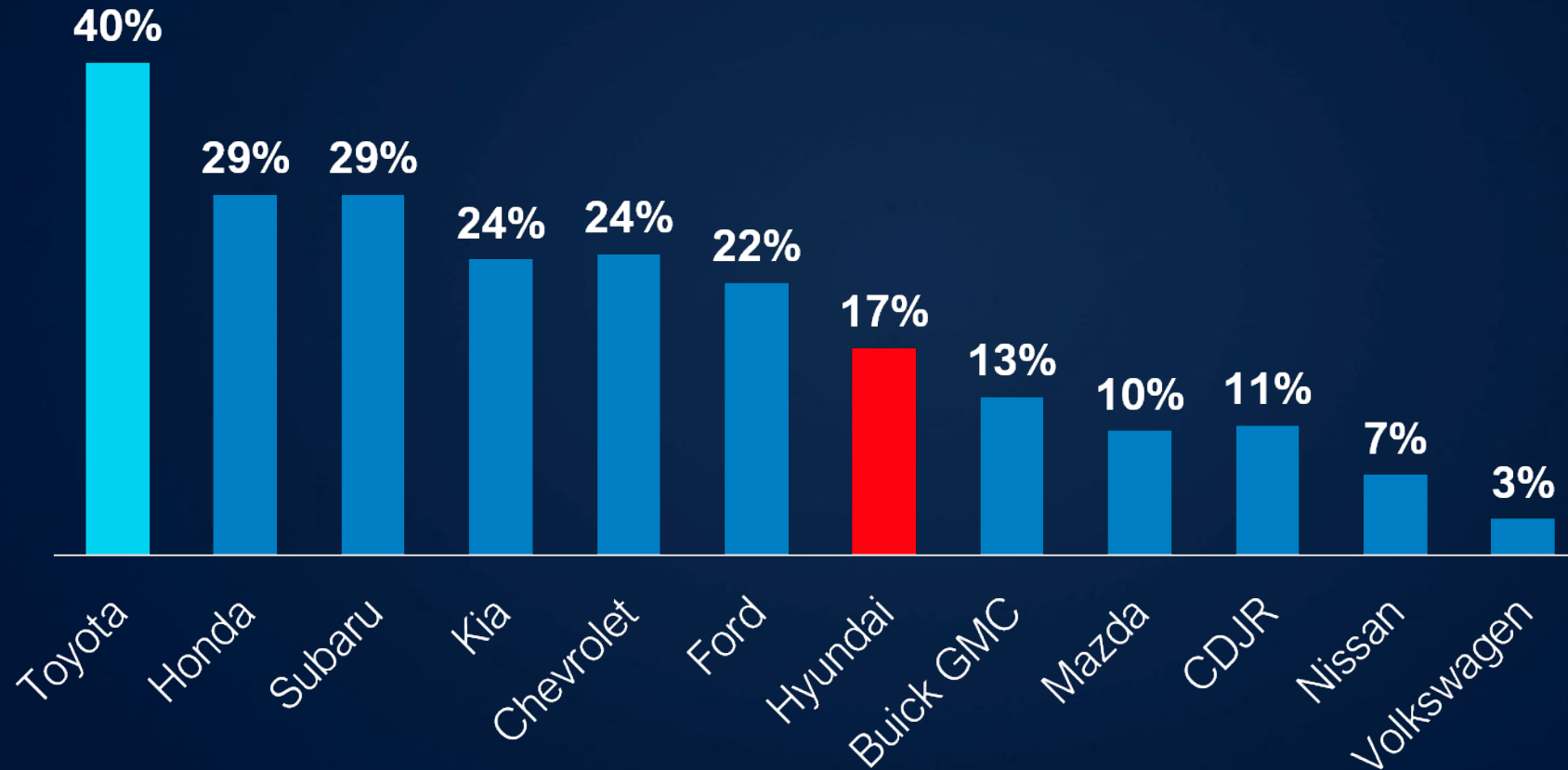
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Top Performers and Bottom Performers Diverging

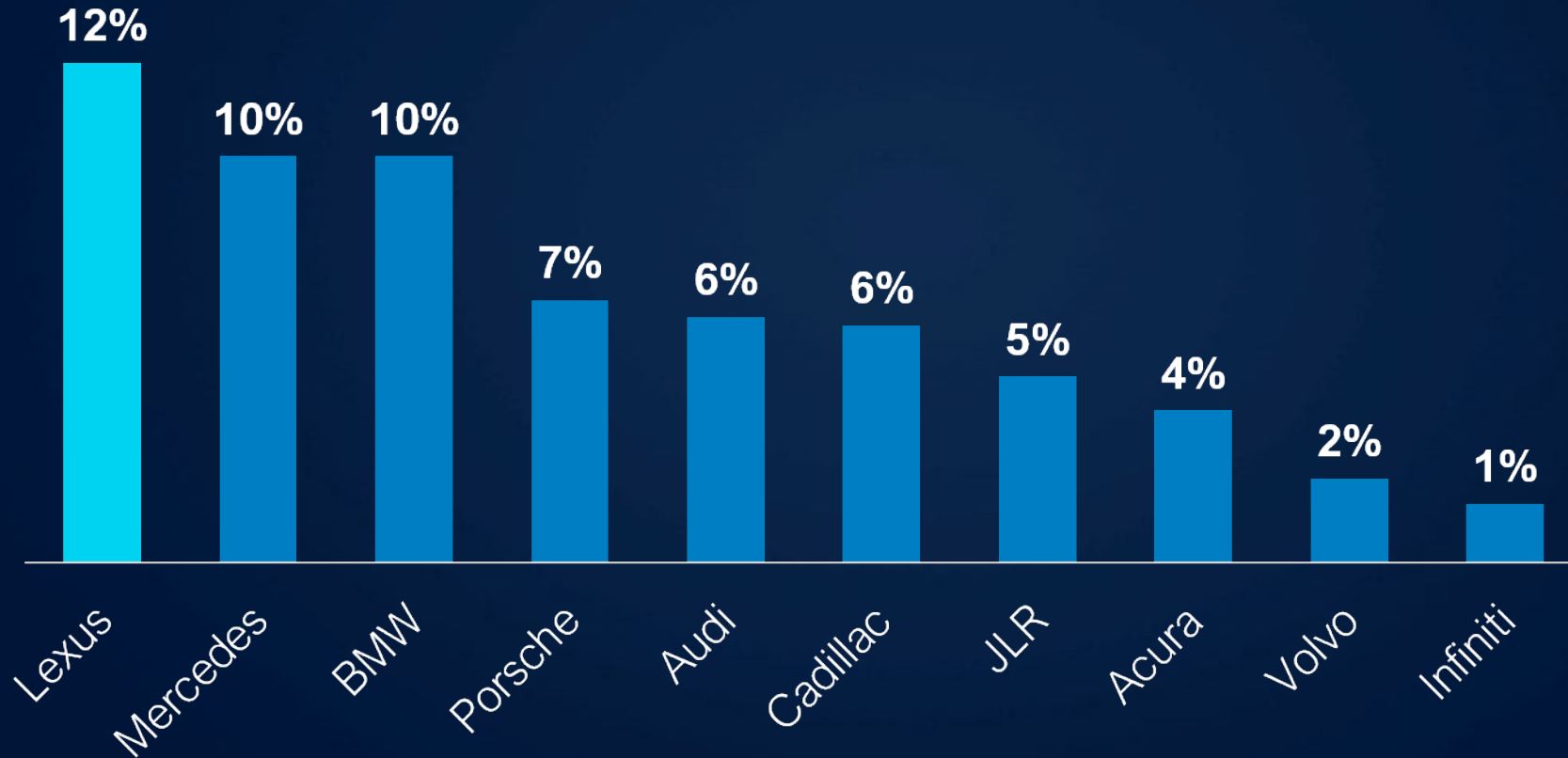
US New Light Vehicle Days' Supply High-Low Variance



Buyer Demand by Franchise – Non-Luxury

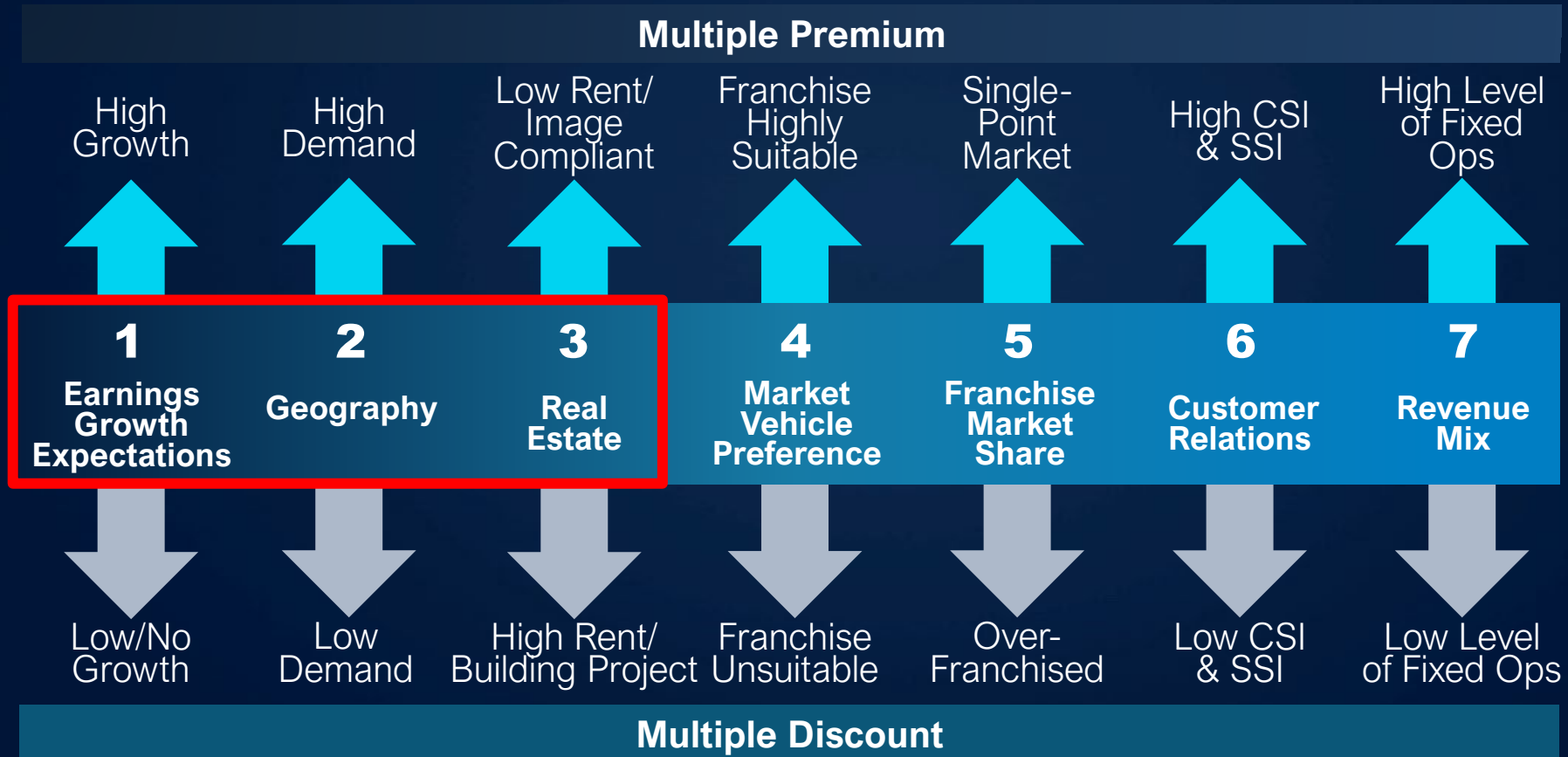


Buyer Demand by Franchise - Luxury



Drivers of Blue Sky Multiples

Franchise Blue Sky Multiple Drivers



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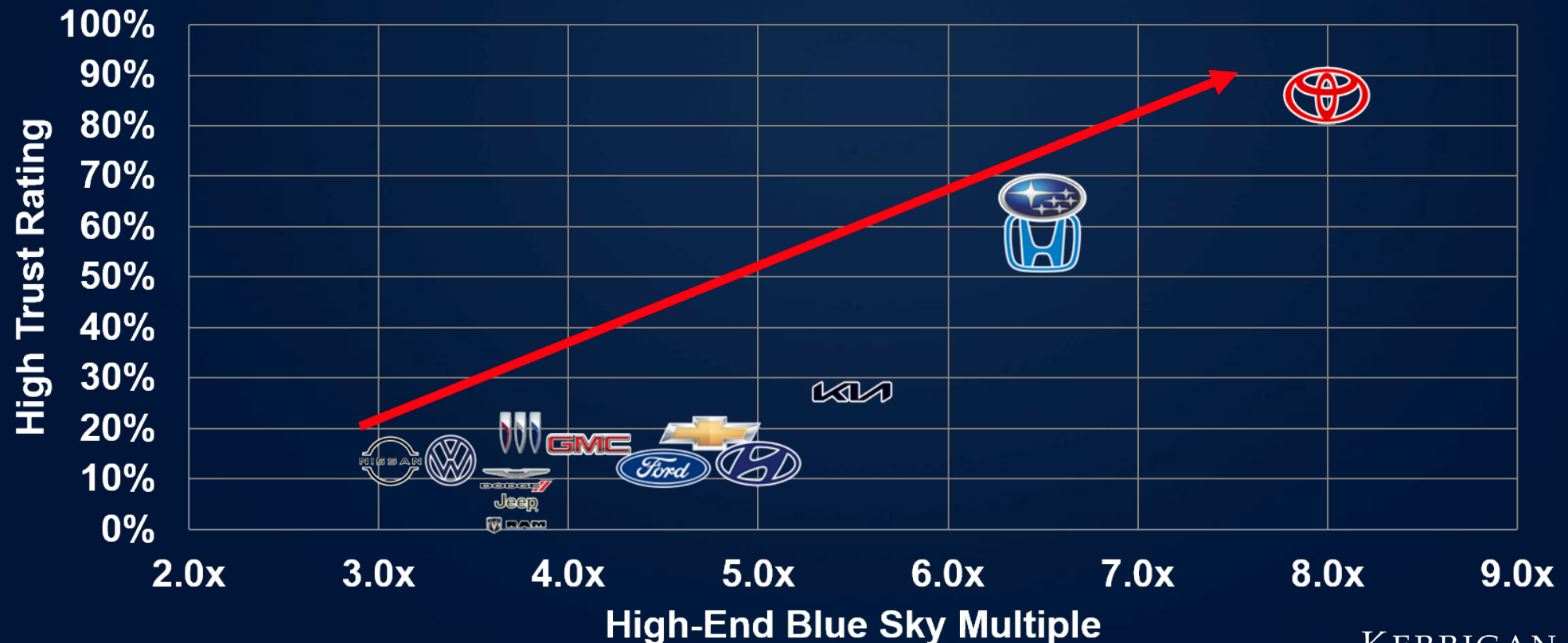
Kerrigan Advisors' Blue Sky Multiples

Kerrigan Advisors' First Quarter 2026 Blue Sky Multiples & Analysis: Non-Luxury



Higher Dealer Trust = Higher Blue Sky Multiple

Kerrigan Advisors' Q1 2026 High-End Blue Sky Multiple vs. Dealers' High Trust Rating in OEM per 2025 Kerrigan Dealer Survey Results



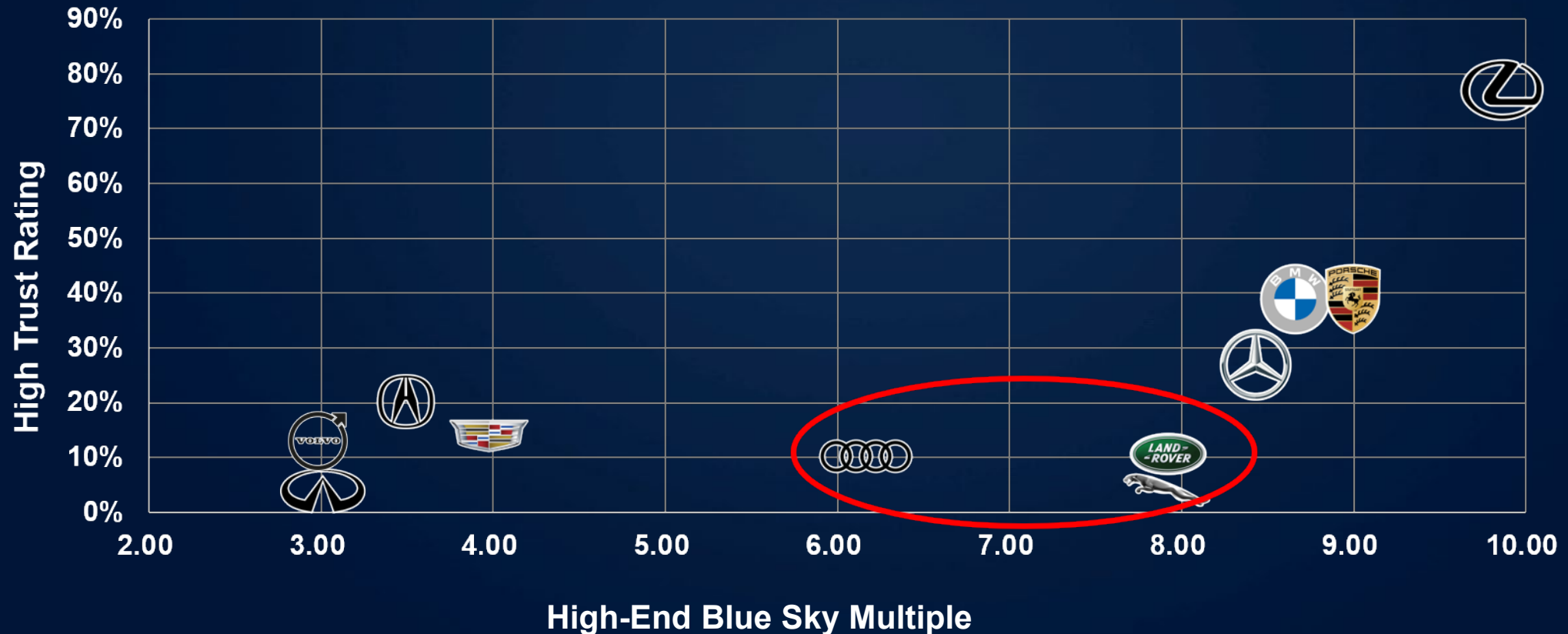
Kerrigan Advisors' Blue Sky Multiples

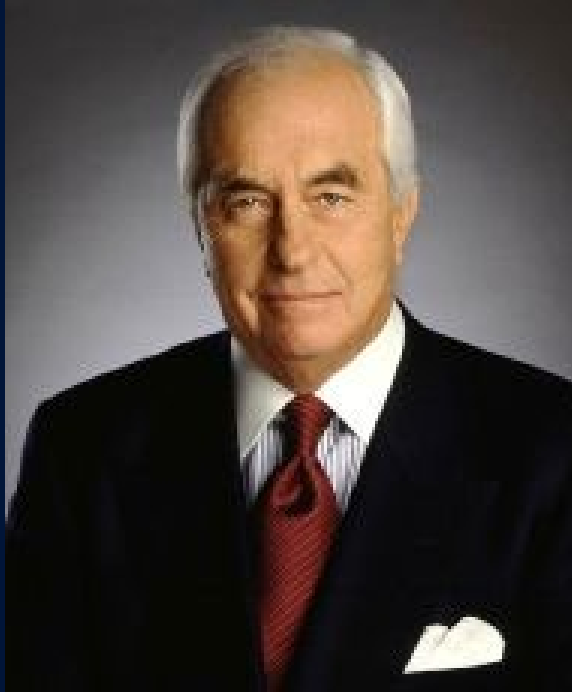
Kerrigan Advisors' First Quarter 2026 Blue Sky Multiples & Analysis: Luxury



Higher Dealer Trust = Higher Blue Sky Multiple

Kerrigan Advisors' Q1 2026 High-End Blue Sky Multiple vs. Dealers' High Trust Rating in OEM per 2025 Kerrigan Dealer Survey Results





“I continue to remain optimistic about our business. New and used retail automotive gross remained strong and service and parts continue to grow. Our diversification remains our key strength of our business model.”

Roger Penske, Chairman & CEO of Penske Automotive Group
First Quarter 2026 Earnings Call





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\$10 Billion

In Client Proceeds and Counting

Kerrigan Advisors is proud to lead the industry as the premier sell-side advisor to auto dealers nationwide. We are grateful for the trust our clients place in us and for the opportunity to serve them in one of their most important business decisions.

www.KerriganAdvisors.com