Automotive Industry Update

2023 Full-Year Market Summary and 2024 Outlook

Automotive M&A Activity Cools in 2023 Versus Prior Years; However, Outlook for Deals Remains Positive

2023 Global Vehicle Production Surpasses Pre-Pandemic Levels, but Automakers Face Macroeconomic Headwinds

Electric Vehicle (EV) Momentum Slows, With OEMs Throttling Back Production While Reworking Product Strategies

Mobility Leaders Continue to Invest in New Technologies, Emphasizing a Shift Away From Internal Combustion Engines (ICE)

2023 Market Recap and 2024 Outlook

INTRODUCTION

Stout is pleased to present our Automotive Industry 2023 Full-Year Market Summary and 2024 Outlook.

After a highly robust deal market in 2021 and 2022, middle-market automotive deal activity contracted in 2023 to 575 M&A transactions, representing declines of ~30% and ~23%, respectively. Global macroeconomic headwinds such as inflation, geopolitical uncertainty, and supply chain constraints contributed to the M&A pullback. Market conditions continue to be top of mind in early 2024, as well as increased uncertainty surrounding labor supply and cost given the recent UAW strikes.

Despite the M&A contraction versus prior year levels, automakers and tier suppliers continue to bolster healthy deal activity through investing in new technologies, emphasizing a shift away from ICE to new drivetrain technologies. Sector leaders continue to review their company portfolios (including divestures to create liquidity for investments in advanced technology), seeking investment opportunities to stay relevant in a disrupted playing field.

Looking forward to 2024, automotive deal activity is expected to remain healthy as the industry pushes towards an electric and more connected future. As industry players target geographic expansion and scale, the race to acquire disruptive automotive technologies will intensify with the transition to connected, autonomous, shared, and electric (CASE) vehicle platforms. With the cost of financing elevated versus historical levels, companies may more strongly consider a path of divesting non-core operations to enhance liquidity necessary to fund strategic retooling investment opportunities.

2023 KEY THEMES & MACRO TRENDS

- Global vehicle production surpassed 2019 levels for the first time in the post-pandemic era, as supply chain constraints eased and OEMs observed improved performance from recent operational initiatives
- Despite improvements, uncertainty still exists in the supply chain as potential liquidity issues threaten the sourcing abilities of automotive tier suppliers and OEMs
- Rising inflation and interest rates, geopolitical uncertainty, and the UAW strike created challenges that impacted production and M&A in 2023
- Slowing demand for electric vehicles is coming to a head with pricing concerns and varying customer expectations of and demand for vehicle types (i.e., full electric, hybrid, and ICE)
- CASE themes continue to be a focus for automakers and drive vehicle transformation and M&A deal activity into 2024

Sources: S&P Capital IQ, Pitchbook
Note: Transactions represent announced and closed deals – excludes deals with EV below $50 million and above $1 billion

Light Vehicle & Supply Chain

AUTOMOTIVE SALES AND PRODUCTION

Despite industry-wide supply chain constraints and geopolitical uncertainty in recent years, new vehicle production rebounded in 2023. The surge in new vehicle production is attributed to rising demand and improved supply chain conditions across the industry.

North American light vehicle production benefited from inventory normalization close to pre-pandemic levels. Increased retail incentives drove price reductions across the industry, and pent-up demand will continue to drive production activity into 2024.

Mainland China maintained production growth in 2023, supported by a ¥100 billion extension of the New Energy Vehicle tax reduction and exemption policy and recovering local vehicle production. China raised technology thresholds for EV tax breaks, including requiring higher driving range and energy density. These new rules are expected to boost development and competition, fueling improved EV product quality and performance throughout 2024 and beyond.

Recovery of European light vehicle sales and production carried on through 2023 with an increase in EV-related exports from China; however, the production outlook continues to be negatively impacted by trade tensions, declines in processing industries, and weaker consumer confidence.

SUPPLY CHAIN UPDATE

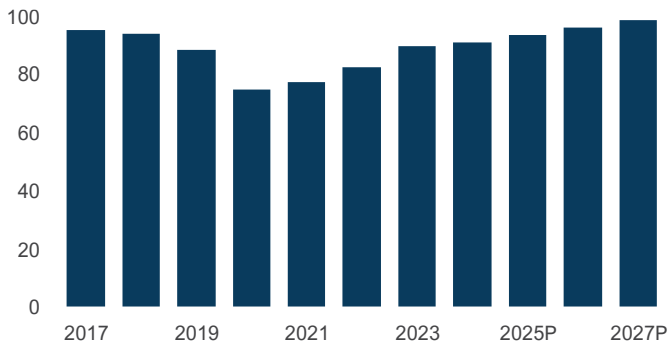
Despite improvements compared to recent years, 2023 was another year of supply chain constraints, including chip shortages and raw material price fluctuations.

Given the disruptive supply pain points in recent years, industry executives are increasingly seeking new methods to secure predictable supply of critical parts, commodities, and materials. Manufacturers are engineering complexity out of vehicles to simplify the assembly process, reduce days on lot, improve margins, and reduce supply chain costs.

This push may add further pressure to a supply base tasked to drive quality at the same time it is being asked to explore cost efficiencies.

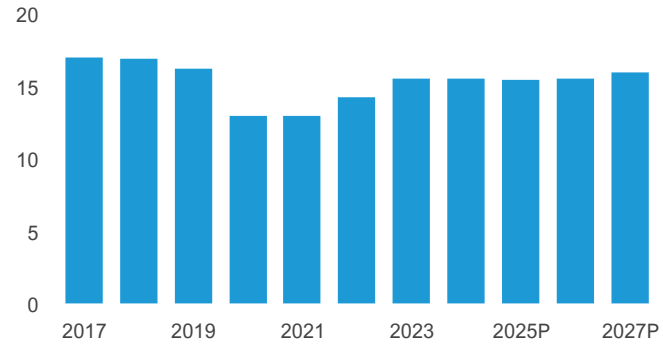
Total Light Vehicle Production

(units in millions)



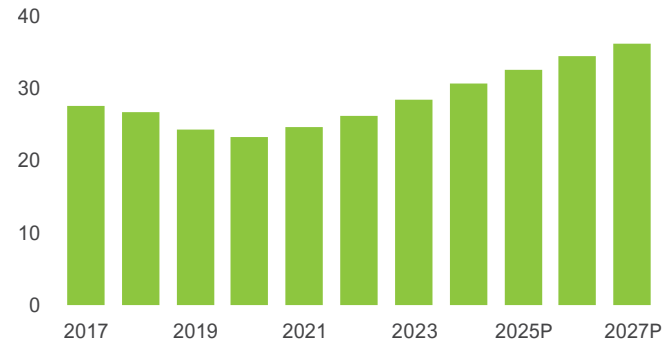
North America Light Vehicle Production

(units in millions)



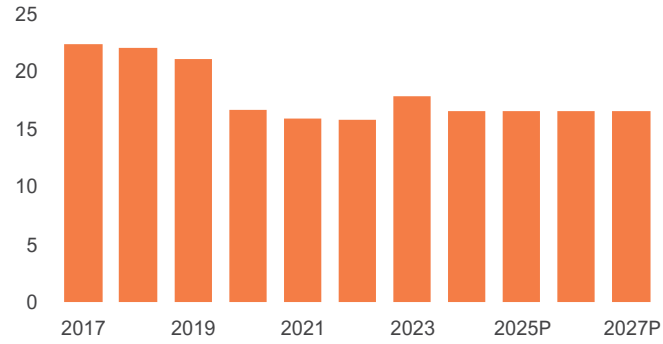
Mainland China Light Vehicle Production

(units in millions)



Europe Light Vehicle Production

(units in millions)



Sources: Cox Automotive, Deloitte, GMK Center, S&P Mobility, TD Securities, UBS

EV Trends

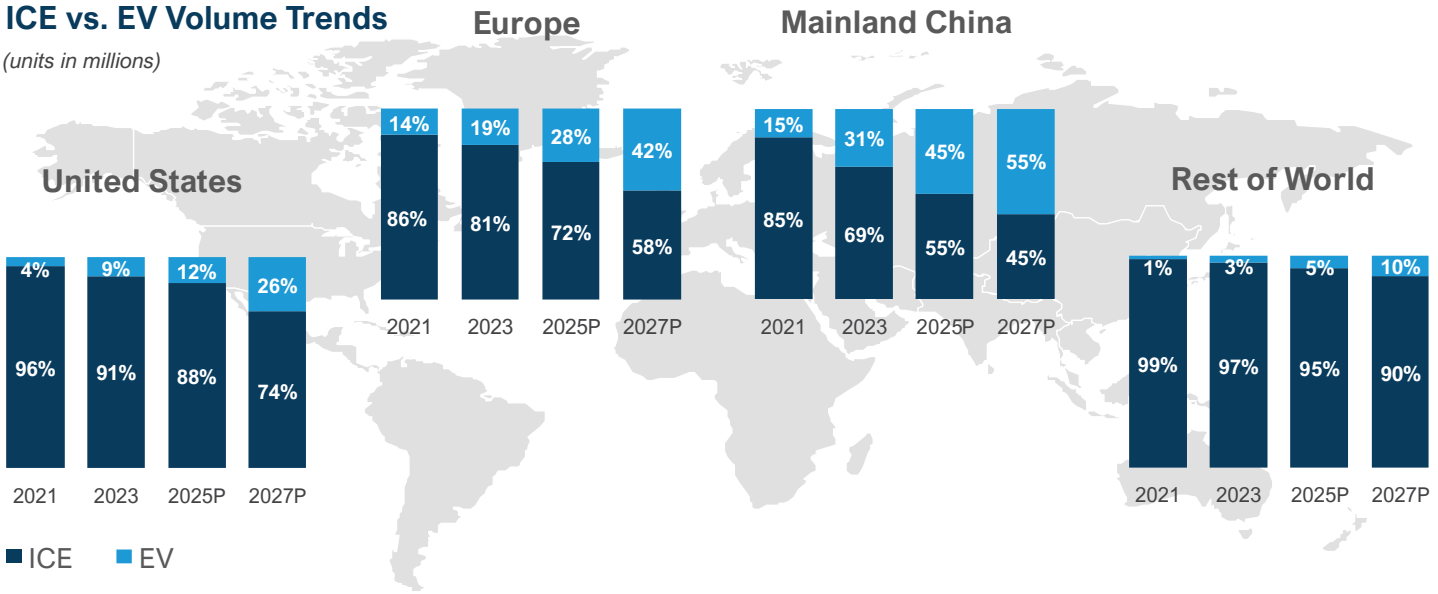
EV TRENDS AFFECTING AUTOMAKERS IN 2023

Recent EV Demand Pullback Following High Growth Through 1H 2023: 2023 marked significant momentum for EVs as global EV sales reached one million for the first time in history. Towards calendar year end, Tesla, Rivian, and other EV leaders began throttling back investments and retooling product strategies. Mainland China continues to lead the charge with EV adoption, with the 2027 projected split of EV to ICE expected to be 55% and 45%, respectively.

Impact Price Changes on EV Demand: The average price of EVs dropped to ~$51,000 in 2023, an 18% decrease year-over-year, nearing price parity with their ICE counterparts due to demand cooling and tax incentives. With the IRS offering up to 30% off purchase prices for new EVs (up to $7,500) and other states and municipalities offering incentive programs, affordability has expanded the demographic of consumers able to purchase EVs.

ICE vs. EV Volume Trends

(units in millions)



ICE AND EV VEHICLE PRODUCTION RECAP

ICE Engine Efficiency

- ICE vehicles continue to be the preferred option for consumers taking recurring lengthier daily commutes; early EV adopters are commuting less on average and have proximity to charging infrastructure necessary to mitigate range anxiety
- As policymakers push more eco-friendly initiatives, automakers (e.g., Toyota) are pivoting back to create more efficient ICE vehicles, not investing in more EVs

EV Policies and Demand

- Automakers have invested more than $21 billion to develop EV manufacturing capabilities, as pent-up demand continues to create pressure to produce EVs
- China leads the EV production due to favorable EV policies and close proximity to raw materials
- In 2023, 12 states adopted California's ACC II[(1)] regulation, with most states requiring 100% of new car sales be zero-emission vehicles or PHEVs by 2035

Overall Outlook

- With automakers, including Ford and GM, cutting back on EV production, the market will likely see EV adoption at a slower rate than previously anticipated
- Automakers will continue to produce a mix of ICE and EV vehicles, with both engine types seeing demand from consumers in the near term
- OEMs will continue to search for M&A opportunities to scale current production capabilities

Source: Cox Automotive, EV Hub, Harvard Business Review, UBS, Utility Dive; (1) ACC III: Advanced Clean Cars II

Top 10 Market Trends to Watch in 2024

1. Connectivity and Infotainment Systems

The integration of advanced connectivity and infotainment systems continues to permeate the automotive industry. Vehicles are becoming connected devices on wheels, offering features like real-time traffic updates, instantaneous parking stats, remote diagnostics, and over-the-air (OTA) updates for software and firmware.

This connectivity improves the driving experience while providing critical data to improve vehicle performance and features. Infotainment systems have become more sophisticated, featuring large touchscreen displays, voice recognition, and integration with smartphones.

2. Autonomous Driving Technology

2024 marks a significant year in autonomous driving technology development. While fully autonomous vehicles are still in the testing phase, several semi-autonomous features are becoming standard in new vehicles. These include advanced driver-assistance systems (ADAS) like adaptive cruise control, lane-keeping assist, and automatic emergency braking.

There is a growing focus on the development of Level 4 and Level 5 autonomous vehicles, which can operate without human intervention in certain conditions. Companies like Waymo, Tesla, and traditional automotive manufacturers are investing heavily in this technology, aiming to improve safety and revolutionize the way we commute.

3. Shared Mobility and Subscription Services

Shared mobility services, such as car-sharing and ride-hailing, continue to grow in popularity in 2024, fueled by urbanization and changing consumer preferences. These services offer flexibility and convenience, reducing the need for personal vehicle ownership in urban areas.

In addition to shared mobility, there is an increasing trend towards vehicle subscription services. These services allow customers to access a range of vehicles for a monthly fee, offering flexibility and the ability to change vehicles based on their needs without the long-term commitment of ownership or leasing. Such companies include FINN, SIXT+, and Kyte.

4. Electrification of Vehicles

The automotive industry continued to shift total vehicle production towards EVs; however, EV production grew at a slower rate in 2023 than anticipated. As more consumers embrace EVs due to their environmental benefits, lower operating costs, and advancements in battery technology, EVs will continue to capture market share. Some automotive manufacturers are expanding their EV lineups, while others are realizing the slow down in consumer demand and are scaling back production, as seen by Ford cutting F-150 Lightning production plans in half for 2024.

Battery technology has seen substantial improvements, with newer models offering extended range and reduced charging times. Solid-state batteries are becoming more prominent, offering higher energy density and faster charging capabilities, making EVs more practical for longer journeys and appealing to a broader consumer base. Companies (e.g., Ample) are promoting plans to have battery swapping stations, where drivers low on energy can use a changing station and switch out their car battery in a matter of minutes.

5. Advanced Safety Features

Safety remains a top priority in the automotive industry, with manufacturers introducing more advanced safety features and systems. These include enhanced airbag systems, collision avoidance technology, and pedestrian detection systems. The integration of AI and machine learning is enabling these systems to become more sophisticated, providing real-time risk assessment and improving overall vehicle safety.

Consumers are also willing to pay more for safer vehicles; 81% of car buyers are willing to pay more for vehicles with higher safety ratings, and 92% state that safety ratings are “somewhat” or “very important” when purchasing a vehicle. As car manufacturers look to create additional technologies within vehicles, safety will remain at the forefront of innovation, particularly with automated vehicles.

Sources: Nissan, S&P Global, TechCrunch

Top 10 Market Trends to Watch in 2024 (cont.)

6. Sustainable Manufacturing Practices

Sustainability is becoming a critical focus in the automotive industry, with manufacturers adopting more eco-friendly manufacturing practices. This includes the use of recycled materials in vehicles, reduction of waste in production, and efforts to lower the carbon footprint of manufacturing facilities.

Electric vehicles are at the forefront of this sustainable shift, but there is also a growing interest in alternative fuels like hydrogen fuel cells for larger vehicles such as trucks and buses (e.g., Honda). These developments reflect the industry's commitment to reducing its environmental impact.

7. Lightweight & High-Strength Materials

The use of lightweight and high-strength materials is another key trend in 2024. Manufacturers are increasingly using materials like carbon fiber, high-strength steel, and aluminum to reduce vehicle weight, improve fuel efficiency, and enhance performance. This trend is particularly important for electric vehicles, as reducing weight helps to extend their range and improves battery efficiency.

The global shift to more lightweight materials will significantly improve vehicle safety and minimize the risk of significant injuries. New materials, including aluminum alloys, can absorb impact energy much more effectively, and the increased level of stability will also lead to a higher level of control. As manufacturers face more stringent regulations, lightweight and high-strength materials will continue to play a crucial role in the future production of vehicles.

8. Customization & Personalization

As technology advances, so does the ability to customize and personalize vehicles. In 2024, consumers have more options than ever to tailor their vehicles to their preferences. This includes customizable exterior and interior options, adaptive lighting systems, and programmable sound for electric vehicles.

Customizing vehicle technologies has been a popular way for consumers to personalize their vehicles, as the integration of Internet of Things (IoT) features and customizable digital interfaces create added operational efficiencies. Customizing dashboards, utilizing smartphones and voice commands, and adjusting lighting are all different ways consumers will continue to look to tailor vehicles to their own personal preferences into the future.

9. Integration With Smart Cities

Vehicles are becoming more integrated with smart city infrastructure, facilitating more efficient and safer transportation. This includes communication with traffic signals, real-time parking availability information, and interaction with other connected devices in the urban environment. This integration is essential for the future of autonomous vehicles and smart transportation systems.

The automotive industry is a dynamic and evolving landscape, driven by technological innovation, environmental concerns, and changing consumer preferences. Electrification, autonomous driving, advanced connectivity, and sustainable manufacturing practices continue to challenge the way we think about mobility and transportation. These trends are shaping the industry through mobility and technology advancements and transformation. As these trends continue to be implemented, they can increase consumer driving experiences through enhanced efficiencies and safety.

10. Shift Towards Online Sales of Vehicles

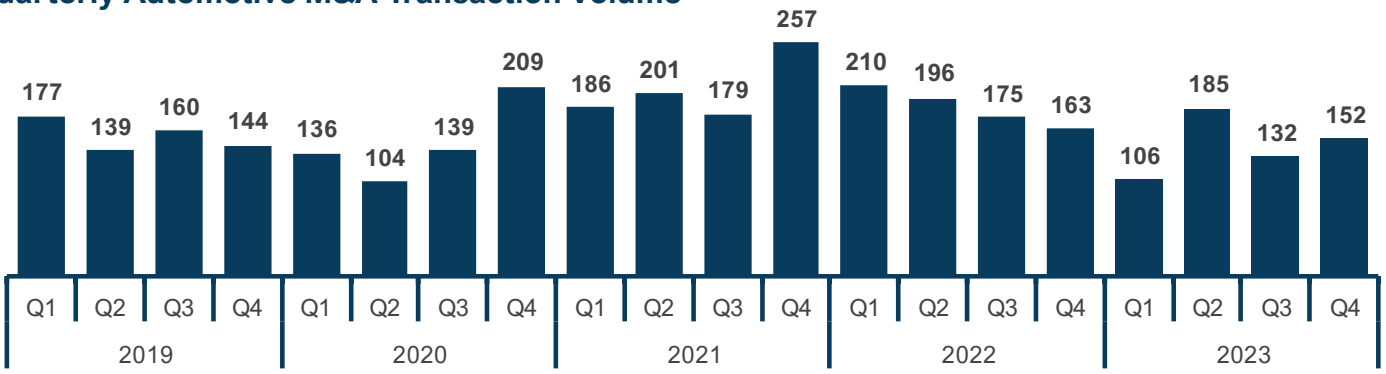
Online vehicle marketplaces will continue to be a trend moving into 2024, as the increased convenience and transparency allows consumers to confidently purchase vehicles without going to a dealership. North American markets account for more than a third of online global vehicle sales, with consumers looking to buy both both new and used cars.

Carvana, Amazon, Tesla, Hyundai, cars.com, and other providers continue improve the car buying experience by providing seamless transactions with minimal buyer risk.

Sources: Chariotz, Forbes, Honda, Microban, USA Today, Utilities One

Automotive M&A Database Highlights

Quarterly Automotive M&A Transaction Volume

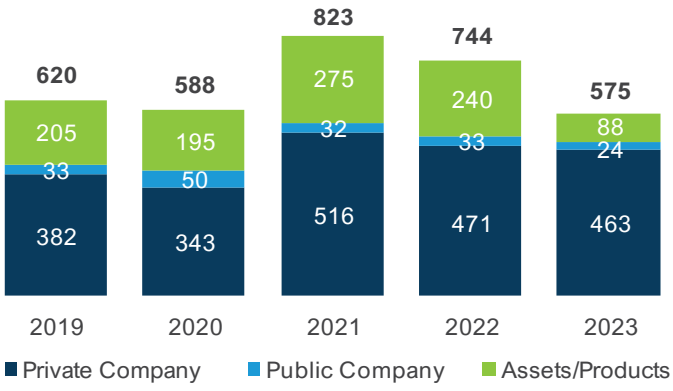


AUTOMOTIVE MIDDLE-MARKET M&A TRENDS

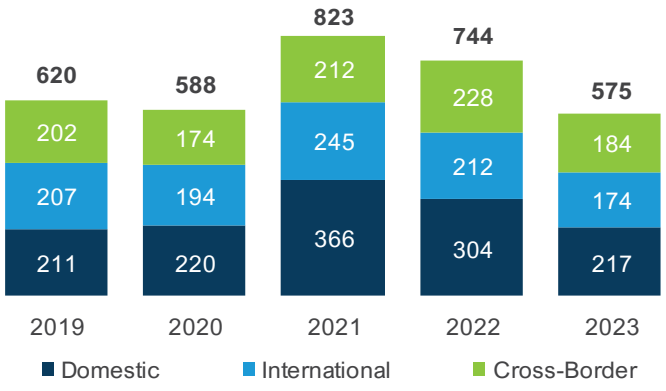
Global macroeconomic headwinds slowed the pace of middle-market M&A activity during 2023, largely due to rapid inflation, increasing interest rates, supply chain constraints, and uncertainty surrounding geopolitical matters. 2023 M&A activity resulted in a total transaction size of ~$14 billion, representing a 42% decline from 2022. Despite the lowered activity year-over-year, Q4 2023 deal volume increased by 15.2% from Q3 2023, with the aftermarket sector increasing 30.5%.

Transaction volumes are expected to remain healthy through 2024 due to a more favorable macroeconomic outlook and heightened capital investment. Increasing deployable capital from sponsors and pressure to make investments in next-generation technology for future vehicle models are expected to drive M&A activity.

M&A Volume by Seller Type



M&A Volume by Geography



Source: S&P Capital IQ
Note: Represents announced deals and closed deals – excludes deals with EV below $50 million and above $1 billion

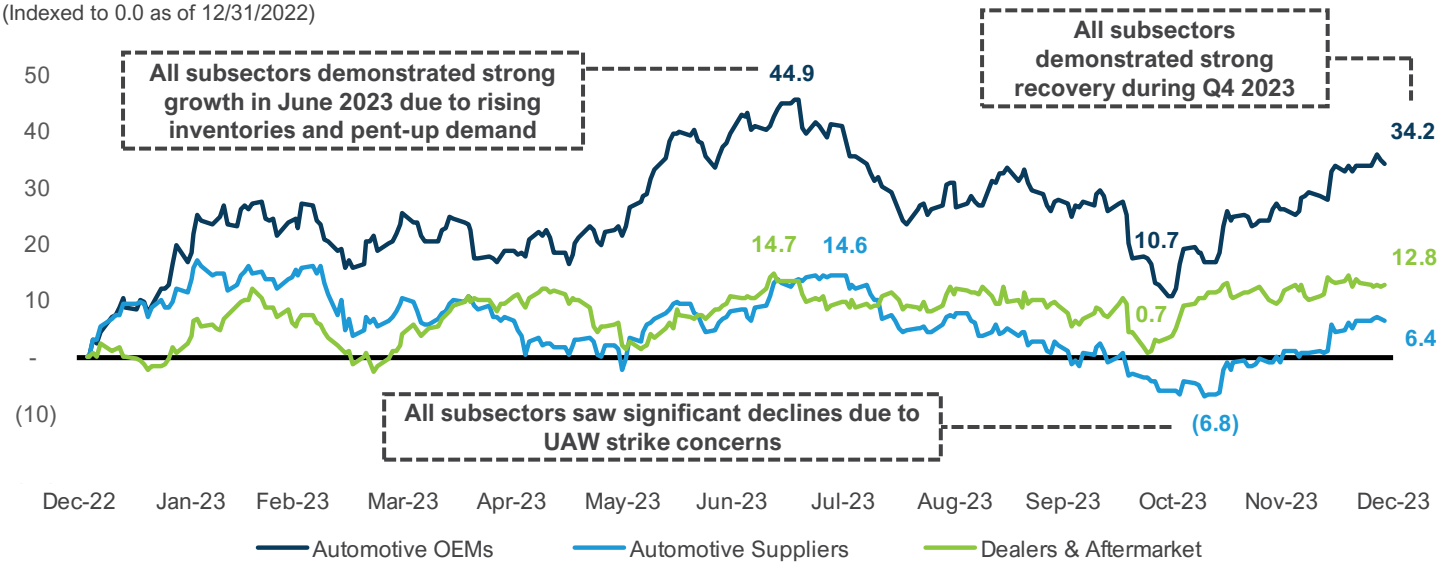
Automotive Subsector Performance

VALUATION METRICS

The U.S stock market rebounded in 2023 from a difficult 2022, primarily due to interest rates reaching a plateau, increased optimism surrounding GDP growth, and inflation easing expected to continue in the near-term. Among the three major indices, the S&P 500 achieved the greatest recovery, up 24.7%, followed by the Dow Jones Industrial Average rising 13.7%, and the Nasdaq decreasing by 5.9%.

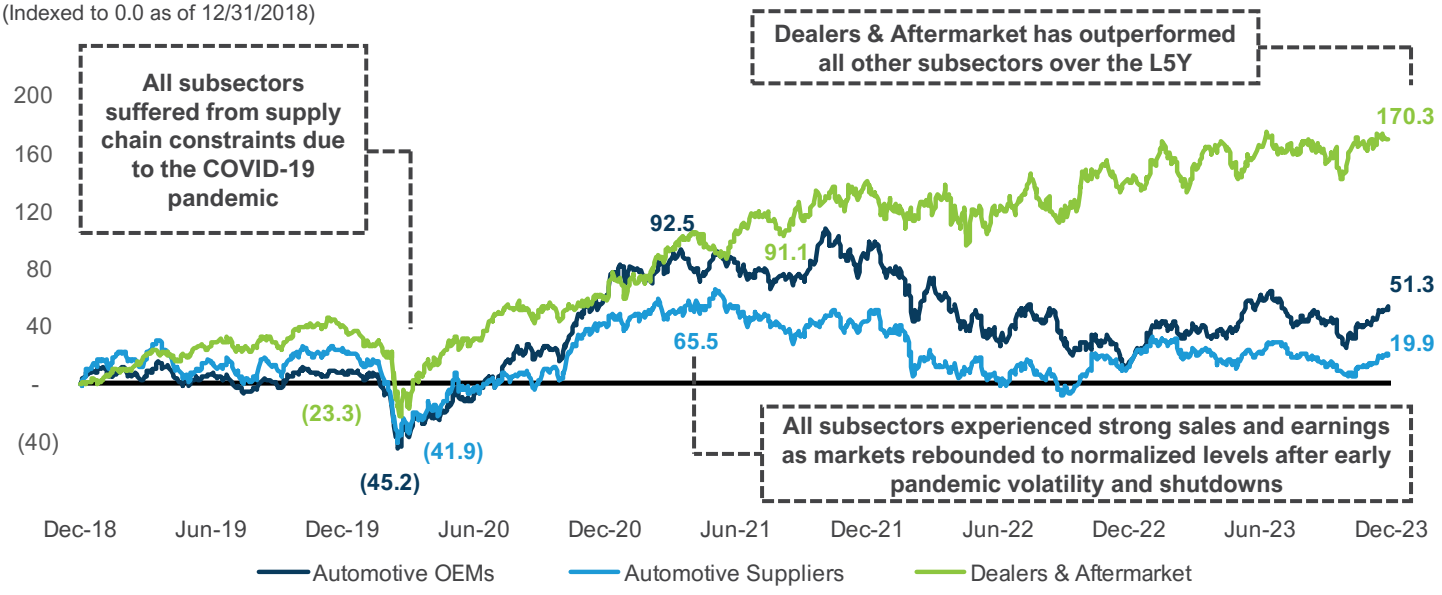
Subsector Indices — LTM Stock Price Performance

(Indexed to 0.0 as of 12/31/2022)



Subsector Indices — L5Y Stock Price Performance

(Indexed to 0.0 as of 12/31/2018)



Sources: S&P Capital IQ

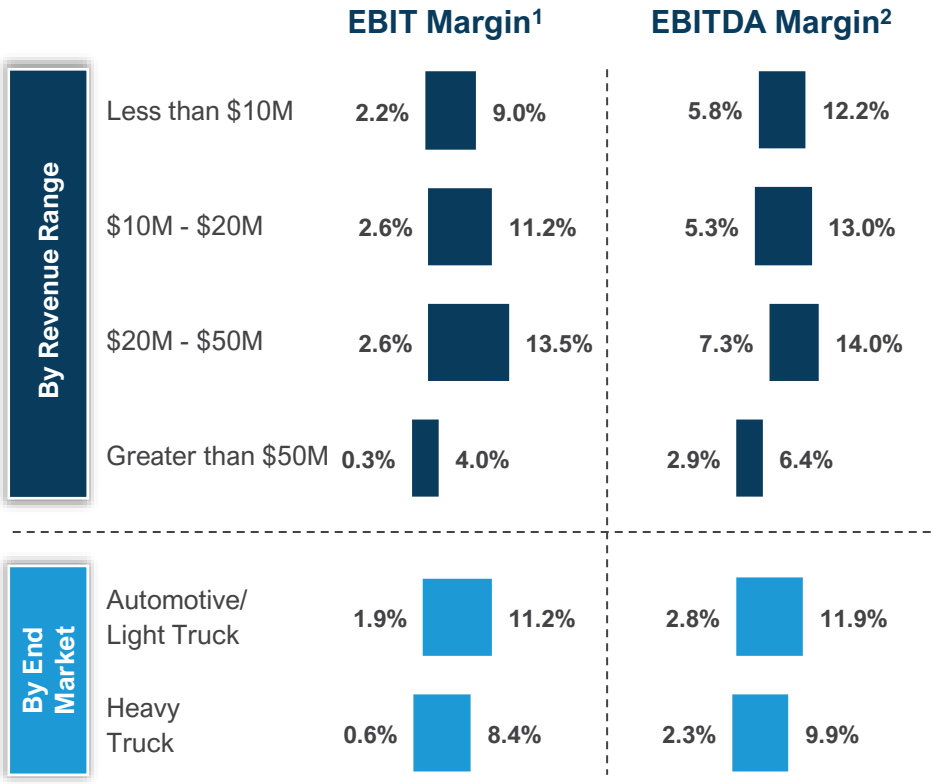
Operational Drilldown – Automotive Stamping

EXCLUSIVE INDUSTRY PARTNERSHIP WITH HARBOUR RESULTS, INC. ENABLES PROPRIETARY INDUSTRY BENCHMARKING FOR STOUT INVESTMENT BANKING CLIENTS

POWERED BY

HARBOUR RESULTS INC.

Overall stamping operating profit (EBIT) margin was 6.2% on average with a large spread from top to bottom. Stampers experienced improvements in efficiencies and profits in recent years, enabling EBITDA margins of 8.3% on average for the period.



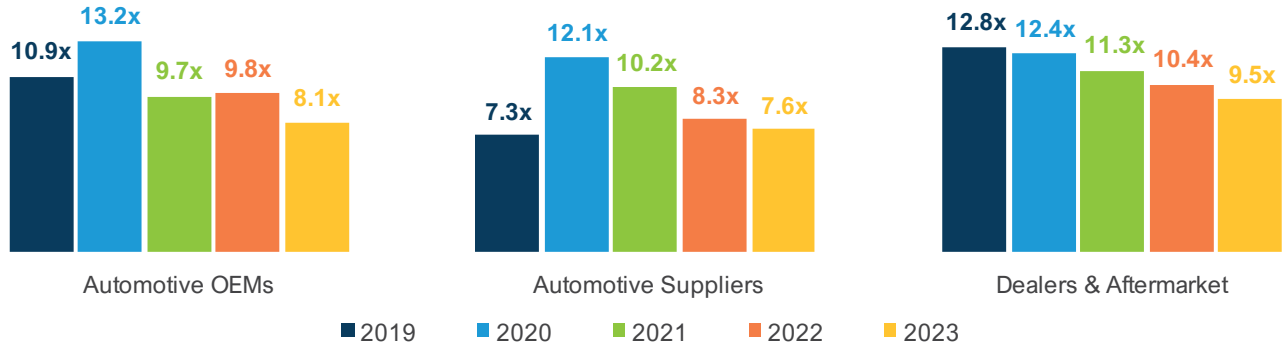
Top Quartile Results – Stamping Companies

Metrics for Top Performers	Top Quartile Performance
EBIT Margin	13.5%
EBITDA Margin	15%
Inventory Turns	6.1x
Uptime %	70%
Cost of Quality %	2%
Employee Turnover (Hourly >90 Days)	1%

Source: Harbour Results, Stout proprietary information
(1) EBIT Margin represents annual operating profit as a percentage of revenue; (2) EBITDA Margin represents EBITDA as a percentage of revenue

Automotive M&A and Market Trends

Subsector Average EBITDA Multiples



2023 AUTOMOTIVE INDUSTRY TRANSACTION HIGHLIGHTS

Date	Target (Ownership)	Subsector	Acquiror (Ownership)
Dec-23	High Bar Brands (Heartwood Partners)	Automotive Supplier	Sentinel Capital Partners
Nov-23	Tooling & Equipment International	Automotive Supplier	General Motors Company (NYSE:GM)
Nov-23	Auto Motive Power	Technology Enabler	Ford Motor Company (NYSE:F)
Oct-23	Brunner International	Automotive Supplier	Hendrickson USA (The Boler Company)
Sep-23	ABC Technologies Holdings (TSX:ABCT)	Automotive Supplier	Apollo Global Management (NYSE:APO)
Sep-23	Parts Unlimited (Restoration Parts Unlimited)	Automotive Supplier	Classic Industries Corporation
Aug-23	Electric GT	Technology Enabler	TREMEC Corporation (Grupo KUO)
Aug-23	Rane Light Metal Castings (Rane Group)	Automotive Supplier	Kentucky Industrial Holdings
Aug-23	Stanadyne LLC	Automotive Supplier	Cerberus Capital Management
Jul-23	Cardone Industries (Brookfield Business Partners)	Automotive Supplier	First Brands Group
Jun-23	ANIONZ	Technology Enabler	General Motors Company (NYSE:GM)
Jun-23	EVCO (Electric Vehicles Company)	Technology Enabler	Iveco Group (MI:IVG)
Jun-23	National Auto Parts	Automotive Supplier	Palladium Equity Partners
Jun-23	Wayne Manufacturing (North River Capital)	Automotive Supplier	The Hoffmann Family of Companies
May-23	Precision Machining Group (Trivest Partners)	Automotive Supplier	The Boler Company
Mar-23	Volta	Technology Enabler	Shell (NYSE:SHEL)
Mar-23	Custom Wheel House	Automotive Supplier	FOX Factory (NASDAQ:FOXF)
Mar-23	Sintex-BAPL	Automotive Plastics	Welspun Corp (NSE:WELCORP)
Mar-23	C&M Auto Parts	Automotive Supplier	Transtar Holding Company (Blue Point Capital)
Feb-23	Horizon Global Corporation (NYSE:HZN)	Technology Enabler	First Brands Group

Sources: S&P Capital IQ

Automotive Public Comps

Automotive OEMs

($ in millions, except share data)		Market Data			NTM Financial Performance Data			Valuation Multiples		
		Share Price		Ent.			EBITDA	EV / Rev	EV / EBITDA	
Company Name	Ticker	12/31/23	% 52 High	Value	Revenue	EBITDA	Margin	NTM	LTM	NTM
North American OEMs										
Ford	NYSE:F	$12.19	79.1%	$162,471.7	$176,144.4	$15,042.7	9.7%	0.9x	9.6x	10.8x
General Motors	NYSE:GM	35.92	82.3	148,487.8	176,904.0	23,084.2	9.5	0.8x	9.1	6.4
Stellantis	BIT:STLAM	23.38	96.6	46,032.1	206,371.6	32,528.9	14.9	0.2x	1.5	1.4
Tesla	NasdaqGS:TSLA	248.48	83.0	835,340.6	111,296.7	17,370.0	14.0	7.5x	nmf	nmf
Group Median			**82.7%**	**$155,479.7**	**$176,524.2**	**$20,227.1**	**11.9%**	**0.9x**	**9.1x**	**6.4x**
Group Mean			**85.3%**	**$298,083.1**	**$167,679.2**	**$22,006.5**	**12.0%**	**2.4x**	**6.7x**	**6.2x**
Asian OEMs										
FAW Jiefang	SZSE:000800	$1.20	78.3%	$1,108.1	$9,373.8	$269.0	(1.6%)	0.1x	nmf	4.1x
Geely Automobile Holdings	SEHK:175	1.10	63.6	8,056.8	27,069.5	2,048.1	2.9	0.3	12.3x	3.9
Honda	TSE:7267	10.40	80.5	84,303.7	141,948.2	13,593.2	12.9	0.6	5.3	6.2
Hyundai	KOSE:A005380	156.93	96.2	111,594.0	124,817.5	14,614.4	11.5	0.9	8.2	7.6
Nissan	TSE:7201	3.93	77.8	57,143.1	92,789.5	6,607.6	8.9	0.6	8.0	8.6
SAIC	SHSE:600104	1.91	86.5	26,780.7	105,501.6	5,225.9	3.3	0.3	8.0	5.1
Suzuki	TSE:7269	42.80	91.7	22,485.8	38,306.7	4,700.4	12.2	0.6	5.5	4.8
Tata	BSE:500570	9.38	97.3	45,182.6	54,623.3	7,360.7	10.1	0.8	9.2	6.1
Toyota	TSE:7203	18.38	89.0	401,554.6	303,957.3	41,808.8	14.1	1.3	10.3	9.6
Group Median			**86.5%**	**$45,182.6**	**$92,789.5**	**$6,607.6**	**10.1%**	**0.6x**	**8.1x**	**6.1x**
Group Mean			**84.5%**	**$84,245.5**	**$99,820.8**	**$10,692.0**	**8.3%**	**0.6x**	**8.4x**	**6.2x**
European OEMs										
BMW	XTRA:BMW	$111.40	88.8%	$158,308.4	$164,934.5	$26,883.2	15.5%	1.0x	6.3x	5.9x
Mercedes-Benz	XTRA:MBG	69.14	82.2	168,981.5	161,681.3	26,918.3	14.6	1.0	7.1	6.3
Renault	ENXTPA:RNO	40.79	84.0	61,090.8	58,893.1	7,941.7	10.2	1.0	10.5	7.7
Volkswagen	XTRA:VOW3	123.58	78.1	266,134.6	339,407.8	41,359.1	7.6	0.8	10.6	6.4
Group Median			**83.1%**	**$163,645.0**	**$163,307.9**	**$26,900.8**	**12.4%**	**1.0x**	**8.8x**	**6.4x**
Group Mean			**83.3%**	**$163,628.8**	**$181,229.1**	**$25,775.6**	**12.0%**	**1.0x**	**8.6x**	**6.6x**
Overall Median			**83.0%**	**$84,303.7**	**$124,817.5**	**$14,614.4**	**10.2%**	**0.8x**	**8.2x**	**6.2x**
Overall Mean			**84.4%**	**$153,238.6**	**$134,942.4**	**$16,903.3**	**10.0%**	**1.1x**	**8.1x**	**6.3x**

Note: EV/EBITDA multiples greater than 35.0x excluded from median and mean figures; LTM EBITDA excludes extraordinary items;
Source: S&P Capital IQ

Automotive Public Comps (cont.)

Automotive Suppliers

($ in millions, except share data)		Market Data			NTM Financial Performance Data			Valuation Multiples		
		Share Price		Ent.			EBITDA	EV / Rev	EV / EBITDA	
Company Name	Ticker	12/31/23	% 52 High	Value	Revenue	EBITDA	Margin	NTM	LTM	NTM
Automotive Metal Working										
American Axle & Manufacturing	NYSE:AXL	$8.81	87.1%	$3,274.0	$6,107.8	$676.5	10.8%	0.5x	5.1x	4.8x
BorgWarner	NYSE:BWA	35.85	70.1	11,444.7	15,017.2	2,016.9	14.1	0.8	4.7	5.7
Dana	NYSE:DAN	14.61	74.0	4,586.8	10,854.3	872.5	7.2	0.4	6.0	5.3
Gestamp Automoción	BME:GEST	3.88	75.6	5,235.4	13,530.7	1,565.7	9.8	0.4	4.1	3.3
Linamar	TSX:LNR	48.48	81.2	3,731.8	8,022.1	1,118.5	12.8	0.5	4.2	3.3
Magna International	TSX:MG	59.28	85.3	21,865.8	43,987.2	4,059.3	8.4	0.5	6.2	5.4
Schaeffler	XTRA:SHA	6.18	75.8	7,754.5	18,107.5	2,415.6	12.1	0.4	3.7	3.2
Group Median			**75.8%**	**$5,235.4**	**$13,530.7**	**$1,565.7**	**10.8%**	**0.5x**	**4.7x**	**4.8x**
Group Mean			**78.4%**	**$8,270.4**	**$16,518.1**	**$1,817.8**	**10.7%**	**0.5x**	**4.9x**	**4.4x**
Automotive Plastics										
Adient	NYSE:ADNT	$36.36	76.5%	$5,206.8	$15,645.5	$998.6	5.0%	0.3x	6.7x	5.2x
Autoliv	NYSE:ALV	110.19	99.0	10,650.5	11,038.5	1,576.8	10.2	1.0	10.0	6.8
Compagnie Plastic Omnium	ENXTPA:POM	13.26	59.7	3,737.9	11,311.1	997.8	6.0	0.3	5.8	3.7
Forvia	ENXTPA:FRVIA	22.57	80.4	15,098.3	30,175.6	3,890.8	7.3	0.5	6.8	3.9
Lear	NYSE:LEA	141.21	89.4	10,139.1	23,905.5	1,858.8	7.1	0.4	6.2	5.5
Samvardhana Motherson	BSE:517334	1.23	98.6	10,449.3	12,743.2	1,139.7	8.1	0.8	12.1	9.2
Group Median			**84.9%**	**$10,294.2**	**$14,194.4**	**$1,358.3**	**7.2%**	**0.5x**	**6.8x**	**5.3x**
Group Mean			**83.9%**	**$9,213.7**	**$17,469.9**	**$1,743.7**	**7.3%**	**0.6x**	**7.9x**	**5.7x**
Technology Enablers										
Aptiv	NYSE:APTV	$89.72	71.8%	$30,327.4	$21,151.8	$3,124.0	13.5%	1.4x	11.4x	9.7x
Continental	XTRA:CON	85.02	97.1	23,730.4	46,236.6	5,369.8	12.3	0.5	4.4	4.4
DENSO	TSE:6902	15.09	81.4	46,200.4	49,547.8	7,082.9	12.4	0.9	8.1	6.5
HELLA	XTRA:HLE	91.19	98.0	10,566.3	9,039.4	1,276.1	8.2	1.2	17.5	8.3
Methode Electronics	NYSE:MEI	22.73	44.2	1,019.8	1,138.3	111.8	9.6	0.9	9.2	9.1
Stoneridge	NYSE:SRI	19.57	78.8	688.3	978.8	62.2	5.2	0.7	13.7	11.1
Valeo	ENXTPA:FR	15.38	62.6	9,472.0	24,598.8	3,010.1	8.3	0.4	4.8	3.1
Visteon	NasdaqGS:VC	124.90	72.8	3,418.4	4,185.8	468.6	9.4	0.8	9.1	7.3
Group Median			**75.8%**	**$10,019.2**	**$15,095.6**	**$2,143.1**	**9.5%**	**0.9x**	**9.1x**	**7.8x**
Group Mean			**75.8%**	**$15,677.9**	**$19,609.7**	**$2,563.2**	**9.8%**	**0.9x**	**9.8x**	**7.4x**
Overall Median			**78.8%**	**$9,472.0**	**$13,530.7**	**$1,565.7**	**9.4%**	**0.5x**	**6.2x**	**5.4x**
Overall Mean			**79.0%**	**$11,361.8**	**$17,967.8**	**$2,080.6**	**9.4%**	**0.7x**	**7.6x**	**5.9x**

Note: EV/EBITDA multiples greater than 35.0x excluded from median and mean figures; LTM EBITDA excludes extraordinary items;
Source: S&P Capital IQ

Automotive Public Comps (cont.)

Dealers & Aftermarket

($ in millions, except share data)		Market Data			NTM Financial Performance Data			Valuation Multiples		
		Share Price		Ent.			EBITDA	EV / Rev	EV / EBITDA	
Company Name	Ticker	12/31/23	% 52 High	Value	Revenue	EBITDA	Margin	NTM	LTM	NTM
Aftermarket Parts & Repair										
Advance Auto Parts	NYSE:AAP	$61.03	38.6%	$5,075.5	$11,416.0	$603.6	6.1%	0.4x	7.3x	8.4x
AutoZone	NYSE:AZO	2,585.61	94.0	54,291.3	18,968.1	4,439.9	23.3	2.9	13.2	12.2
Genuine Parts	NYSE:GPC	138.50	76.4	22,109.8	23,808.7	2,257.5	8.9	0.9	10.8	9.8
LKQ	NasdaqGS:LKQ	47.79	80.5	16,763.5	15,090.5	1,866.1	12.9	1.1	9.7	9.0
Monro	NasdaqGS:MNRO	29.34	52.7	1,291.5	1,316.3	167.3	11.3	1.0	9.0	7.7
O'Reilly Automotive	NasdaqGS:ORLY	950.08	94.4	61,647.8	16,529.5	3,809.8	22.7	3.7	17.3	16.2
Group Median			**78.4%**	**$19,436.6**	**$15,810.0**	**$2,061.8**	**12.1%**	**1.0x**	**10.3x**	**9.4x**
Group Mean			**72.8%**	**$26,863.2**	**$14,521.5**	**$2,190.7**	**14.2%**	**1.7x**	**11.2x**	**10.6x**
Automotive Dealers										
Asbury Automotive Group	NYSE:ABG	$224.97	87.7%	$7,892.5	$17,138.5	$1,179.7	8.1%	0.5x	6.6x	6.7x
AutoNation	NYSE:AN	150.18	82.5	13,334.8	27,270.8	1,896.4	7.1	0.5	6.9	7.0
CarMax	NYSE:KMX	76.74	87.7	30,666.6	27,149.9	1,053.0	3.6	1.1	nmf	nmf
Carvana	NYSE:CVNA	52.94	84.6	10,510.5	11,029.0	359.4	(1.4)	1.0	nmf	nmf
Group 1 Automotive	NYSE:GPI	304.74	98.3	7,391.5	18,404.8	947.4	6.4	0.4	6.6	7.8
Lithia Motors	NYSE:LAD	329.28	99.2	18,660.3	34,900.0	1,864.2	6.4	0.5	9.6	10.0
Penske Automotive Group	NYSE:PAG	160.51	88.8	15,453.7	30,291.2	1,669.5	5.3	0.5	9.9	9.3
Sonic Automotive	NYSE:SAH	56.21	90.3	4,925.6	14,421.2	619.9	4.8	0.3	7.1	7.9
Group Median			**88.3%**	**$11,922.7**	**$22,777.4**	**$1,116.3**	**5.9%**	**0.5x**	**7.0x**	**7.9x**
Group Mean			**89.9%**	**$13,604.4**	**$22,575.7**	**$1,198.7**	**5.1%**	**0.6x**	**7.8x**	**8.1x**
Overall Median			**87.7%**	**$14,394.3**	**$17,771.7**	**$1,424.6**	**6.8%**	**0.7x**	**9.3x**	**8.7x**
Overall Mean			**82.5%**	**$19,286.8**	**$19,123.9**	**$1,623.8**	**9.0%**	**1.1x**	**9.5x**	**9.3x**

Note: EV/EBITDA multiples greater than 35.0x excluded from median and mean figures; LTM EBITDA excludes extraordinary items;
Source: S&P Capital IQ

Recent Stout Automotive Transactions

WAYNE MANUFACTURING

Stout served as the exclusive sell-side financial advisor to North River Capital and Wayne Manufacturing in connection with its sale to Hoffmann Family of Companies. Hoffmann is a multi-vertical, family-owned company consisting of over 115 national brands, with businesses located in 30 countries and 250 locations around the world.

Wayne Manufacturing produces over 130 products for the automotive and consumer product industries, utilizing the latest technologies in 3D tool design, simulation, tool build, weld monitoring, automation, and quality standards.

a portfolio company of

has been acquired by

SELL-SIDE ADVISOR

HEMATITE

Stout served as the exclusive sell-side financial advisor to Woodbridge Foam Corporation in connection with its sale of two manufacturing facilities, Hematite, to Angstrom Automotive Group.

Woodbridge acquired Hematite in December 2020 out of Canadian bankruptcy. Woodbridge decided to exit its investment in Hematite to focus on more core product lines.

Angstrom offers a diversified product portfolio with integrated manufacturing capabilities processing components in metals, resins, and electrical.

HEMATITE
A RENEW WAY OF THINKING.

a subsidiary of

WOODBRIDGE

has been acquired by

ANGSTROM

SELL-SIDE ADVISOR

RANE LIGHT METAL CASTINGS

Stout served as the exclusive sell-side financial advisor to Rane Group in connection with its sale of Rane Light Metal Castings (LMC) to VMINT. VMINT is a private investment firm managed by one of the founding partners of Big Shoulders Capital.

LMC is a supplier of high-strength, lightweight aluminum cast components to leading U.S.-based manufacturers in automotive and other end markets. LMC is a critical supplier of auto components to Tier 1 suppliers on flagship vehicle programs and aluminum cast components for industrial applications.

Rane Light Metal Castings

a subsidiary of

Rane
Expanding Horizons

has been acquired by

VMINT

SELL-SIDE ADVISOR

FISHER DYNAMICS

Stout served as the exclusive financial advisor to Fisher Dynamics on a debt facility refinancing including an asset-based revolving credit facility and senior secured term loans.

Stout managed the refinancing process during the UAW strike and successfully closed the transaction as industry uncertainty was escalating.

Fisher Dynamics is a vertically integrated supplier of engineered seating structures and safety mechanisms serving major automotive OEMs and premier Tier 1 suppliers worldwide.

FISHER DYNAMICS

completed a refinancing with a syndicate consisting of

J.P.Morgan

GREAT ROCK CAPITAL

FGI

Wingspire EQUIPMENT FINANCE

FINANCIAL ADVISOR

Stout IB Auto & Transportation Components

ABOUT

For more than 30 years, Stout has exclusively focused on serving the unique M&A transaction advisory needs of middle-market clients. Our firm is a trusted advisor to leading organizations due to our deep industry knowledge, senior-level attention, process expertise, and relentless focus on delivering unparalleled results.

The Stout Automotive & Transportation Components team leverages deep advisory experience and dedicated coverage and expertise across numerous industry subsectors, processes, and end markets.

FOCUS AREAS

Diverse Industry Participants

- Automotive
- Offroad
- Heavy Truck
- Agriculture
- Construction
- Dealers
- Aftermarket

Subsector Coverage

- Tires
- Plastics
- Tool & Die
- Machining
- Casting
- Stamping
- Forging
- Rubber and NVH

SELECT STOUT TRANSACTIONS

Fisher Dynamics completed a refinancing with a syndicate consisting of J.P.Morgan, Great Rock Capital, TGI, Wingspire — FINANCIAL ADVISOR	Rane Light Metal Castings a subsidiary of Rane has been acquired by VMINT — SELL-SIDE ADVISOR	a portfolio company of has been acquired by — SELL-SIDE ADVISOR	NAP The Bodyman's First Choice has been acquired by Palladium — SELL-SIDE ADVISOR	TCI Tire Group International, LLC a portfolio company of TRP Capital Partners — SELL-SIDE ADVISOR	DAYCO has been acquired by Hidden Harbor Capital Partners — BUY-SIDE ADVISOR
TITAN (Titan Australia Pty Ltd.) has been acquired by OTR Tyres — SELL-SIDE ADVISOR	TIRE RACK .com has been acquired by DISCOUNT TIRE — SELL-SIDE ADVISOR	EMPIRE AUTO PARTS has been acquired by Sentinel Capital Partners — SELL-SIDE ADVISOR	Painters Supply & Equipment Co. has been acquired by Odyssey — SELL-SIDE ADVISOR	BIG 3 Precision Products TVV Capital has been acquired by The Eastern Company — SELL-SIDE ADVISOR	fifteen52 a portfolio company of ROCKPOOL.. has been acquired by Weeber Dynamics — SELL-SIDE ADVISOR

FOR MORE INFORMATION

Michael Benson
Managing Director
mbenson@stout.com
248.432.1229

Steven Rathbone
Managing Director
srathbone@stout.com
646.810.4366

David Hale
Director
dhale@stout.com
248.432.1316

Zach Ryan
Senior Vice President
zryan@stout.com
312.752.3362

Johnathan Lekosiotis
Associate
jlekosiotis@stout.com
312.752.3300

Paul Graham
Associate
pgraham@stout.com
312.752.3347

Jared Nii
Analyst
jnii@stout.com
646.807.4237

Note: Transaction experience may include work by Stout professionals while at prior firms

ABOUT STOUT INVESTMENT BANKING

Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents. Learn more about our **Investment Banking services**.