

# SECTOR OUTLOOK REMAINS ROBUST AS M&A ACTIVITY CONTINUES AT HEALTHY LEVELS

AUTOMOTIVE AFTERMARKET SECTOR UPDATE | OCTOBER 2023



**CAPSTONE  
PARTNERS**

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# Automotive Aftermarket

## Sector Outlook Remains Robust as M&A Activity Continues at Healthy Levels

### KEY SECTOR TAKEAWAYS

Capstone Partners' Consumer Investment Banking Group is pleased to share its Automotive Aftermarket report. An aging car parc has continued to drive elevated demand for aftermarket services, with the nondiscretionary nature of automotive repair and maintenance providing insulation to the sector from broader macroeconomic headwinds. Several key report takeaways are outlined below.

1. Despite the uncertain economic environment, driven predominantly by higher interest rates and lower consumer sentiment, core fundamentals of the Aftermarket (miles traveled, average age, car parc) have remained strong and are forecasted to grow.
2. The proven recession resiliency and fragmented nature of the Aftermarket have continued to make the sector a hotbed of investor activity with over 200 deals closed year-to-date (YTD) and a strong Q4 expected. Well capitalized buyers have continued to pursue high-quality businesses.
3. Private equity firms have actively deployed capital to the space for add-ons or to establish new platforms in select markets.
4. Strategic buyers have continued to pursue target companies that offer operational synergies, complementary product or service offerings, or geographic expansion. However, they are being more selective about where they pay premium valuations amid higher interest rates.
5. Acquirers are spending more time and energy in Aftermarket Nondiscretionary Services and Replacement and Parts Supply/Distribution subsectors.

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## HEALTHY SECTOR FUNDAMENTALS CONTINUE TO DRIVE GROWTH

An aging U.S. car parc, growing miles traveled, and increased vehicle complexity have underpinned robust demand across many Automotive Aftermarket subsectors. Higher borrowing costs and vehicle prices have discouraged many consumers from purchasing a new vehicle, contributing to record forecasts for the average vehicle age to reach 12.3 years in 2023, according to Hedges & Company.<sup>1</sup> Older cars on the road have inherently led to greater demand for nondiscretionary aftermarket replacement parts and services. Notably, light vehicles over 10 years old are expected to account for 42.5% of aftermarket parts and services spend, significantly higher than the 24.8% share for cars under five years old, according to MEMA Aftermarket Suppliers.<sup>2</sup> Healthy underlying sector fundamentals have fueled expectations for the total Automotive Aftermarket to reach \$497.4 billion in 2023, a 5% year-over-year (YOY) improvement, according to Auto Care.<sup>3</sup>

The increase in vehicle miles traveled in recent years has also contributed toward greater demand for aftermarket services. Through June 2023, the moving 12-month total vehicle miles traveled amounted to 3.2 trillion, a slight YOY uptick, according to the U.S. Federal Highway Administration.<sup>4</sup> This has coincided with a continued expansion in the U.S. car parc, which increased to 284.3 million in 2022. In addition, as vehicles have become more technologically advanced, the trend towards do-it-for-me (DIFM) has continued to accelerate—providing an additional tailwind for many Automotive Aftermarket subsectors.

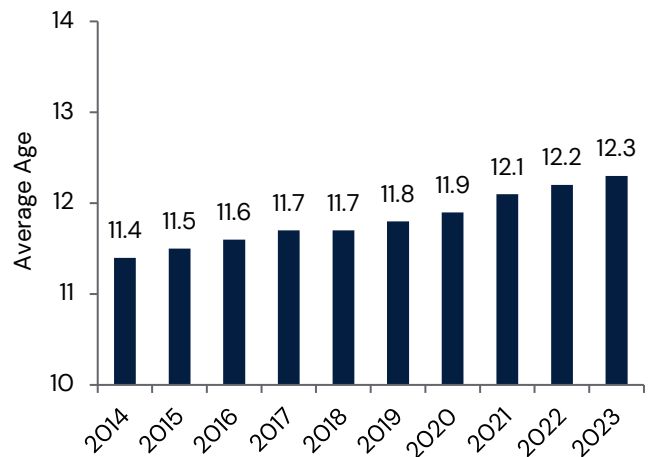
The essential nature of aftermarket services, including tire retail, brake repair, and glass replacement, has created healthy revenue visibility for sector players and has insulated the space from broader macroeconomic headwinds. Notably, leading aftermarket service providers Boyd Group Services (TSX:BYD) and Driven Brands (Nasdaq:DRVN) recorded YOY sales increases of 23% and 19%, respectively, according to their Q2 earnings releases.<sup>5,6</sup> Inorganic growth and consolidation have been key strategies for the sector, evidenced by Boyd Group Services adding 57 collision repair centers in the first half of 2023. Amid a tight labor market, acquisitions have proven to be an efficient means to add capacity and talent.



**Yogesh Punjabi, Managing Director**

*“In 2023, there was largely a shift in Aftermarket M&A away from highly discretionary and enthusiast businesses toward more nondiscretionary services (general repair, collision, glass) and replacement part suppliers and distributors. We expect this trend to continue into 2024 given the highly-fragmented market, but cautiously anticipate enthusiast-oriented M&A to restart once rates stabilize and consumer sentiment improves.”*

**Average Vehicle Age Reaches Record High**



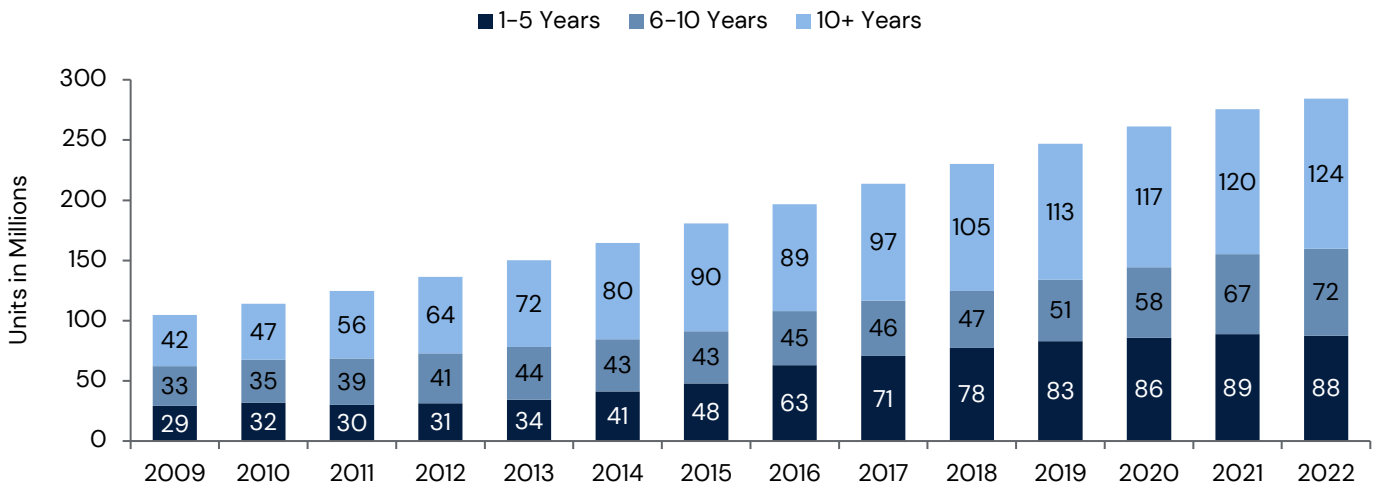
Source: MEMA Aftermarket Suppliers and Capstone Partners

Moving through the second half of the year and into 2024, demand for automotive aftermarket services and replacement parts is expected to remain healthy. The shift to more nondiscretionary services is likely to remain even while economic forecasts remain uncertain. The strength of the Automotive Aftermarket can also be underscored by the ample M&A appetite for quality targets by financial and strategic buyers. Despite an elevated cost of borrowing, private equity firms have been keen to deploy capital to establish new platforms or add onto existing portfolio companies. The overall M&A market remains tepid, however, high-quality aftermarket service providers have continued to garner substantial acquirer interest.

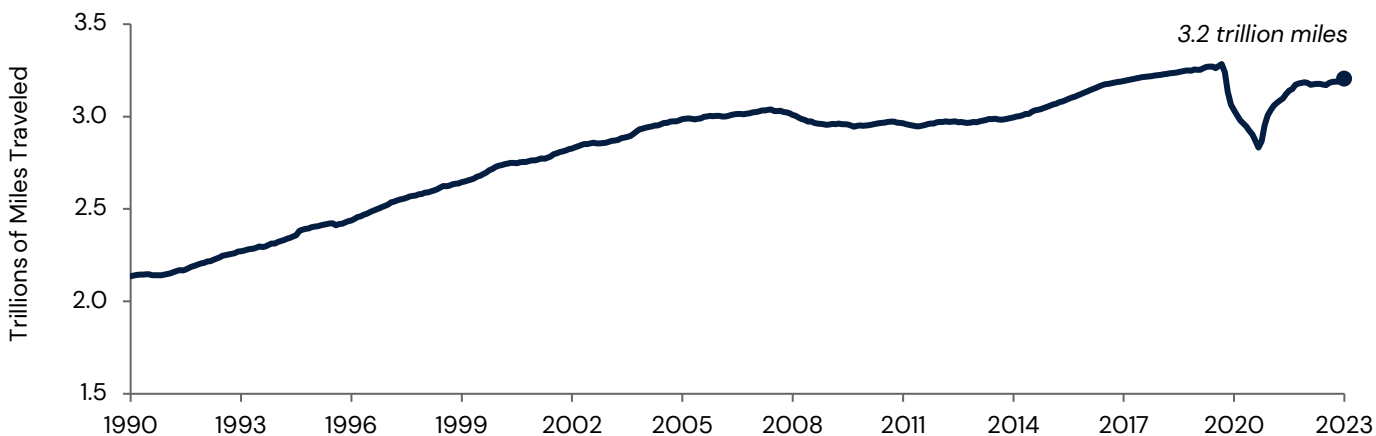
## MARKET SIGNALS

1. Elevated interest rates and car prices have encouraged many consumers to delay new car purchases, contributing to the aging of existing vehicles on the road. As vehicles become more complex, professional services, rather than do-it-yourself (DIY) projects, are likely to comprise an increasing share of aftermarket spend.
2. An aging car parc has driven increasing demand for aftermarket services through YTD 2023 as the average age of cars on the road has ticked upwards to a record 12.3 years. In addition, the sector has been witnessing an expanding aftermarket “sweet spot” (vehicles aged 6–10 years), which has benefited replacement parts and services demand.
3. Total vehicle miles traveled has continued to record incremental increases in recent years, rising to over 3.2 trillion miles through June 2023.

### Historical U.S. Car Parc



### Total Vehicle Miles Traveled



Source: MEMA Aftermarket Suppliers, St. Louis Fed, U.S. Federal Highway Administration, and Capstone Partners

## PRIVATE EQUITY CONTINUES TO DEPLOY CAPITAL IN THE AFTERMARKET

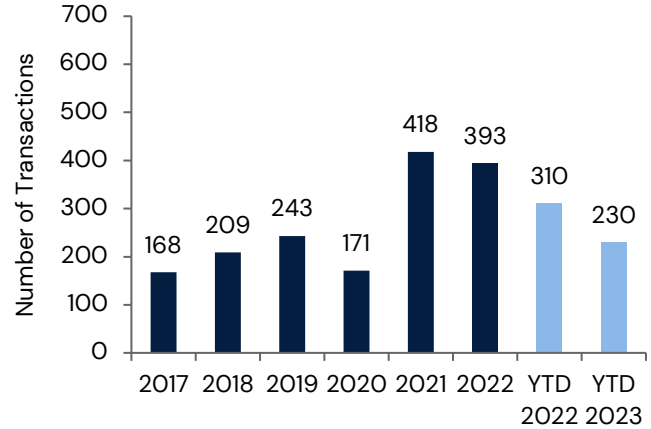
M&A volume in the Automotive Aftermarket sector has moderated from the heightened levels in the prior year, declining to 230 transactions through YTD October 2023 from 310 deals in YTD October 2022. However, sector deal volume is expected to accelerate in the coming quarters and through 2024 as broader M&A markets emerge from a relative trough in dealmaking. While high quality retailers, distributors, and parts suppliers have captured healthy buyer appetite, targets in the Services segment have witnessed significant strategic and private equity interest. As supply chains have normalized and demand has remained robust, prospective sellers with recurring revenue, a sticky customer base, and defensible gross margins are poised to generate the greatest buyer attention.

Strategic buyers have comprised the majority of transaction volume through YTD 2023, accounting for 55.7% of total transactions. Gaining economies of scale, growing market share, enhancing capabilities, and diversifying existing offerings have served as key motivations for consolidation activity. Strategic buyers have also demonstrated a willingness to pay premium multiples for targets that offer significant potential synergies, entry into new markets, or provide a strategic fit within the buyer’s current suite of services or products. Notably, LKQ (Nasdaq:LKQ) acquired Uni-Select for an enterprise value of \$2.1 billion, equivalent to 1.2x EV/Revenue and 13.6x EV/EBITDA (February). Uni-Select is a leading distributor of automotive replacement parts, accessories, tools and equipment, paint, and collision repair products.

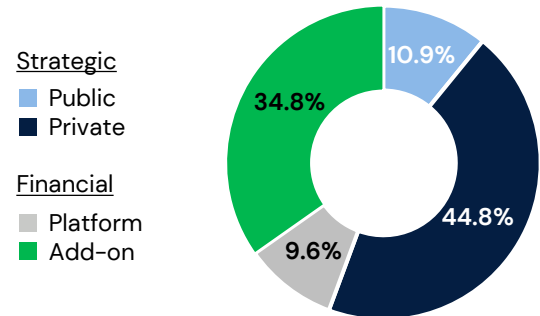
Private equity has continued to actively pursue platform and add-on investments in the Automotive Aftermarket, with financial buyers comprising 44.3% of YTD transactions. Despite the elevated cost of capital and a tightened lending environment, sponsors have aggressively established platforms in the space to gain greater sector exposure (see page nine). O2 Investment Partners recently formed a new automotive service platform, Straightaway Tire & Auto, through its investment and partnership with All County Automotive, Auto Care Plus, EAS Tire & Auto, Victory Automotive Service, and Village Autoworks (July, undisclosed). Sponsors have also sought to execute extensive buy-and-build campaigns for existing portfolio holdings. This has been evidenced by a series of acquisitions in recent years by Mavis Tire Express, which is backed by BayPine, TSG Consumer Partners, Golden Gate Capital, and Neuberger Berman Alternatives. In May, Mavis acquired 392 NTB Tire and Service Centers and 203 Tire Kingdom Service Centers (terms undisclosed).

While private equity buyer activity remains robust, sponsors have increasingly focused on performing diligence on revenue and demand drivers of potential targets. Effectively passing on costs to consumers has been a staple of the inflationary environment, but as pricing pressure mitigates, acquirers have preferred to see healthy unit growth significantly contributing to sales—demonstrating strong demand. Sponsors are expected to remain active acquirers, with premium valuations being paid for high-quality brands and platform-ready businesses.

**Automotive Aftermarket M&A Volume Remains Robust**

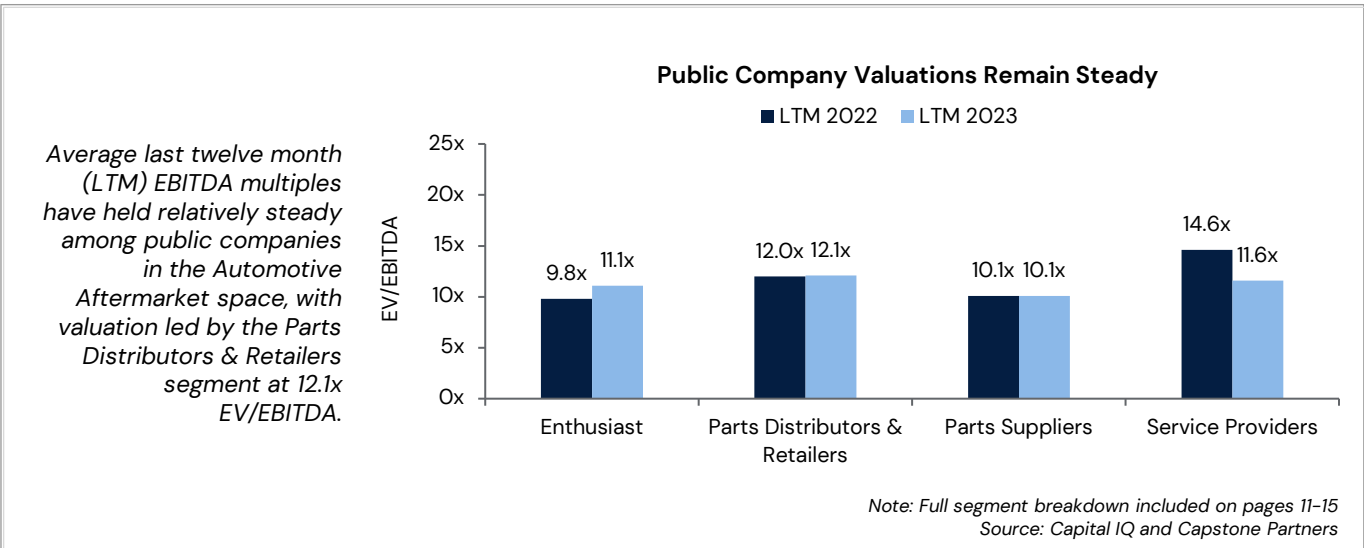
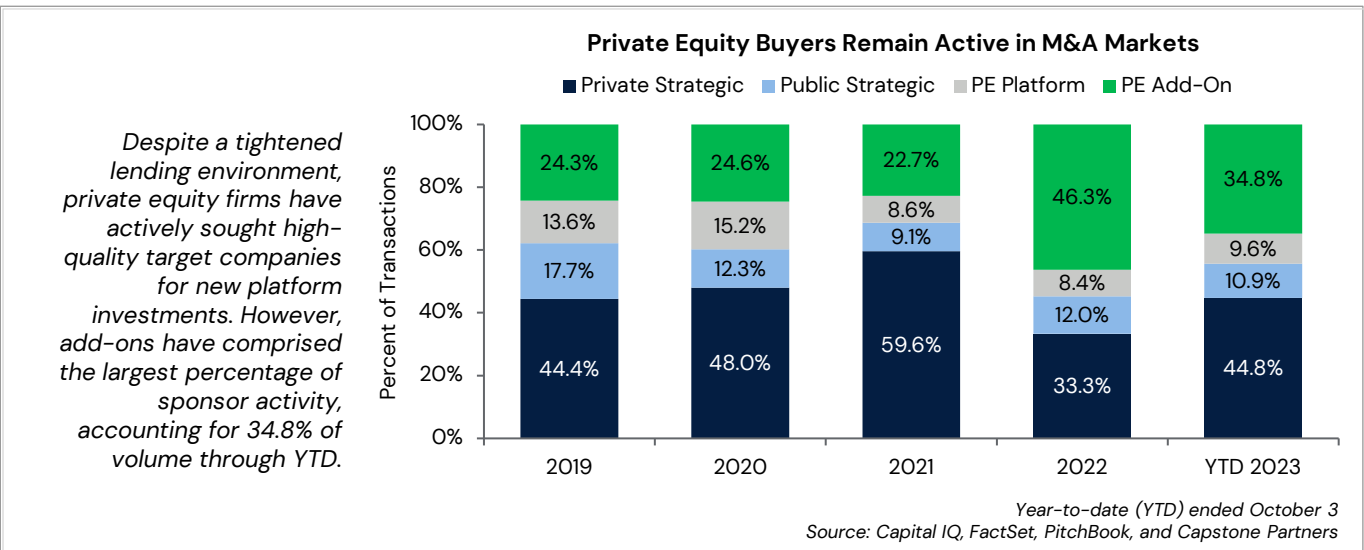
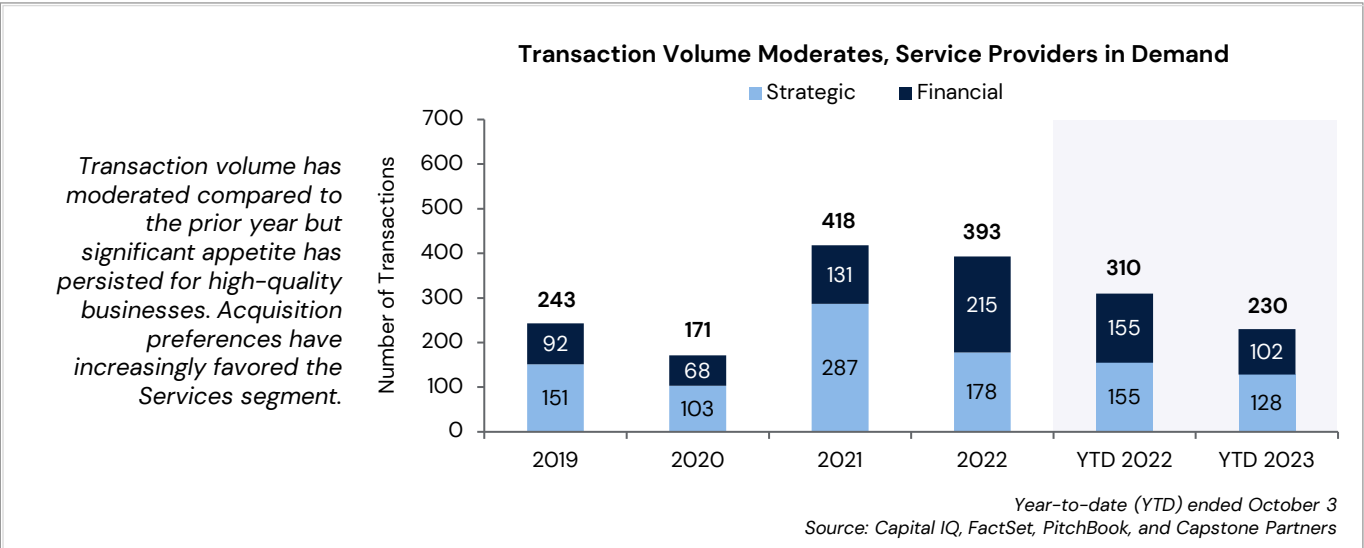


**Private Equity Remain Active Acquirers in YTD 2023**



Year-to-date (YTD) ended October 3  
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners


## M&A DATA AND PUBLIC COMPANY VALUATIONS





## SELECT NEW PLATFORMS ESTABLISHED IN AFTERMARKET SPACE

While overall private equity dealmaking has slowed across the middle market through Q2, sponsors have continued to actively deploy capital into the Automotive Aftermarket. The recession resilience, defensibility of cash flows, and revenue visibility of the space have made it a favorite among financial buyers. A selection of recently established private equity platform investments are outlined below.

Sponsors Actively Establish Sector Platforms, Despite Broader M&A Headwinds	
Select Sponsors & Platforms	Platform Overview
 	<p>Kian Capital has acquired a leading Meineke Car Care Center franchisee to establish its new platform, PARC Auto (August 2023). PARC Auto comprises 15 Meineke automotive care centers in the Louisville, Kentucky metropolitan area. It provides services including repair and maintenance, tire replacement, and brake repair.</p>
  	<p>O2 Investment Partners has invested in and partnered with All County Automotive, Auto Care Plus, EAS Tire &amp; Auto, Victory Automotive Service, and Village Autoworks to form Straightaway Tire &amp; Auto (July 2023). The platform offers full-service automotive aftermarket solutions including mechanical and electrical repair.</p>
 	<p>Kinderhook has acquired Continental Auto Parts (CAP), a leading distributor of aftermarket collision automotive parts to multi-shop operators and independent collision shops (July 2023). CAP represents Kinderhook's 29<sup>th</sup> automotive/light manufacturing platform since inception, according to a press release.<sup>7</sup></p>
 <p><b>PALLADIUM</b> Collision Auto Parts</p>	<p>Palladium has established a new platform, Collision Auto Parts, through the acquisitions of National Auto Parts, USA, NAP San Diego, and National Auto Parts-Oakland (July 2023). Palladium plans to leverage inorganic growth to expand the companies' presence and offerings as a leading value-added collision repair parts distributor.</p>
 	<p>Gauge Capital has invested in automotive aftermarket transmission remanufacturer, ETE REMAN (May 2023). ETE specializes in nondiscretionary automotive repair and replacement. The partnership with Gauge is expected to further bolster ETE's remanufacturing and product development capabilities and accelerate its growth.</p>
 	<p>Kinderhook has recapitalized AWI Holdings (Auto-Wares) in partnership with management and subsequently acquired Lafayette Warehouse (March 2023). Auto-Wares is a leading automotive parts distributor, offering products to installers, parts stores, and consumers through its company-owned stores.</p>
 	<p>Garnett Station Partners has invested in Apex Automotive (January 2023), a general automotive repair platform with over 30 locations, offering services addressing driveshaft repair, brakes, engine diagnostics, and other car maintenance. Apex is focused on the Southwest and Midwest U.S.</p>

Source: Capstone Partners

## NOTABLE TRANSACTIONS



Discount Tire acquired Dunn Tire, a tire dealer and repair platform with 25 locations in New York and Pennsylvania. Dunn Tire offers a diverse set of tire brands and a variety of services including alignments, lube and oil services, front-end repairs, state vehicle inspections, brakes, and other types of repairs. Discount Tire is the largest family-owned tire retail business in the U.S. with more than 1,150 stores, according to a press release.<sup>8</sup> The acquisition represents Discount's first add-on with service capabilities, as it looks to bolster its offering and market share in the Northeast.



RealTruck acquired Go Rhino, a leading developer and manufacturer of premium products for truck, Jeep, and SUV owners (August, undisclosed). Go Rhino's product portfolio spans truck bed covers, truck bed liners, steps, floor liners, fender flares, vent visors, and cargo management. RealTruck is a leading provider of truck, Jeep, and off-road parts and accessories with over 35 locations across North America. The acquisition bolsters RealTruck's automotive aftermarket accessories and Enthusiast category product offerings.



Kian Capital Partners acquired a premier Meineke Car Care Center franchisee to establish its new PARC Auto platform (August). Terms of the transaction were not disclosed. PARC Auto currently owns and operates 15 locations offering general automotive repair and maintenance services. "We are excited to launch the PARC Auto platform, furthering Kian's experience in the Automotive space alongside Kian portfolio companies T Sportline, Eastwood and Driven Lighting Group," said Kian Principal Caldwell Zimmerman in a press release.<sup>9</sup>



Kingswood Capital-backed Turbo Wholesale Tires acquired Tire Wholesalers, a wholesale distributor of third-party branded tires, for an undisclosed sum (June). Founded in 1970, Tire Wholesalers is among the largest tire distributors in the Midwest, operating across five locations. Turbo Wholesale Tires is a leading designer, supplier, and wholesaler of proprietary and third-party branded tires. The acquisition highlights the robust private equity appetite for quality add-ons to sector portfolio companies to achieve scale, geographic penetration, and complementary offerings.



Stellex Capital-backed Fenix parts acquired Fox Auto Parts, a full-service and self-service automotive recycler and auto repair facility (June, undisclosed). The acquisition marks the largest purchase by Fenix since it was acquired by Stellex Capital in 2018, according to a press release.<sup>10</sup> Founded in 2014, Fenix is a recycler and reseller of OEM automotive products, primarily focusing on auto recycling. The addition of Fox Auto bolsters Fenix's presence in Michigan and enhances its production and distribution capacity; increasing its presence to 23 full-service and five self-service company locations.



Mavis Tire Express Services acquired the retail portfolio of TBC Corporation, inclusive of 392 NTB Tire and Service Centers and 203 Tire Kingdom Service Centers (May). Terms of the transaction were not disclosed. The divestiture by TBC allows it to focus on its wholesale business and grow its distribution services. Mavis and TBC also entered a distribution agreement which TBC will provide wholesale and tire distribution for Mavis retail locations. The acquisition expands Mavis' retail presence to approximately 2,000 locations and bolsters its footprint in the Midwest, mid-Atlantic, and Texas.



## SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)
10/02/23	Dunn Tire	Discount Tire	Provides tire sales, alignments, and tire-related services.	-
09/15/23	Elite Auto Body	Classic Collision	Offers automotive repair services.	-
09/13/23	Snappy Lube	Strickland Brothers	Consists of 24 Snappy Lube locations across North Carolina.	-
09/12/23	Bill Knight Collision	OpenRoad Collision	Provides collision repair services through six locations in Tulsa and Stillwater, Oklahoma.	-
09/01/23	Francis & Sons Car Wash	Cobblestone Auto Spa	Offers car wash and repair services for all vehicle types.	-
08/30/23	A&B Paint Supply	Colours	Distributes paints to the Automotive, Residential, and Architectural sectors.	-
08/29/23	Knowles On Site Repair	FleetPride	Provides repair and maintenance including mobile services and tire services.	-
08/23/23	Sav On Supplies	Wesco Group	Distributes paint and related equipment for markets including Automotive Refinish and Industrial.	-
08/22/23	Go Rhino	RealTruck	Manufactures and distributes automotive aftermarket accessories including side steps and truck racks.	-
08/22/23	Barron Motor Supply	Arnold Motor Supply	Distributes automotive parts through a network of 12 eastern Iowa locations.	-
08/17/23	PARC Auto	Kian Capital	Offers general automotive repair and maintenance services including brake repair and tire replacement.	-
08/15/23	Integrity Fleet Services	FleetPride	Provides commercial truck and trailer fleet maintenance and repair services.	-
08/14/23	Tucker Powersports	Turn 14 Distribution	Distributes motorcycle and all terrain vehicle parts, accessories, and apparel.	-
08/09/23	Corcoran's Mobile Services	Cox Automotive	Offers fleet maintenance and management solutions including mobile on-site and heavy duty services.	-
08/08/23	Dieter's Metal Fabricating	High Bar Brands	Designs and manufactures stainless steel truck accessories including front grilles and body trim panels.	-
08/01/23	Whatever It Takes Repair	TruckPro	Distributes automobile parts including heavy duty truck and trailer parts.	-
07/25/23	Magnolia Wash Holdings	Oaktree Capital Management	Operates a chain of car wash centers offering vacuum, mat and foam washing, detailing, and other services.	-
07/20/23	Cardone Industries	First Brands	Offers automotive parts remanufacturing.	-
07/19/23	City Garage	Brakes Plus	Provides automotive services in the Dallas-Forth Worth metro area.	-
07/17/23	Hydraulex International	BBB Industries	Remanufactures and distributes aftermarket and OEM hydraulic parts and components.	-
07/14/23	Seidel Diesel	M&D Distributors	Provides mechanical products and parts for diesel cars including pumps and injectors.	-
07/12/23	Straightaway Tire & Auto	O2 Investment Partners	Offers a full-service automotive repair and services platform.	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners





## SELECT TRANSACTIONS (CONTINUED)

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)
07/11/23	Fastco Canada	Groupe Touchette	Manufactures and distributes alloy and steel wheels and accessories.	-
07/05/23	Headlights Depot	Original One Parts	Provides new aftermarket automotive lights to collision shops and direct-to-consumer.	-
07/05/23	Collision Auto Parts	Palladium Equity Partners	Distributes auto body and cooling parts for commercial and personal vehicles.	-
06/29/23	B&R Auto	Highview Capital	Provides high-quality recycled parts to automotive collision and repair centers and DIY customers.	-
06/30/23	Continental Auto Parts	Kinderhook	Distributes aftermarket collision automotive parts to multi-shop operators and independent collision shops.	-
06/20/23	Southern Palms Car Wash	El Car Wash	Provides car washing services including ceramic coating, foam wash, and dry washing.	-
06/15/23	Truck Glass Division of Duncan Systems	PGW Auto Glass	Offers truck glass distribution services.	-
06/15/23	Nwestco	Guardian Capital Partners	Provides fuel and car wash equipment, maintenance, compliance, and installation services.	-
06/13/23	Jobbers Automotive	DealerShop	Supplies auto parts, janitorial supplies, equipment, bulk oil, and WeatherTech products.	-
06/13/23	Advanced Auto Glass	Safelite Group	Comprises the auto glass assets of Advanced Auto Glass.	-
06/08/23	Flatline Van	Horsepower Automotive	Manufactures roof racks, ladders, interior parts, and bed systems for Sprinter and transit adventure vans.	-
06/08/23	Competition Specialties	Banyan Technologies	Provides wholesale distribution of high performance parts and off-road accessories.	-
06/05/23	Fox Auto	Fenix Parts	Provides a full-service and self-service automotive recycling and auto repair facility.	-
06/05/23	Tire Wholesalers	Turbo Wholesale Tires	Distributes third-party branded tires.	-
05/22/23	Tire Kingdom and NTB locations	Mavis Tire Express	Comprises the retail portfolio of TBC including 392 NTB Tire and Service Centers and 203 Tire Kingdom Centers.	-
05/02/23	Matuszko Trailer Repair	TruckPro	Offers heavy duty and light duty truck and trailer repair services.	-
04/19/23	Turbo Diesel & Electrical	M&D Distributors	Distributes electrical and diesel parts for heavy duty machinery and vehicles.	-
03/08/23	Auto-Wares	Kinderhook	Provides automotive aftermarket parts to independent service centers and DTC.	-
02/27/23	Uni-Select	LKQ (Nasdaq:LKQ)	Distributes automotive refinish, industrial coatings, and related products.	\$2,130.8
02/21/23	Custom Wheel House	FOX Factory	Designs, markets, and distributes branded automotive aftermarket wheels and performance tires.	\$131.6
01/03/23	Horizon Global	First Brands	Manufactures, designs, and distributes towing, trailering, and cargo management products.	\$400.6
12/22/22	True Blue Car Wash	Alimentation Couche-Tard Inc. (TSX:ATD)	Provides car washing services including presoak, spot free rinse, high speed dryer, and tire shine.	\$298.8

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



## PUBLIC COMPANY DATA

### ENTHUSIAST

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	10/06/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Fox Factory Holding Corp.	\$94.16	73.8%	\$3,989.3	\$4,277.5	\$1,618.4	\$304.6	18.8%	2.6x	14.0x
Holley Inc.	\$4.74	58.8%	\$555.8	\$1,178.7	\$656.4	\$92.0	14.0%	1.8x	12.8x
Polaris Inc.	\$97.16	70.2%	\$5,507.9	\$7,345.8	\$9,205.2	\$1,151.3	12.5%	0.8x	6.4x
<b>Mean</b>							<b>15.1%</b>	<b>1.7x</b>	<b>11.1x</b>
<b>Median</b>							<b>14.0%</b>	<b>1.8x</b>	<b>12.8x</b>
<b>Harmonic Mean</b>							<b>14.7%</b>	<b>1.4x</b>	<b>9.8x</b>

EV = enterprise value; LTM = last twelve months  
 \$ in millions, except per share data  
 NM = Not Meaningful

### PARTS DISTRIBUTORS & RETAILERS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	10/06/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Advance Auto Parts, Inc.	\$52.96	27.2%	\$3,128.7	\$7,447.7	\$11,218.7	\$1,605.6	14.3%	0.7x	4.6x
AutoZone, Inc.	\$2,521.68	91.7%	\$45,029.6	\$55,338.2	\$17,457.2	\$4,332.5	24.8%	3.2x	12.8x
CarParts.com, Inc.	\$3.94	53.0%	\$224.6	\$187.4	\$671.8	\$18.1	2.7%	0.3x	10.4x
Copart, Inc.	\$44.04	92.9%	\$42,161.9	\$39,918.4	\$3,869.5	\$1,665.9	43.1%	NM	24.0x
Genuine Parts Company	\$142.69	76.0%	\$20,039.1	\$23,789.9	\$22,879.0	\$2,421.4	10.6%	1.0x	9.8x
LKQ Corporation	\$49.18	82.8%	\$13,158.4	\$16,623.4	\$12,902.0	\$2,109.0	16.3%	1.3x	7.9x
O'Reilly Automotive, Inc.	\$900.80	92.3%	\$54,280.7	\$61,291.6	\$15,220.0	\$3,931.8	25.8%	NM	15.6x
PARTS ID, Inc.	\$0.15	7.5%	\$5.3	\$13.2	\$173.8	NM	NA	0.1x	NM
<b>Mean</b>							<b>19.7%</b>	<b>1.1x</b>	<b>12.1x</b>
<b>Median</b>							<b>16.3%</b>	<b>0.9x</b>	<b>10.4x</b>
<b>Harmonic Mean</b>							<b>10.0%</b>	<b>0.3x</b>	<b>9.7x</b>



## PUBLIC COMPANY DATA (CONTINUED)

### PARTS SUPPLIERS

Company	Price 10/06/23	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Axalta Coating Systems Ltd.	\$27.09	80.4%	\$6,005.9	\$9,099.8	\$5,053.2	\$841.7	16.7%	1.8x	10.8x
Dorman Products, Inc.	\$76.39	74.7%	\$2,405.4	\$3,117.8	\$1,862.1	\$228.9	12.3%	1.7x	13.6x
Motorcar Parts of America, Inc.	\$7.59	38.1%	\$148.7	\$436.0	\$678.8	\$53.7	7.9%	0.6x	8.1x
PPG Industries, Inc.	\$131.33	85.9%	\$30,929.9	\$37,481.9	\$17,905.0	\$2,886.5	16.1%	2.1x	13.0x
Snap-on Incorporated	\$257.90	86.8%	\$13,647.2	\$14,074.6	\$4,994.3	\$1,419.8	28.4%	2.8x	9.9x
Standard Motor Products, Inc.	\$33.20	78.3%	\$721.3	\$1,008.4	\$1,370.7	\$185.1	13.5%	0.7x	5.4x
XPEL, Inc.	\$74.46	85.1%	\$2,056.8	\$2,071.7	\$356.3	\$77.8	21.8%	NM	NM
<b>Mean</b>							<b>16.7%</b>	<b>1.6x</b>	<b>10.1x</b>
<b>Median</b>							<b>16.1%</b>	<b>1.7x</b>	<b>10.4x</b>
<b>Harmonic Mean</b>							<b>14.4%</b>	<b>1.2x</b>	<b>9.2x</b>

### SERVICE PROVIDERS

Company	Price 10/06/23	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
ACV Auctions Inc.	\$14.44	77.3%	\$2,321.3	\$1,935.7	\$447.2	NM	NA	NM	NM
Boyd Group Services Inc.	\$176.67	94.5%	\$3,793.5	\$4,761.8	\$2,730.9	\$315.3	11.5%	1.7x	15.1x
Driven Brands Holdings Inc.	\$11.62	35.2%	\$1,946.7	\$5,867.5	\$2,225.6	\$649.2	29.2%	2.6x	9.0x
Mister Car Wash, Inc.	\$5.29	47.5%	\$1,653.1	\$3,267.0	\$894.8	\$354.3	39.6%	3.7x	9.2x
Monro, Inc.	\$27.02	48.5%	\$848.9	\$1,447.3	\$1,302.8	\$191.3	14.7%	1.1x	7.6x
Valvoline Inc.	\$31.18	78.6%	\$4,323.5	\$5,468.3	\$1,388.9	\$316.0	22.7%	3.9x	17.3x
<b>Mean</b>							<b>23.5%</b>	<b>2.6x</b>	<b>11.6x</b>
<b>Median</b>							<b>22.7%</b>	<b>2.6x</b>	<b>9.2x</b>
<b>Harmonic Mean</b>							<b>19.4%</b>	<b>2.1x</b>	<b>10.5x</b>



## AUTOMOTIVE AFTERMARKET REPORT CONTRIBUTORS



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Yogesh is a Managing Director in Capstone Partners' Boston office and brings investment banking experience across mergers & acquisitions, financial advisory, and capital raising for private and public companies. Yogesh was selected by the Global M&A Network as Americas Rising Star Dealmaker and was recognized for his participation in the 2021 Corporate M&A Deal of the Year (Middle Markets) and the 2021 Recapitalization Deal of the Year (<\$50mm). Yogesh was also named an Emerging Leader by the M&A Advisor. Yogesh is a member of Capstone's Investment Banking Committee. Prior to joining Capstone, Yogesh was a Senior Vice President at Jefferies focused on transactions in the Automotive Aftermarket industry including for automotive parts manufacturers, suppliers, distributors, retailers, and service providers.

Prior to Jefferies, Yogesh was with BB&T Capital Markets where he worked with clients in the Retail & Consumer, Automotive Aftermarket, and Food & Beverage sectors, and with Financo where he focused on Retail & Consumer clients. Yogesh began his financial career at Bank of America Merrill Lynch after graduating with his Master of Business Administration from Georgetown University.



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James is a Vice President in Capstone Partners' Denver office, with over 6 years of experience executing M&A and capital markets transactions in the automotive aftermarket industry and others. Over the course of his career, James has participated as an advisor on M&A transactions with an aggregate value in excess of \$1 billion. He was also the winner of the 2020 M&A Advisor Cross Border Deal of the Year (<\$50mm), and a finalist for the 2022 M&A Advisor Deal of the Year.

Prior to joining Capstone, James served in the United States Air Force as an Air Traffic Controller with the 28th Bomb Wing. James began his financial career after graduating with his Master of Business Administration from the University of Denver where he was selected as a Daniels Scholar for his academic accomplishments.



### **Connor McLeod**

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Connor currently serves as Vice President of Market Intelligence at Capstone Partners. Connor provides M&A insights, capital markets analysis, and macroeconomic updates for C-suite middle market executives. He specializes in the coverage of the Consumer industry. Prior to joining the Market Intelligence Team at Capstone, Connor was a specialist with the Investor Services team at BlackRock. Connor holds a BA in Economics from Bates College. He is a Series 7 Registered Securities Representative and has passed levels I and II of the CFA program.

## RECENT FIRM TRACK RECORD

Capstone maintains an active presence in the Automotive Aftermarket sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with sector participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone’s closed deals are outlined below.

**CONFIDENTIAL**

CORPORATE SALE

AUTOMOTIVE  
MAINTENANCE & TIRE  
REPAIR SERVICES

**CONFIDENTIAL**

CORPORATE SALE

HIGH-PERFORMANCE  
VEHICLE MODIFICATIONS  
AND HYPERCAR OEM



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GB Auto Service, Inc.  
a portfolio company of  
**GREENBRIAR**  
EQUITY GROUP, L.P.

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## ENDNOTES

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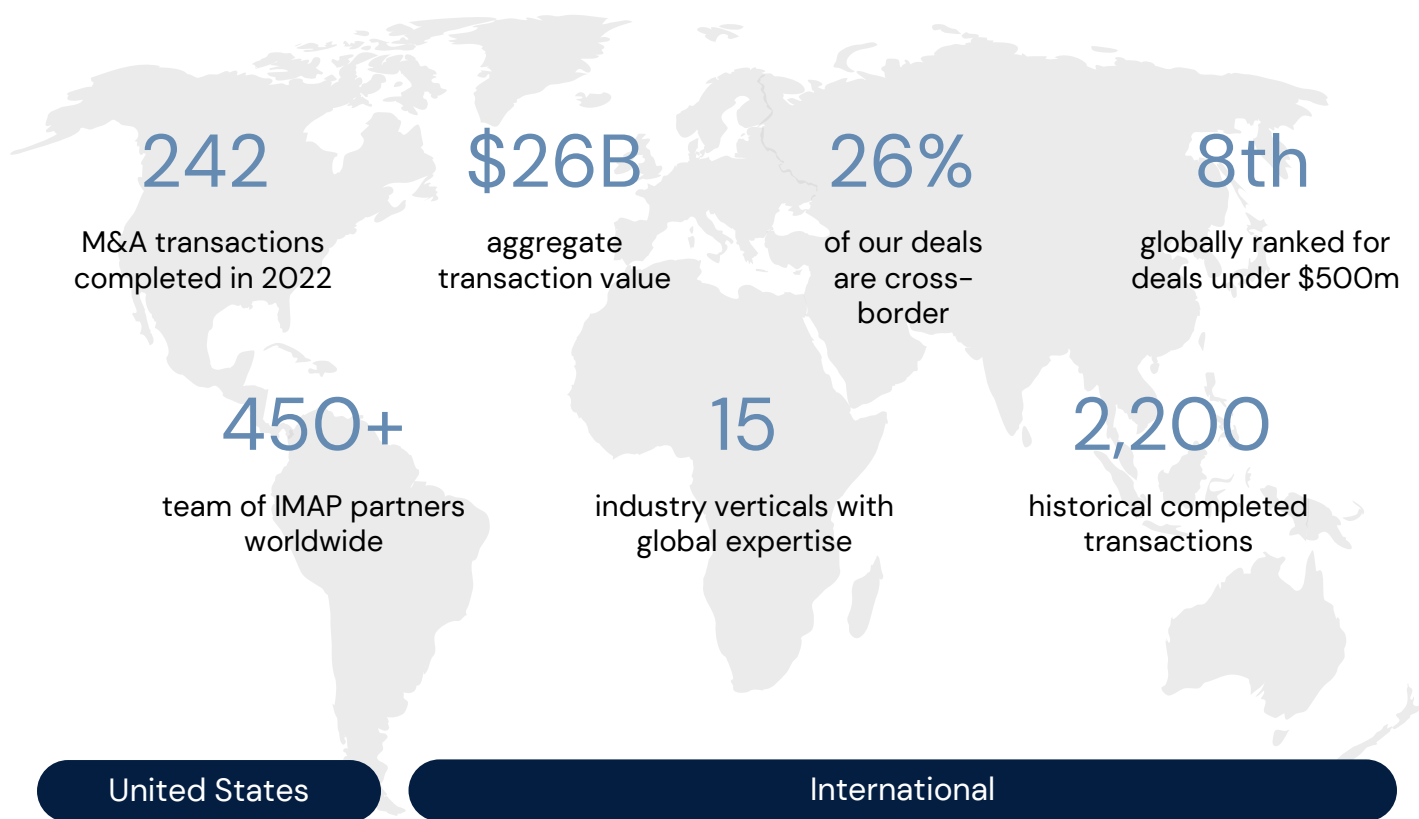




# CAPSTONE PARTNERS

## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ partners across 41 countries.



~200 professionals  
8 offices

Boston · Chicago · Dallas ·  
Denver · Detroit · Irvine ·  
New York · Tampa

450+ partners  
60+ offices in 41 countries

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Africa: Congo · Egypt · Ghana · Ivory Coast · Mauritius · Morocco · Nigeria · Senegal · South Africa  
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Panama & Central America · Peru  
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany · Hungary · Ireland  
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