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Automotive Aftermarket Sector Update

Fall · 2024

Mergers & Acquisitions | Capital Advisory | Valuation Advisory

Automotive Aftermarket Sector Update

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What We're Reading

Replacement Tire Market Leads the Way in 2024

October 9, 2024 - Retail sellout bounced back in September, with dealers reporting sellout trends that were up slightly — in the low single digits — in September. The 1.5% increase year-over-year is an improvement compared to the 2.7% decline from August. Trends were flat to up slightly during the second quarter...This clarifies our picture that summer trends were muted, and shows that fall appears to have started off on the right foot, with the turn of the season putting weather and tire replacement higher on the consumer's metaphorical to-do list...

Auto Care Industry Expected to Grow 5.7% in 2024, Reach $617.3 Billion in 2027

June 10, 2024 - The auto care industry exceeded expectations in 2023. Despite challenges such as persistent inflation, the aftermarket demonstrated resilience, with total United States light duty aftermarket sales growing by 8.6% in 2023 to $392 billion—surpassing the previous year's projections of 8.1%. Light vehicle growth in 2024 is expected to be at a robust 5.9%, with the total light, medium and heavy duty automotive aftermarket now expected to be a $617.3 billion industry in 2027...

Carmakers Tripped Up by Choppy Present as They Chase an EV Future

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July 28, 2024 - Automakers are warning of profit pressures in their traditional car businesses, a fresh worry that adds to the challenges already posed by the industry's costly transition to electric vehicles...Reasons for the pressure on profits ranged from warranty expenses and bloated vehicle inventory to trouble in overseas operations. Taken together, they signaled to investors that carmakers—while pushing toward a transformation to tech-infused electric vehicles—are facing speed bumps...

Why Are There Suddenly So Many Car Washes?

February 21, 2024 - ...But where neighbors might see a too-crowded market, investors see the beginning of a boom. From the Snow Belt to the Sunbelt, companies are scrambling to add locations and grab a piece of a $14 billion-plus industry. With 60,000 locations across the US, the sector has been expanding at roughly 5% annually, with some forecasts predicting the market to double by 2030. More car washes were built in the last decade than all the preceding years combined...

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Upcoming Industry Participation

aapex ahead of the curve / SEMA SHOW	Nov. 5-8, 2024 Las Vegas, NV
Southwest Car Wash Association Convention & Expo	Feb. 26-28, 2025 Fort Worth, TX
THE CAR WASH SHOW / iFLEX	April 26-28, 2025 Las Vegas, NV
autocare connect	May 12-15, 2025 Phoenix, AZ
NRCC Northeast Regional Carwash Convention	Oct. 6-8, 2025 Atlantic City, NJ

Subsector Coverage

Multi-Unit Service Providers
- General Auto Repair / Maintenance
- Tire Dealers
- Car Wash
- Quick Lube
- Collision Repair

Parts Retailers & Distributors
- Automotive Accessories
- Tires & Wheels
- Replacement Parts
- Performance & Enthusiast
- Lubricants & Specialty Chemicals

Manufacturers, Suppliers, & Other
- Parts Manufacturing, OEM & Replacement
- Parts Manufacturing, Enthusiast
- Vehicle Upfitting
- Inspection & Quality Control

Select Experience

DANA SAFETY SUPPLY has been acquired by AEA Sellside M&A Advisory	Recapitalization of WATERSHED CARWASH Matrix Served as Sole Placement Agent Valuation & Capital Advisory	DAY Motor Sports a portfolio company of GenCap America has been acquired by Company Management Sellside M&A Advisory	NTB / TIRE KINGDOM SERVICE CENTERS a division of TBC CORPORATION has been acquired by MAVIS DISCOUNT TIRE Sellside M&A Advisory	CERTIFIED TIRE & SERVICE CENTERS has been acquired by MONRO INC. Sellside M&A Advisory
Golden Nozzle® CarWash a division of F.L. Roberts has been acquired by nouria Sellside M&A Advisory	jiffy lube locations operated by F.L. Roberts have been acquired by Atlantic Coast Enterprises, LLC Sellside M&A Advisory	Retail Auto Parts Stores of VIP PARTS, TIRES & SERVICE have been acquired by O'Reilly AUTO PARTS Sellside M&A Advisory	Connecticut Warehouse Distributors, Inc. The Warehouse has been acquired by FMP FACTORYMOTORPARTS Sellside M&A Advisory	New England Motor Oil NEMO has been acquired by Confidential Buyer (publicly-traded company) Sellside M&A Advisory

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Sector Update Overview

Welcome to our first market update for our Automotive Aftermarket sector coverage. Much like the preceding years, the broader Automotive Aftermarket sector – as well as the various subsectors that we track – remains a highly attractive segment in terms of investment opportunities.

Much of the appeal of the Automotive Aftermarket is driven by the stability and resiliency of its constituent companies as keeping vehicles operating and on the road is essential in all economic conditions. Because of this, the financial performance of companies operating within the Automotive Aftermarket sector is far more inelastic compared to other industries, particularly those that are highly linked to consumer discretionary income and spending. These factors, especially when paired with other secular trends such as a shift from a 'do-it-yourself' to a 'do-it-for-me' mentality within consumers, create a favorable investment dynamic that attracts many investors to this sector.

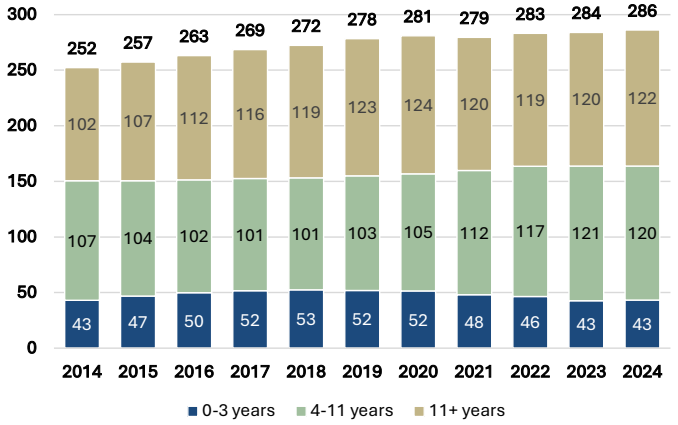
Adding to the overall stability of industry cash flows, the demand for goods and services within the Automotive Aftermarket is on the rise due to the following factors and trends:

- Increasing number of vehicles on the road: Between 2014 and 2024, the number of vehicles in operation (VIO) in the United States grew from 252 million to 286 million. There have never been more vehicles, all of which require some level of maintenance, on the road than today.
- Aging fleet requiring more maintenance: In addition to a larger number of VIO, the average age of vehicles on the road continues to increase year-over-year. The average age of the light duty vehicle fleet in the United States increased to 12.6 years in 2024, which is more than one year older on average than the vehicle fleet in 2014. More importantly, an increasing number of vehicles (almost 85% of the total fleet as of 2024), are four years or older, which is meaningful as owners of these vehicles may be more inclined to use independent service providers rather than dealerships after their vehicles come off of factory warranty.
- Elevated vehicle prices: Despite coming off of COVID-era highs, prices on both new and used vehicles have remained elevated for a sustained period of time. This, especially combined with the rising interest rate environment primarily during 2022 and 2023, has resulted in consumers keeping their vehicles for longer periods of time and repairing and maintaining their current vehicle versus an outright replacement.

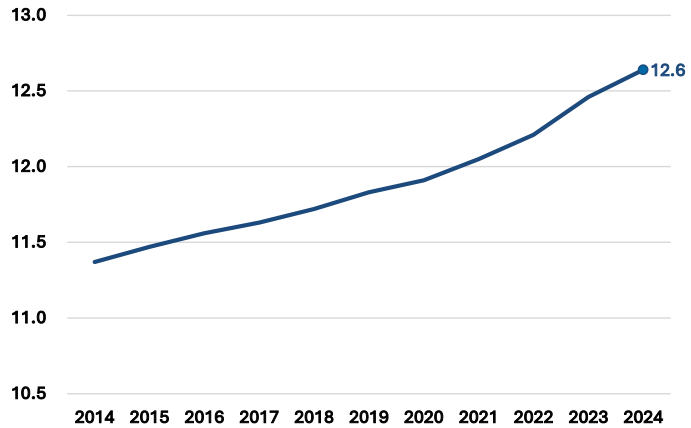
In addition to these strong industry tailwinds, several other factors contribute to heightened merger and acquisition (M&A) activity observed within the Automotive Aftermarket sector during the last several years. With auto dealers representing less than 10% of the total auto care outlets in the United States (excluding gas stations), the industry is heavily reliant on independent facilities and operators to serve the needs of customers. These independent facilities include a high percentage of family-run or other closely-held businesses that often skew towards smaller-scale enterprises. As we often observe in other industries, many of these family-run businesses lack formal succession plans due to a multitude of factors that range from no other family members being involved and/or interested in the business to not having a talented enough team – family or non-family – to take over.

As size and scale provide a number of monetary and non-monetary benefits, certain existing operators are fulfilling the role of being consolidators while new platforms are being formed or sponsored by private equity firms and other capital providers. As industry fundamentals remain strong heading into Q4 of 2024, we see the Automotive Aftermarket continue building strength and being an attractive segment of the broader economy with which to allocate capital.

U.S. Vehicles In Operation, By Age (LDVs, millions)[1]



U.S. Average Vehicle Age (LDV, years)[1]



(1) Source: S&P Global Mobility, as of Jan. 1 for each year shown
(2) LDV = light duty vehicles

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Key Industry Data

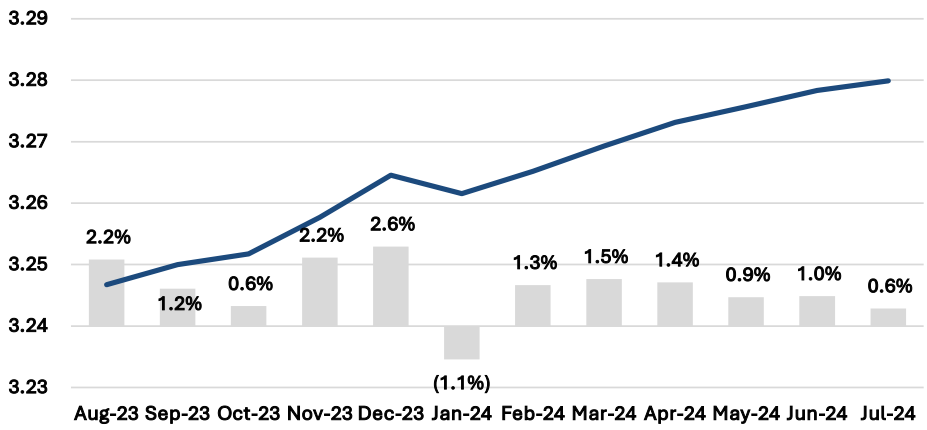
Trends We're Watching

American automobile travel remained robust through the summer of 2024. Overall vehicle miles traveled (VMT) increased 1.20% during August 2023 – July 2024 compared to the prior 12-month period. Furthermore, each month except for January 2024 recorded higher VMT than the comparable period from the prior year.

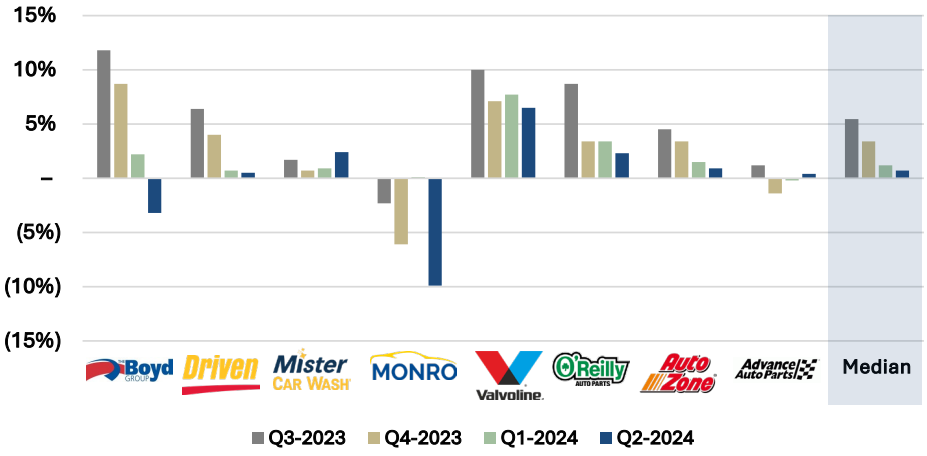
Publicly traded multi-site operators have posted mixed results on a same-store sales basis. Boyd Group, Valvoline, and AutoZone have consistently reported quarterly same-store sales growth while businesses that rely on discretionary spending, such as Mister Car Wash and Monro, have posted mixed or negative quarters as inflation takes its toll on consumers.

Most publicly traded multi-site operators continued to pursue unit growth through both greenfield construction and acquisitions. Boyd Group, Mister Car Wash, and Valvoline have grown their unit base most aggressively over the last year. Monro was the major exception to the growth trend, as its unit count contracted by ~3% over the last 12 months as it sought to rationalize underperforming assets.

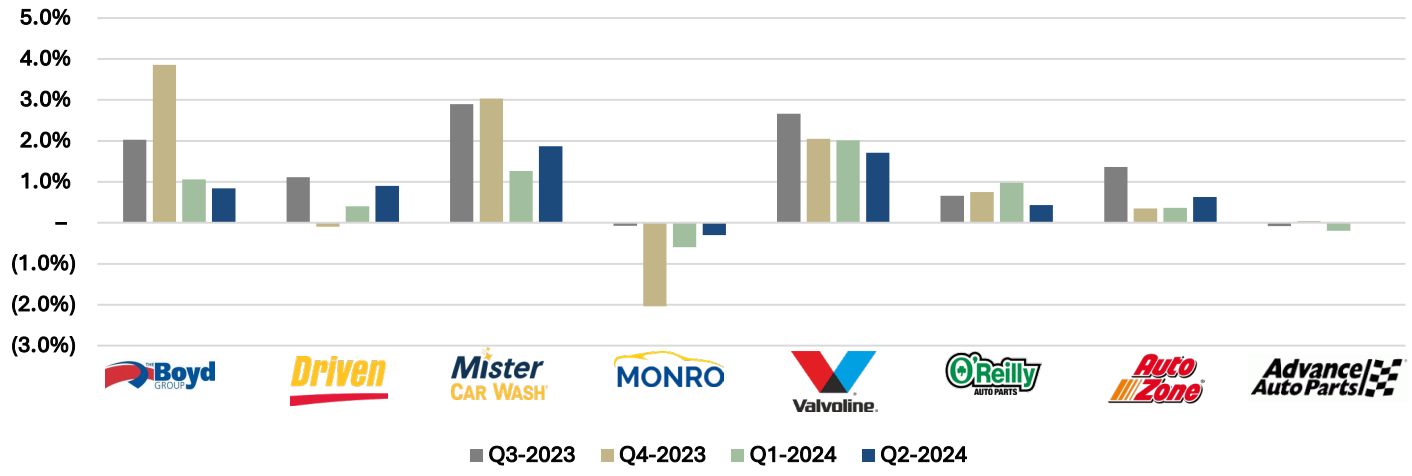
Vehicle Miles Traveled - Last 12 Months (Billions of miles, YOY % Change)[1]



Same-Store Sales Growth – Multi-Site Operators (YOY % Change)[2]



Net Store Unit Growth – Multi-Site Operators (YOY % Change)[2]



(1) Source: S&P Capital IQ
(2) Source: Company Filings

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Key Industry Data

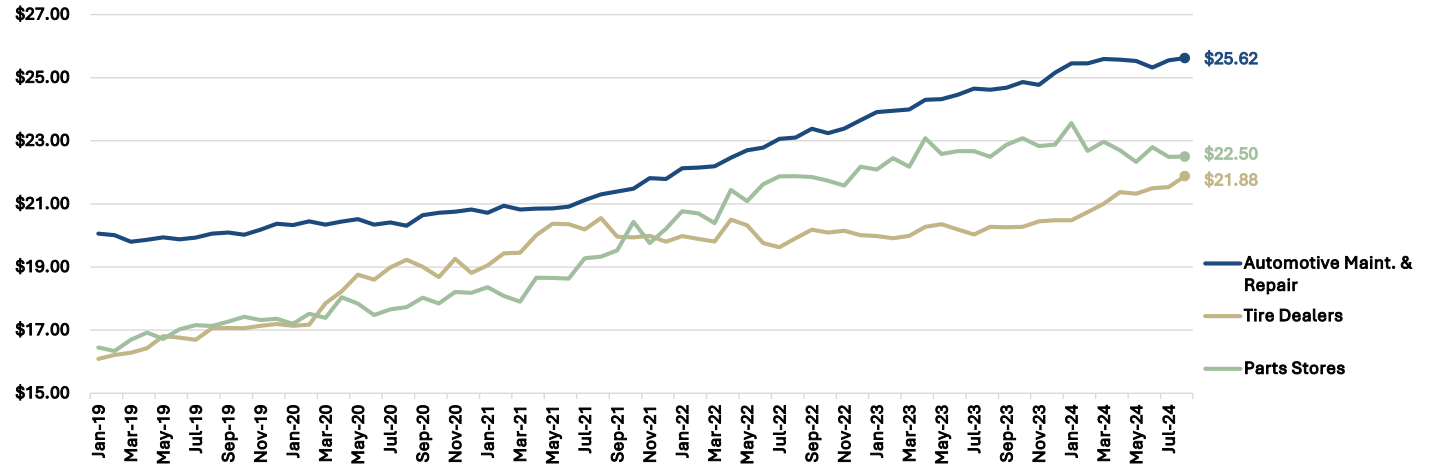
Wage Rates; Motor Vehicle Parts & Tire Costs

Wage rates across the Automotive Aftermarket continue to steadily increase in 2024. With an average year-over-year increase of 5.5% through August 2024, hourly wages at tire dealers have experienced the most growth out of the three categories tracked by the Autocare Association that are presented below. General automotive maintenance and repair facilities recorded hourly wage increases of 5.1% during the first eight months of 2024. Wages at both tire dealers and general automotive maintenance and repair facilities have both outpaced the trend in nationwide hourly wage rates across all industries and positions, which increased 4.0% during this same time period. Some silver lining comes from hourly wages for workers at auto parts stores, which have modulated during 2024 and were flat in August 2024 compared to the prior year.

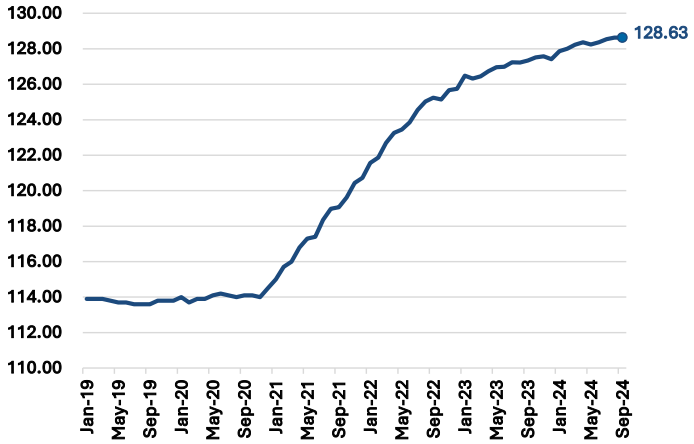
As measured by the Producer Price Index (PPI), prices for motor vehicle parts have also extended their upward trend during 2024. The PPI tracking the manufacturing of these components ended September 2024 at 128.63, which was 1.0% higher than September 2023. Fortunately, the rate of change of this index has tempered in 2024 (1.3% average YOY increase) compared to 2023 (2.4% average YOY increase).

The PPI for tires and other related materials reflects a favorable dynamic for tire manufacturers, tire dealers, and other automotive service providers with a significant amount of tire business. The PPI associated with these products has trended down from its peak in March 2023 and ended September 2024 at 193.52, which is 0.6% lower than the year prior.

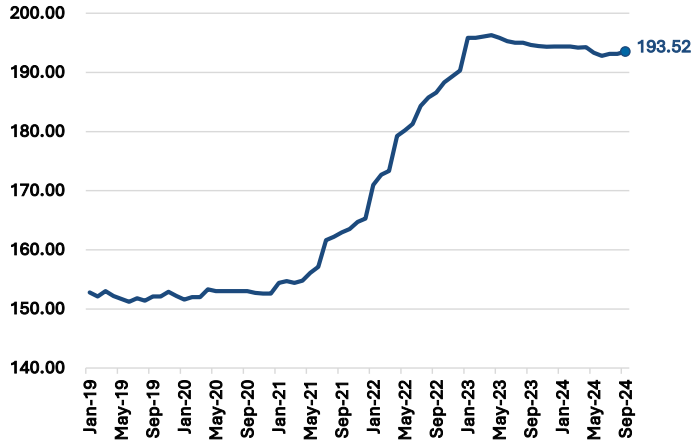
Industry Wages (Average Hourly Wage Rate)[1]



Producer Price Index - Motor Vehicle Parts (Index Dec 2003=100)[2]



Producer Price Index - Tires, Tubes, Tread, & Repair Materials (Index 1982=100)[2]



(1) Source: Autocare Association

(2) Source: U.S. Bureau of Labor Statistics

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Key Industry Data

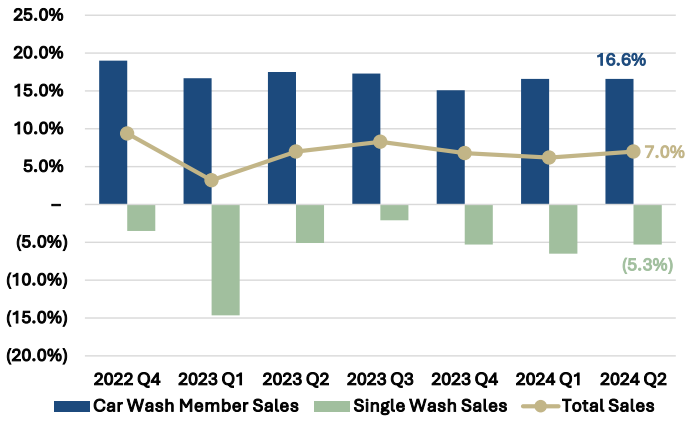
Car Wash Trends

Despite the headwinds many car operators may perceive, the car wash sub-sector has continued to display strong, consistent growth. The increase in interest rates during 2022 and 2023 significantly impacted organic and acquisitive growth related to car washes, but same-store sales for washes open at least one year has remained around 7.0% for the last seven quarters. This is due to strong membership sales as operators make great efforts to convert single-wash customers to recurring, monthly members.

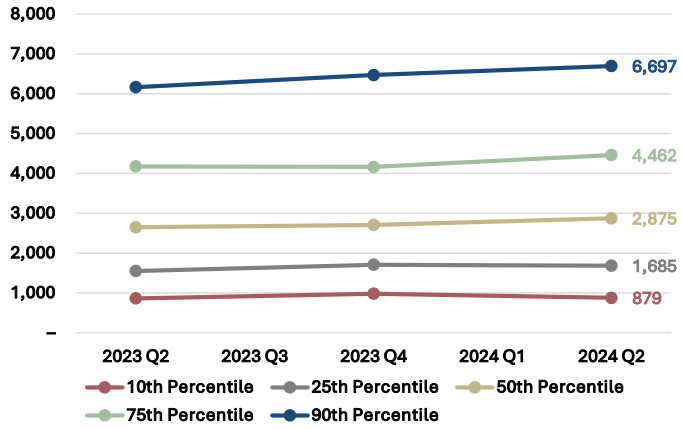
Conversion rates of single-wash customers to monthly memberships across all sites remains in the high single-digits, but based on data produced by Rinsed, there is a large deviation across the industry. Although likely not a surprise, sites with large membership bases (5,000 members+) convert almost seven times as many customers to paid memberships than sites with lower memberships (1,000 members or less). While this distinction has been pervasive over time, car wash operators as a whole have generally improved their conversion rates over the last several quarters as they continue to refine their operations and as more customers become aware of modern membership-based car wash programs, particularly express exterior-only tunnels. Improvement of conversion rates is necessary to continue driving top-line performance as voluntary and credit card-driven churn (membership terminations) has also been slowly increasing over time, albeit at a rate lower than membership conversion rates.

Altogether, average car wash memberships per site continue to reach new highs across the industry. For sites tracked by Rinsed during the second quarter of 2024, the median number of monthly members per site was 2,875 while car washes in the top decile had 6,697 members or more on average. Both of these figures reflect strong growth as they grew 8.5% and 8.6%, respectively, year-over-year.

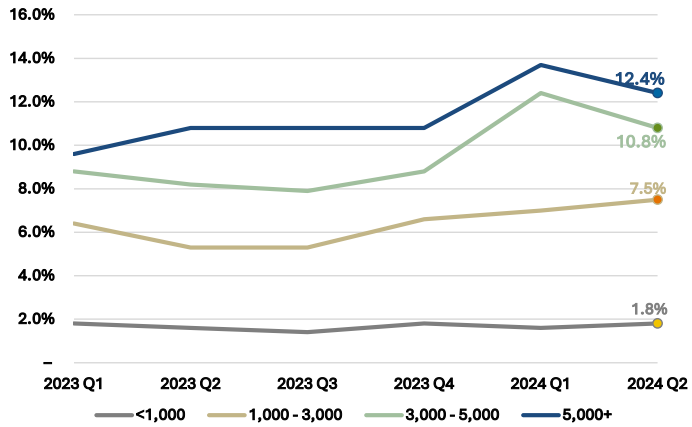
Same Store Sales – Member, Single Wash, & Combined (YOY % Change)[1,2]



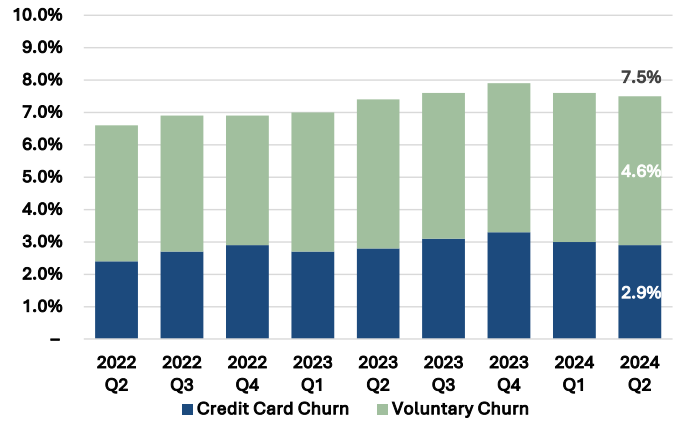
Car Wash Members per Location (Percentile by Members per Location)[1,3]



Average Member Conversion Rate (Grouped by Members per Location)[1]



Average Membership Churn (Membership Terminations % of Total Members)[1]



(1) Source: Rinsed Car Wash Industry Report, which includes data aggregated from over 2,000 car washes
(2) Locations open for 12 months or longer
(3) Locations open for 30 months or longer

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Key Industry Data

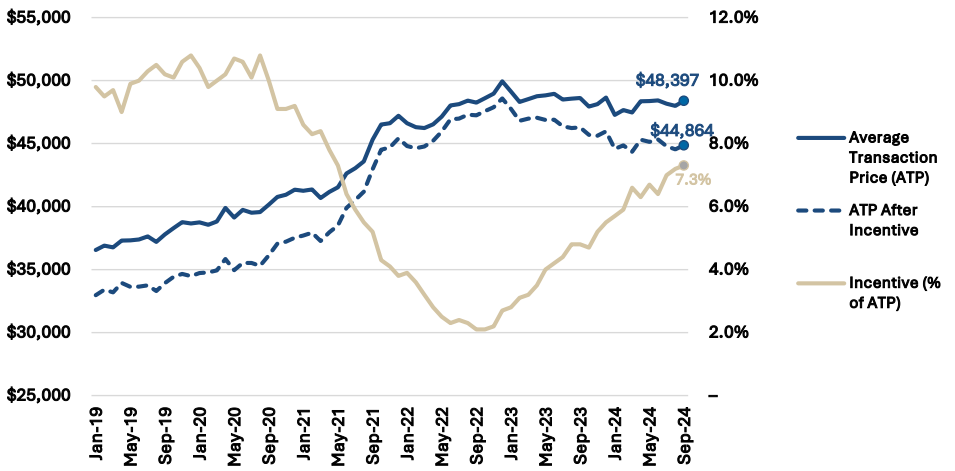
Vehicle Affordability & Replacement Factors

According to data reported by Cox Automotive, the average transaction price (ATP) for new vehicles ended Q3 2024 at $48,397, which is flat compared to the prior year. However, as new vehicle inventories continue to return to COVID levels, so too do vehicle incentives, which often move together. Average incentive packages during Q3 2024 were ~7.2% of new vehicle ATP versus ~4.7% during Q3 2023. New vehicle incentives reached their lowest levels in September 2022 at 2.1% and have consistently increased since that time.

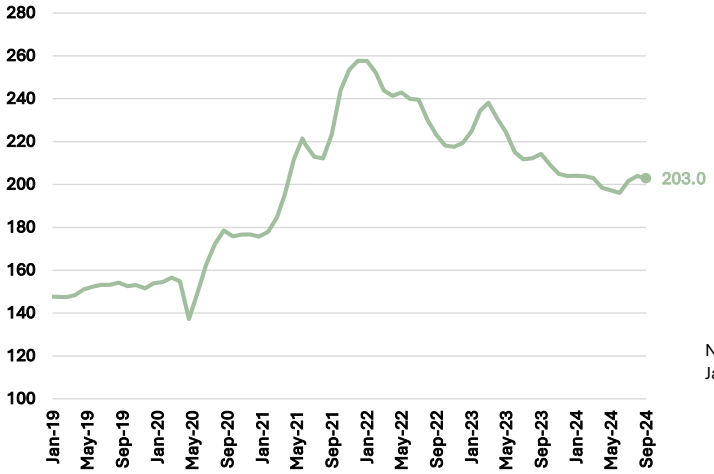
During this same time period, used vehicle inventories have remained relatively stable while prices for these vehicles have decreased ~5% year-over-year.

Interest rates for auto loans have remained at multi-year highs for much of 2024. These elevated rates undoubtedly impact consumers who are considering vehicle replacement decisions and ultimately bias them towards keeping and repairing their vehicles for longer periods of time. Despite not being reflected in the data below, the Federal Reserve's September 2024 interest rate cuts will hopefully provide some reprieve for consumers financing vehicles.

New Vehicle Prices & Incentives[1]



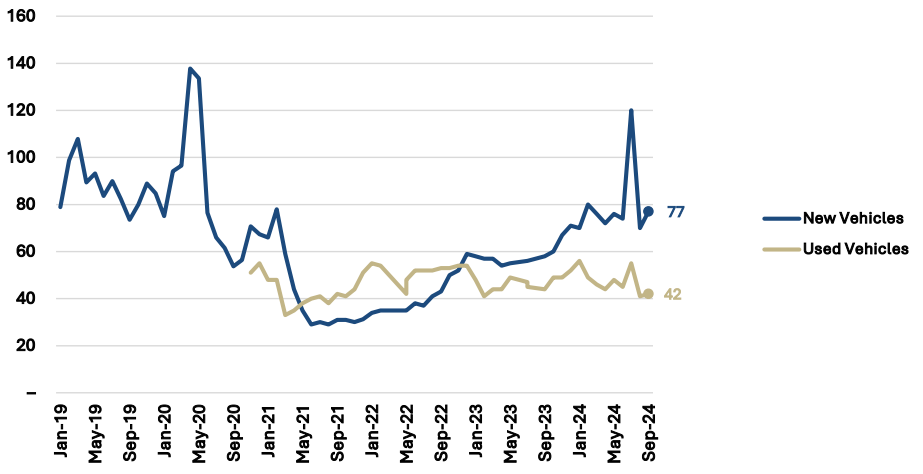
Used Vehicle Prices (Manheim Used Vehicle Value Index)[1]



Note: Indexed to January 1997 = 100

Auto Loan Interest Rates (48 Mos.)[2]

Vehicle Inventory (Days Supply)[1]



(1) Source: Cox Automotive

(2) Source: Board of Governors of the Federal Reserve System (US)

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Publicly Traded Company Performance

Equity Performance

After a rocky 2022, public equity markets came roaring back in 2023-2024. In the 12-month period ending September 30, 2024, the S&P500 grew by 35.9% (inclusive of dividends).

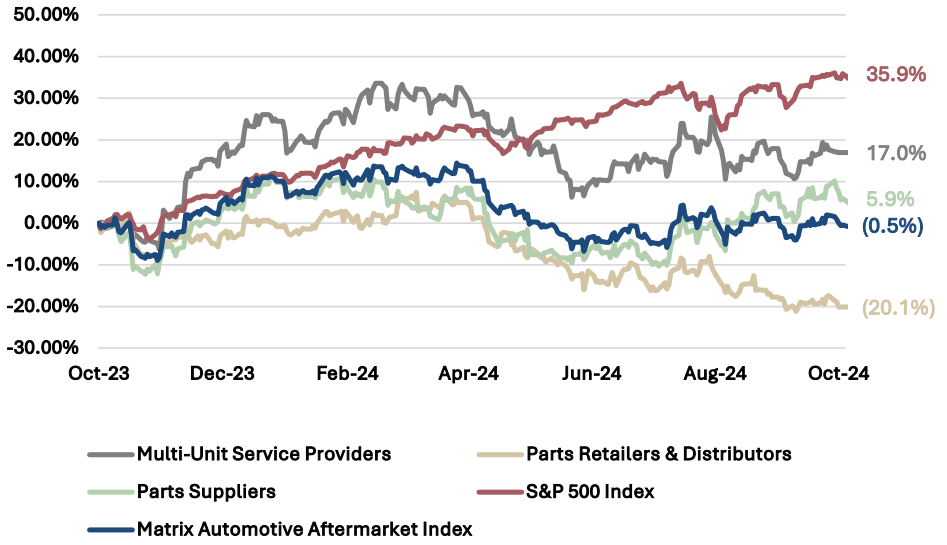
By contrast, the automotive industry lagged the S&P500 significantly during the same period, as inflation and economic headwinds impacted growth and consumer demand moderated following a period of increased spending during the pandemic.

Axalta Coating Systems posted the strongest performance over the past year (+36.6%), while AutoZone & O'Reilly Auto Parts each continue to outperform the broader Automotive Aftermarket index as well as the S&P 500 over the past 36 months.

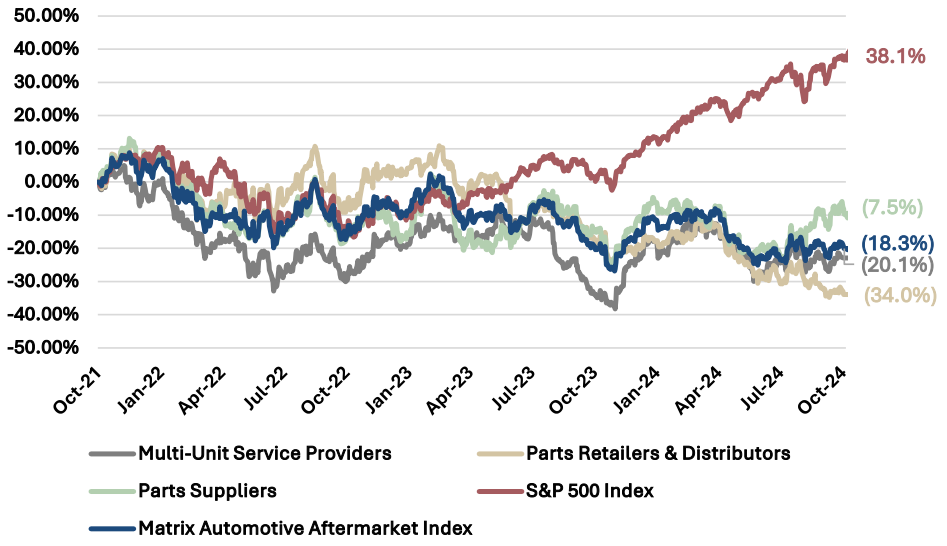
By contrast, CarParts, Advance Auto Parts, and Mister Car Wash each posted returns significantly below the broader S&P500 during both the last 12-month and last 3-year periods.

Looking ahead, the Automotive Aftermarket looks to recover from a tumultuous few years in terms of overall equity performance for these publicly traded companies.

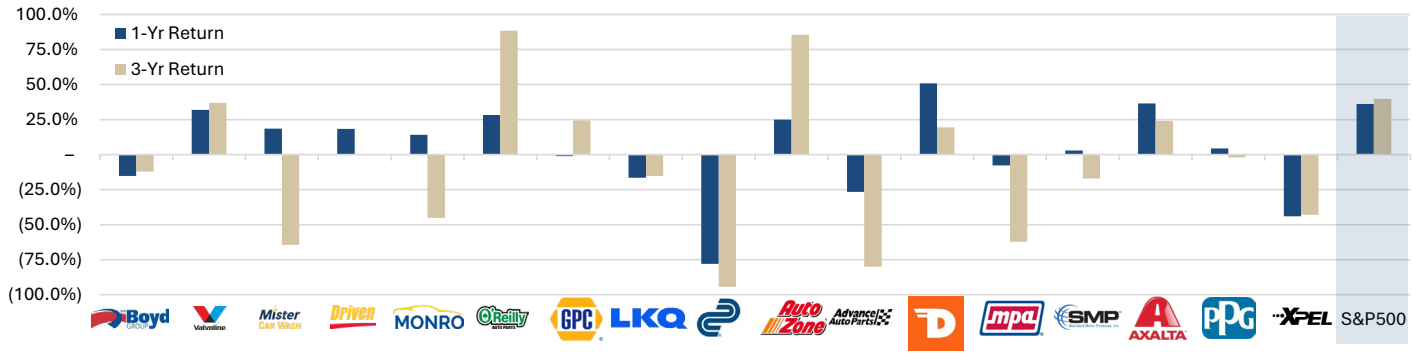
Public Company Index Stock Performance (Last 12 Months)[1]



Public Company Index Stock Performance (Last 3 Years)[1]



Public Company Stock Performance (1-Yr and 3-Yr returns)[1,2]



(1) Source: S&P Capital IQ

(2) As of 9/30/2024

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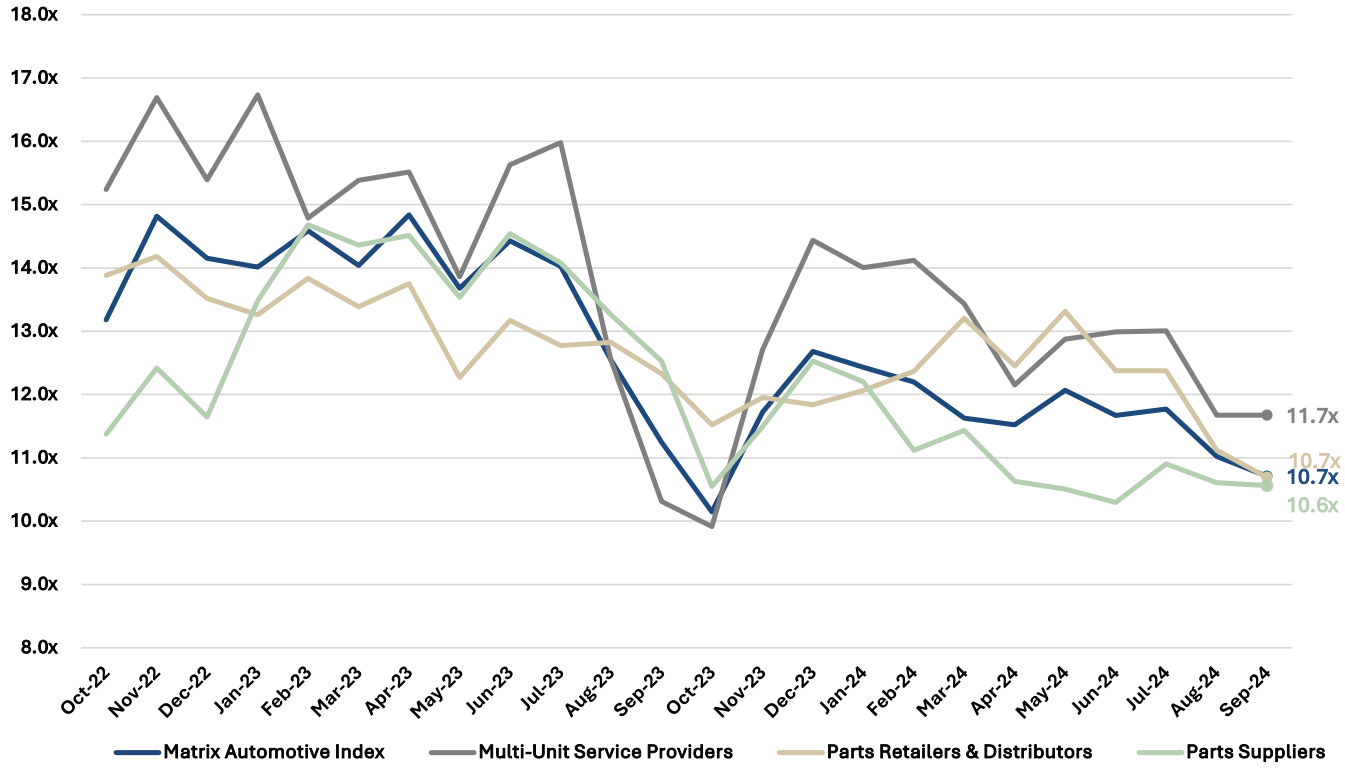
Publicly Traded Company Performance

Public Company Valuations (EV/LTM EBITDA)[1]



Public Company Valuations

On an enterprise value (EV) to EBITDA basis (EV/EBITDA), the overall Automotive Aftermarket sector tracked by Matrix has declined moderately over the last two years. Similar to equity markets, much of this decline is due in large part to elevated valuations during and immediately after the pandemic; however, valuations in the Automotive Aftermarket have also been impacted by acute events.

Multi-Unit Service Providers have experienced the largest volatility over the last two years. This is primarily driven by the performance of Driven Brands and the associated contagion to other Multi-Unit Service Providers that began during the summer of 2023. This event was precipitated by Driven Brands' Q2 2023 earnings (filed August 2, 2023) in which the performance of its glass repair and car wash businesses significantly impacted its quarterly performance and resulted in reduced guidance from management. This was subsequently followed by Driven Brands recording significant impairment and restructuring charges associated with its car wash business during its Q3 2023 earning release (filed November 1, 2023).

Valuations for Multi-Unit Service Providers have since stabilized and partially recovered but remain below the levels seen in the periods immediately preceding the summer of 2023.

Public Company Historical Valuations (EV/LTM EBITDA)[1]

Multi-Unit Service Providers	Sep-24	11.7x
	1 Qtr. Ago	13.0x
	1 Yr. Ago	10.3x
	5- Yr. avg.	14.4x
Parts Retailers & Distributors	Sep-24	10.7x
	1 Qtr. Ago	12.4x
	1 Yr. Ago	12.3x
	5- Yr. avg.	12.3x
Parts Suppliers	Sep-24	10.6x
	1 Qtr. Ago	10.3x
	1 Yr. Ago	12.5x
	5- Yr. avg.	12.4x
Matrix Automotive Index	Sep-24	10.7x
	1 Qtr. Ago	11.7x
	1 Yr. Ago	11.2x
	5- Yr. avg.	12.7x

(1) Source: S&P Capital IQ

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Public Company Comparable Data[1,2]

Valuation Metrics ($ in millions, except per-share prices)

	Company Name	Stock Price	Market Cap	Net Debt	TEV	TEV/Revenue LTM	TEV/Revenue NTM	TEV/EBITDA LTM	TEV/EBITDA NTM	Price/Earnings LTM	Price/Earnings NTM
Multi-Unit Service Providers	Boyd Group Services Inc.	$151.72	$3,258	$1,209	$4,489	1.5x	1.4x	18.5x	10.7x	54.7x	40.4x
	Driven Brands Holdings Inc.	$14.27	$2,341	$4,058	$5,159	2.2x	2.6x	10.7x	10.9x	NM	13.4x
	Mister Car Wash, Inc.	$6.51	$2,095	$1,800	$3,028	3.2x	3.8x	11.7x	12.0x	31.0x	18.6x
	Monro, Inc.	$28.86	$864	$599	$1,214	1.0x	1.2x	8.7x	10.9x	26.5x	27.7x
	Valvoline Inc.	$41.85	$5,393	$1,353	$6,517	4.1x	3.8x	14.9x	14.1x	27.6x	24.6x
Median		$28.86	$2,341	$1,353	$4,489	2.2x	2.6x	11.7x	10.9x	29.3x	24.6x
Mean		$48.64	$2,790	$1,804	$4,081	2.4x	2.6x	12.9x	11.7x	35.0x	24.9x
Parts Retailers & Distributors	Advance Auto Parts, Inc.	$38.99	$2,311	$3,999	$3,507	0.3x	0.6x	10.1x	10.5x	NM	15.2x
	AutoZone, Inc.	$3,150.04	$53,318	$11,686	$61,297	3.4x	3.4x	14.5x	14.8x	21.1x	20.2x
	CarParts.com, Inc.	$0.91	$52	$12	$24	0.1x	0.1x	NM	22.5x	NM	NM
	Genuine Parts Company	$139.68	$19,460	$4,912	$20,008	1.0x	1.0x	10.7x	10.6x	16.2x	14.3x
	LKQ Corporation	$39.92	$10,509	$5,421	$13,818	1.0x	1.1x	8.4x	8.9x	14.6x	10.6x
	O'Reilly Automotive, Inc.	$1,151.60	$66,799	$7,591	$74,484	4.4x	4.3x	19.6x	18.9x	29.0x	26.5x
Median		$89.80	$14,985	$5,167	$16,913	1.0x	1.0x	10.7x	12.7x	18.6x	15.2x
Mean		$753.52	$25,408	$5,604	$28,856	1.7x	1.8x	12.6x	14.4x	20.2x	17.4x
Parts Suppliers	Axalta Coating Systems Ltd.	$36.19	$7,937	$2,768	$10,618	2.0x	2.0x	10.7x	9.5x	26.8x	16.7x
	Dorman Products, Inc.	$113.12	$3,480	$588	$4,055	2.0x	2.0x	10.4x	11.7x	20.7x	17.8x
	Motorcar Parts of America, Inc.	$7.39	$146	$249	$276	0.4x	0.0x	6.1x	0.0x	NM	0.0x
	PPG Industries, Inc.	$132.46	$30,903	$5,859	$34,765	2.0x	2.0x	12.6x	11.7x	21.7x	15.5x
	Standard Motor Products, Inc.	$33.20	$721	$288	$839	0.7x	0.7x	5.4x	7.6x	12.3x	10.3x
	XPEL, Inc.	$43.37	$1,199	$16	$1,124	2.9x	2.7x	16.8x	14.4x	25.3x	21.2x
Median		$39.78	$2,339	$438	$2,589	2.0x	2.0x	10.6x	10.6x	21.7x	16.1x
Mean		$60.96	$7,398	$1,628	$8,613	1.7x	1.6x	10.3x	9.2x	21.4x	13.6x
Matrix Automotive Index	**Median**		**$3,258**	**$1,800**	**$4,489**	**2.0x**	**2.0x**	**10.7x**	**10.9x**	**21.7x**	**17.1x**
	Mean		**$3,258**	**$1,800**	**$4,489**	**2.0x**	**2.0x**	**10.7x**	**10.9x**	**21.7x**	**16.9x**

Financial Metrics ($ in millions)

	Company Name	LTM Date	Revenue LTM	Revenue NTM	Gross Margin LTM	Gross Margin NTM	EBITDA LTM	EBITDA NTM	EBITDA Margin LTM	EBITDA Margin NTM	Revenue Growth LTM	Revenue Growth NTM	EBITDA Growth LTM	EBITDA Growth NTM
Multi-Unit Service Providers	Boyd Group Services Inc.	6/30/24	$3,044	$3,295	45%	NM	$239	$419	8%	13%	1%	8%	(4%)	75%
	Driven Brands Holdings Inc.	6/29/24	$2,319	$2,458	41%	NM	$476	$585	21%	24%	0%	6%	(3%)	23%
	Mister Car Wash, Inc.	6/30/24	$958	$1,031	31%	NM	$260	$325	27%	31%	2%	8%	6%	25%
	Monro, Inc.	6/29/24	$1,243	$1,209	36%	NM	$142	$135	11%	11%	(3%)	(3%)	(3%)	(5%)
	Valvoline Inc.	6/30/24	$1,574	$1,767	38%	NM	$435	$479	28%	27%	3%	12%	3%	10%
Median			$1,574	$1,767	38%	NM	$260	$419	21%	24%	1%	8%	(3%)	23%
Mean			$1,827	$1,952	38%	NM	$311	$388	19%	21%	1%	6%	(0%)	26%
Parts Retailers & Distributors	Advance Auto Parts, Inc.	7/13/24	$11,273	$11,285	40%	NM	$359	$599	3%	5%	(0%)	0%	(13%)	67%
	AutoZone, Inc.	8/31/24	$18,490	$18,857	53%	NM	$4,288	$4,395	23%	23%	3%	2%	1%	2%
	CarParts.com, Inc.	6/29/24	$634	$595	33%	NM	($8)	$3	(1%)	0%	(5%)	(6%)	3742%	(136%)
	Genuine Parts Company	9/30/24	$23,302	$24,006	36%	NM	$2,055	$2,266	9%	9%	1%	3%	(4%)	10%
	LKQ Corporation	9/30/24	$14,499	$14,798	39%	NM	$1,732	$1,795	12%	12%	0%	2%	1%	4%
	O'Reilly Automotive, Inc.	9/30/24	$16,445	$17,233	51%	NM	$3,685	$3,934	22%	23%	1%	5%	0%	7%
Median			$15,472	$16,016	39%	NM	$1,894	$2,030	10%	11%	0%	2%	0%	5%
Mean			$14,107	$14,462	42%	NM	$2,019	$2,165	11%	12%	(0%)	1%	621%	(8%)
Parts Suppliers	Axalta Coating Systems Ltd.	6/30/24	$5,251	$5,397	33%	NM	$1,002	$1,127	19%	21%	1%	3%	7%	12%
	Dorman Products, Inc.	6/29/24	$1,954	$2,042	39%	NM	$383	$349	20%	17%	1%	4%	9%	(9%)
	Motorcar Parts of America, Inc.	6/30/24	$728	$0	19%	NM	$52	$0	7%	NM	1%	NM	(3%)	NM
	PPG Industries, Inc.	9/30/24	$18,030	$18,503	43%	NM	$2,870	$3,163	16%	17%	(0%)	3%	0%	10%
	Standard Motor Products, Inc.	6/30/24	$1,398	$1,433	28%	NM	$165	$135	12%	9%	3%	2%	1%	(18%)
	XPEL, Inc.	6/30/24	$408	$447	41%	NM	$71	$84	17%	19%	2%	9%	(1%)	19%
Median			$1,676	$1,737	36%	NM	$274	$242	17%	17%	1%	3%	1%	10%
Mean			$4,628	$4,637	34%	NM	$757	$810	15%	17%	1%	4%	2%	3%
Matrix Automotive Index	**Median**		**$2,319**	**$2,458**	**38%**	**NM**	**$383**	**$479**	**16%**	**17%**	**1%**	**3%**	**0%**	**10%**
	Mean		**$6,993**	**$7,171**	**38%**	**NM**	**$1,031**	**$1,124**	**15%**	**17%**	**1%**	**4%**	**190%**	**7%**

(1) Source: S&P Capital IQ

(2) Note: unless noted otherwise, data as of 9/30/2024

MATRIX CAPITAL MARKETS GROUP

Public Company Comparable Data[1,2]

Operational Metrics ($ in millions)

		Working Capital Overview				Cash Conversion Cycle				Leverage Ratios		
	Company Name	Current Assets	Current Liabilities	Net W/C	Current Ratio	ARO Days	Inventory Days	APO Days	Cash Conv. Cycle	Net Debt/ EBITDA	Net Debt/ Equity	Net Debt/ Capital
Multi-Unit Service Providers	Boyd Group Services Inc.	$254	$441	($187)	0.6	17.7	14.8	72.8	(40.2)	5.1	4.5	0.6
	Driven Brands Holdings Inc.	$609	$359	$250	1.7	31.1	20.5	20.7	30.8	8.5	5.4	0.8
	Mister Car Wash, Inc.	$47	$180	($133)	0.3	2.2	3.9	21.3	(15.2)	6.9	35.5	0.7
	Monro, Inc.	$259	$469	($209)	0.6	3.9	70.7	125.9	(51.3)	4.2	2.2	0.5
	Valvoline Inc.	$190	$351	($162)	0.5	16.9	13.9	38.0	(7.2)	3.1	5.3	0.9
Median		$254	$359	($162)	0.6	16.9	14.8	38.0	(15.2)	5.1	5.3	0.7
Mean		$272	$360	($88)	0.7	14.4	24.8	55.7	(16.6)	5.6	10.6	0.7
Parts Retailers & Distributors	Advance Auto Parts, Inc.	$5,981	$5,257	$724	1.1	19.4	266.5	214.4	71.5	11.1	0.6	0.6
	AutoZone, Inc.	$7,009	$8,714	($1,706)	0.8	0.0	254.9	297.9	(43.0)	2.7	1.6	1.6
	CarParts.com, Inc.	$124	$95	$29	1.3	3.9	95.5	63.0	36.4	(1.5)	0.1	0.1
	Genuine Parts Company	$9,631	$9,123	$508	1.1	37.5	123.6	133.7	27.4	2.4	0.5	0.5
	LKQ Corporation	$4,792	$2,990	$1,802	1.6	33.3	127.5	72.5	88.4	3.1	1.1	0.5
	O'Reilly Automotive, Inc.	$5,583	$8,185	($2,602)	0.7	8.9	217.7	276.7	(50.1)	2.1	1.3	1.2
Median		$5,782	$6,721	$268	1.1	14.2	172.6	174.1	31.9	2.6	0.8	0.5
Mean		$5,520	$5,727	($208)	1.1	17.2	181.0	176.4	21.8	3.3	0.9	0.7
Parts Suppliers	Axalta Coating Systems Ltd.	$2,174	$1,335	$839	1.6	77.2	78.5	74.1	81.6	2.8	0.9	0.5
	Dorman Products, Inc.	$1,186	$514	$671	2.3	91.2	192.2	49.1	234.3	1.5	0.5	0.3
	Motorcar Parts of America, Inc.	$531	$391	$139	1.4	70.5	236.8	87.7	219.6	4.8	0.5	0.5
	PPG Industries, Inc.	$6,582	$4,996	$1,586	1.3	65.3	79.4	135.9	8.8	2.0	0.7	0.4
	Standard Motor Products, Inc.	$790	$332	$458	2.4	59.9	191.0	36.2	214.7	1.7	0.4	0.3
	XPEL, Inc.	$133	$31	$102	4.3	24.0	137.5	28.3	133.1	0.2	0.1	0.1
Median		$988	$453	$565	2.0	67.9	164.3	61.6	173.9	1.9	0.5	0.4
Mean		$1,899	$1,267	$633	2.2	64.7	152.6	68.6	148.7	2.2	0.5	0.3
Matrix Automotive Index	**Median**	**$988**	**$469**	**$139**	**1.1**	**19.4**	**127.5**	**72.5**	**30.8**	**2.8**	**0.9**	**0.5**
	Mean	**$2,634**	**$2,550**	**$136**	**1.4**	**33.0**	**123.3**	**101.0**	**55.8**	**3.5**	**3.5**	**0.6**

(1) Source: S&P Capital IQ

(2) Note: unless noted otherwise, data as of 9/30/2024

Select M&A Activity[1,2]

Close Date	Target	Target Sector	Target Subsector	Buyer	Target Description
10/16/24	Dana Safety Supply	Multi-Unit Sevice Providers	Vehicle Upfitting & Customization	AEA Investors	Provider of emergency vehicle equipment, installations, tactical gear and related accessories to the emergency services market
10/15/24	Peerless Tyre Company	Multi-Unit Sevice Providers	Tire & Service Centers	Gill's Point S Tire & Auto Service	50 tire & service center facilities across Colorado, Kansas, Nebraska, New Mexico, South Dakota, Texas and Wyoming
10/9/24	Automotive Super Center	Multi-Unit Sevice Providers	Tire & Service Centers	Dobbs Tire & Auto Centers	Seven tire and automate service facilities in Texas
10/8/24[3]	Worldpac	Distribution	Automotive Parts	The Carlyle Group	Wholesale distributor of original equipment (OE) and quality aftermarket replacement automotive parts. Worldpac is an affiliate of Advance Auto Parts
10/8/24	Clean View Auto Wash	Multi-Unit Sevice Providers	Car Wash	Jax Kar Wash	Five currently operating car washes five additional car washes under construction in Michigan
10/2/24	Cantrek Tire & Supply	Distribution	Tires	Andy's Tire Group	Tire wholesaler based on Prince Edward Island, Canada
9/11/24	Tires To You	Multi-Unit Sevice Providers	Tire & Service Centers	Big Brand Tire	Seven tire and automotive service facilities in Texas
9/9/24	Fragramatics	Parts Supplier	Car Wash Equipment	Kleen-Rite	Fragrance and vacuum machine manufacturer and distributor in Arkansas
9/6/24	K&W Tire Inc.	Distribution	Tires	K&M Tire Inc.	Six tire distribution centers located in Pennsylvania, New Hampshire, Massachusetts, and Connecticut
9/5/24	MARTINS Industries	Distribution	Tires & Parts	Walter Capital Partners	Global provider of tire and wheel equipment solutions
8/28/24	RMS Pro Finishes	Distribution	Automotive Parts	Painters Supply & Equipment Co.	Automotive refinish coatings distributor serving customers in West Virginia, Ohio, and Kentucky
8/19/24	Jack's Tire and Oil	Multi-Unit Sevice Providers	Tire & Service Centers	Purcell Tire	21 commercial tire outlets in the Mountain West and Western United States
8/14/24	Avaun Tire Supply	Distribution	Tires	Tire Group International LLC	Wholesale tire distributor based in Portland, Oregon
8/12/24	Forgeline Motorsports	Distribution	Tires & Parts	Lacks Enterprises	Manufacturer of custom street and racing wheels, headquartered in Dayton, Ohio
8/1/24[4]	Simmons Tires and Service Centre	Distribution	Tires & Parts	Distribution Stox	Divestiture of Simmons' wholesale distribution center and distribution network located in Newfoundland, Canada
8/1/24	Sunbelt Car Wash Services	Distribution	Car Wash Equipment	Sonny's Enterprises	Car wash equipment distributor servicing the Gulf Coast region of the United States
7/18/24	All Star Auto Parts	Distribution	Automotive Parts	BBB Industries, LLC	Automotive replacement parts manufacturer and distributor headquartered in Orlando, Florida
7/15/24	Mevotech L.P.	Distribution	Automotive Parts	TorQuest Partners	Aftermarket parts manufacturer and distributor headquartered in Toronto, Canada
7/10/24	AX V Nissens III APS	Distribution	Automotive Parts	Standard Motor Products, Inc.	Aftermarket parts manufacturer and distributor headquartered in Horsens, Denmark
7/9/24	Fins Car Wash	Multi-Unit Sevice Providers	Car Wash	Whistle Express Car Wash	15 car wash locations in North and South Carolina
6/17/24	Pneus Bélisle	Multi-Unit Sevice Providers	Tire & Service Centers	Groupe Touchette	14 tire and service center facilities and a retread plant located in Quebec, Canada
6/17/24	FinishMaster	Distribution	Automotive Parts	LKQ PBE	Paint and industrial coatings supplier serving customers throughout the United States
6/11/24	Quick Quack Car Wash	Multi-Unit Sevice Providers	Car Wash	KKR	Car wash developer and operator with more than 200 locations in the Western and Southwestern United States
6/10/24	ZIPS Car Wash	Multi-Unit Sevice Providers	Car Wash	Atlantic Street Capital	Car wash operator with more than 270 locations in more than 20 states
6/10/24	Caliber Auto Care	Multi-Unit Sevice Providers	Tire & Service Centers	Sun Auto Tire & Service	33 tire and service center facilities in Texas
6/5/24	Coates Car Care	Multi-Unit Sevice Providers	Car Wash	Steel City Wash	Six car wash locations in Ohio and Pennsylvania
6/4/24	CMC Tire	Multi-Unit Sevice Providers	Tire & Service Centers	Les Schwab Tire	Commercial tire dealership with 11 locations throughout Utah, Nevada, and Colorado

(1) Excludes multi-unit service providers with less than five locations
(2) Source(s): S&P Capital IQ, Pitchbook, Company Press Releases, Internal Matrix Tracking
(3) Date transaction was announced; closing expected to occur during Q4 2024
(4) Date transaction was announced; closing expected in 2025

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