

# Dealerships

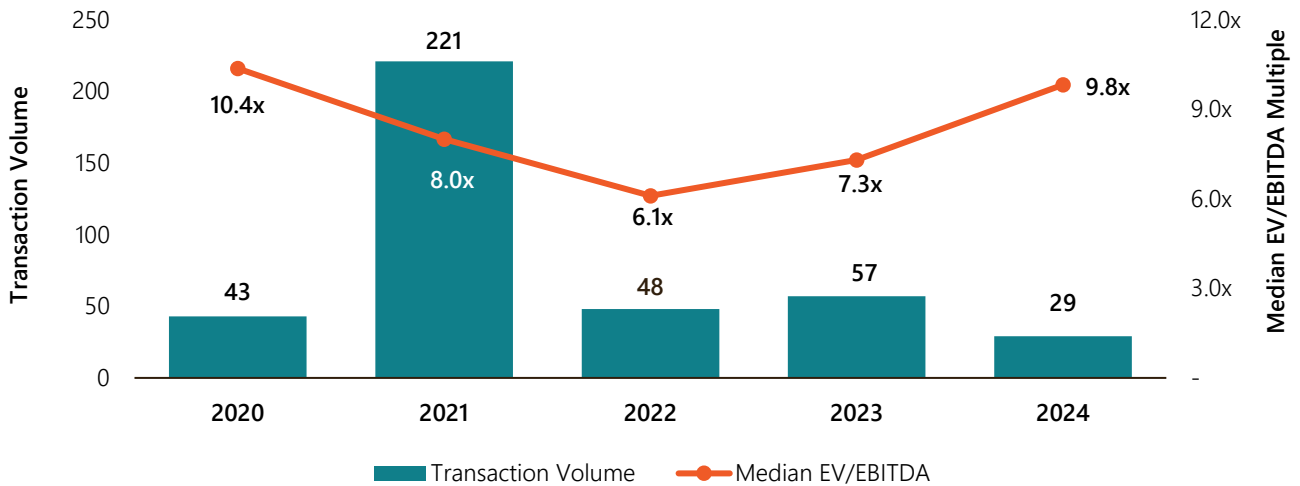
Quarterly Update | Q4 2024



# Industry Overview

## M&A Snapshot – All Dealership Industries

Publicly Disclosed Transactions - All Dealership Industries (US and Canada)<sup>1</sup>



### M&A Activity – All Dealership Industries (Automotive, Agriculture, Heavy Truck)

- Due to the limited number of publicly traded dealerships in Canada, information is related to U.S. transactions. M&A activity in the U.S. can indicate overall macro-level trends in Canada.
- There were 29 publicly disclosed U.S. dealership transactions in 2024, with an aggregate deal value of \$2.15 billion.<sup>1</sup>
- At the conclusion of Q4 2024, median EV/EBITDA multiples were 9.8x, up from 7.3x in 2023, and a low of 6.1x in 2022.<sup>2</sup>

#### Automotive

- Dealership fragmentation presents opportunities for M&A among automotive dealerships in North America, as observed through continued industry consolidation.
- Light truck sales outpaced passenger cars in Q4 2024, making up 87.4% of total Canadian sales.<sup>3</sup>

#### Agriculture Implement

- Consolidation continues amongst Case-IH, New Holland, John Deere, CLAAS, and Kubota dealers throughout North America. Valuations can vary significantly by location, size, and historical performance.

#### Heavy Truck

- The fragmented marketplace presents an opportunity for M&A activity amongst dealerships and consolidators.

<sup>1</sup>: Capital IQ. Data as of December 31, 2024; SEC Filings via Haig Report for Q3 2024. The Haig Report data lags one quarter in our reports.

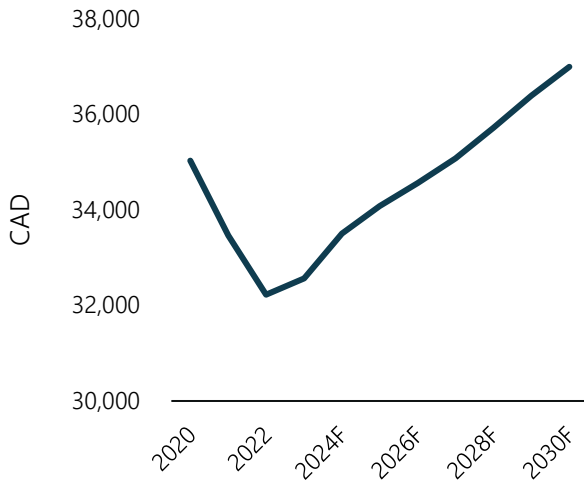
<sup>2</sup>: Average Median EV/EBITDA Last Twelve Months for automotive, heavy truck, agriculture implement, and construction equipment dealers, per Capital IQ. Refer to page 8 for peer group comparison and comprehensive data. Peer groups may change from year-to-year.

<sup>3</sup>: Desrosiers Automotive Reports, Q4 2024 – Canadian Passenger Car and Light Truck Sales.

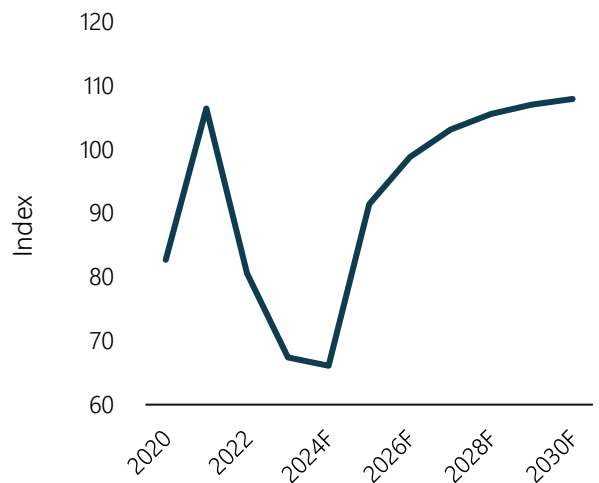
# Macroeconomic Indicators

The key external drivers affecting the various dealership industries in Canada include per capita disposable income, consumer confidence index, interest rates, and gross domestic product (GDP).

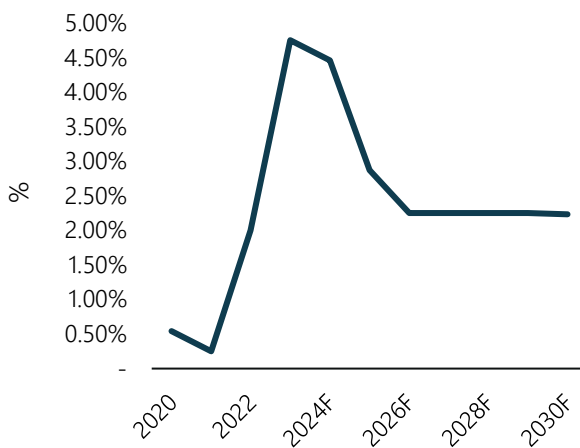
### Per Capita Disposable Income



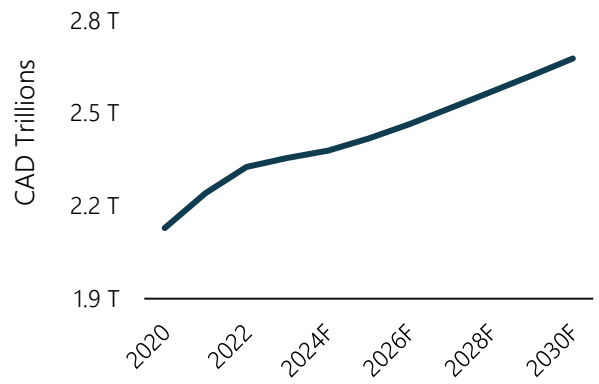
### Consumer Confidence Index



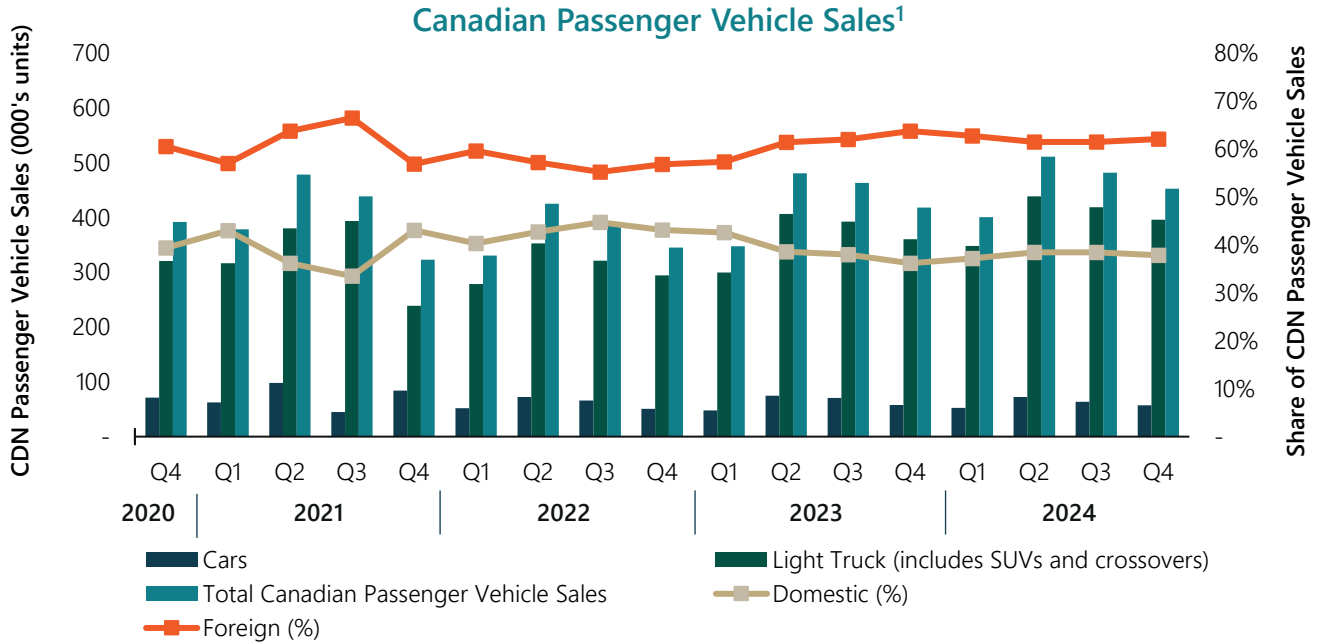
### Overnight Rate



### GDP - Canada

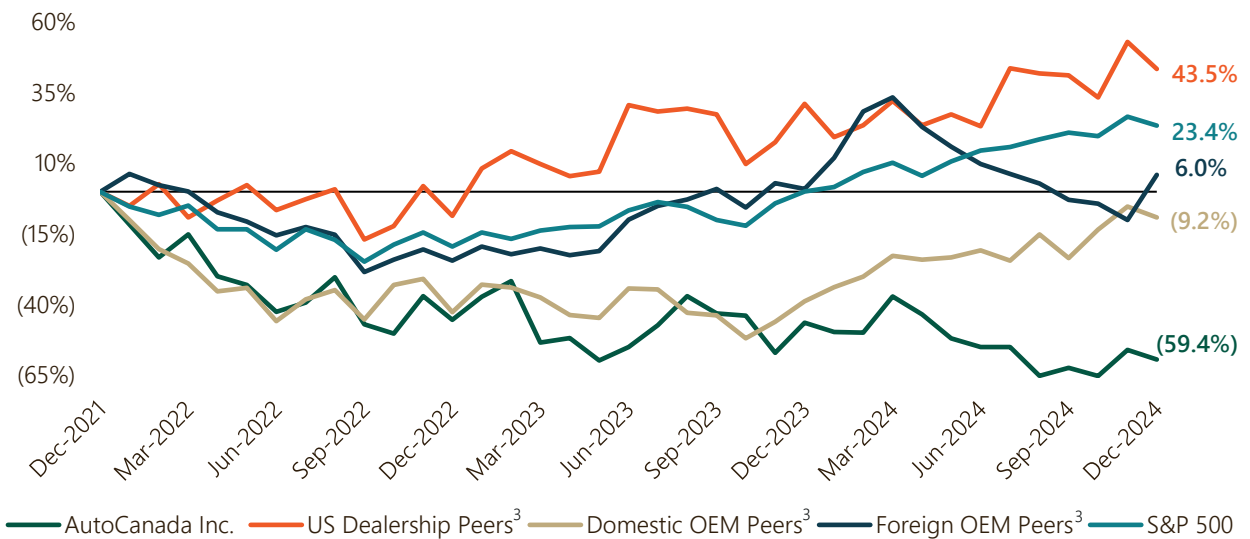


Source: IBISWorld Industry Reports, Bank of Canada.  
"F" indicates forecast.



Q4 2024 sales totaled an estimated 452,980 units, an 8.3% increase from Q4 2023. Foreign brands hold an estimated market share of 62.1% based on Q4 2024 data.<sup>1</sup> The share of foreign sales over domestic sales trended upward for seven consecutive quarters leading into 2024. The trend shifted slightly in Q2 2024 and Q3 2024, with an increase in domestic brand sales, before a modest decrease in Q4 2024.

### Share Price Performance<sup>2</sup>



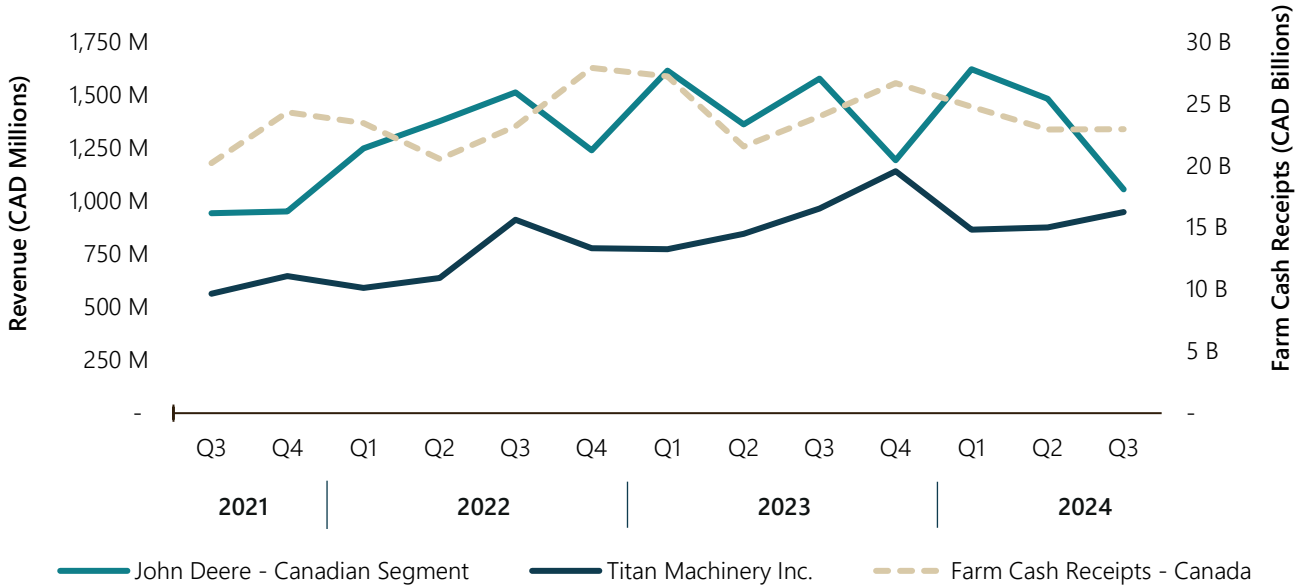
1: Desrosiers Automotive Consultants reports, December 2020 – December 2024.

2: Capital IQ. Data as of December 31, 2024.

3: **US Dealership Peers:** AutoNation, Group 1 Automotive, Asbury Automotive, Sonic Automotive, Lithia Motors and Penske Automotive.

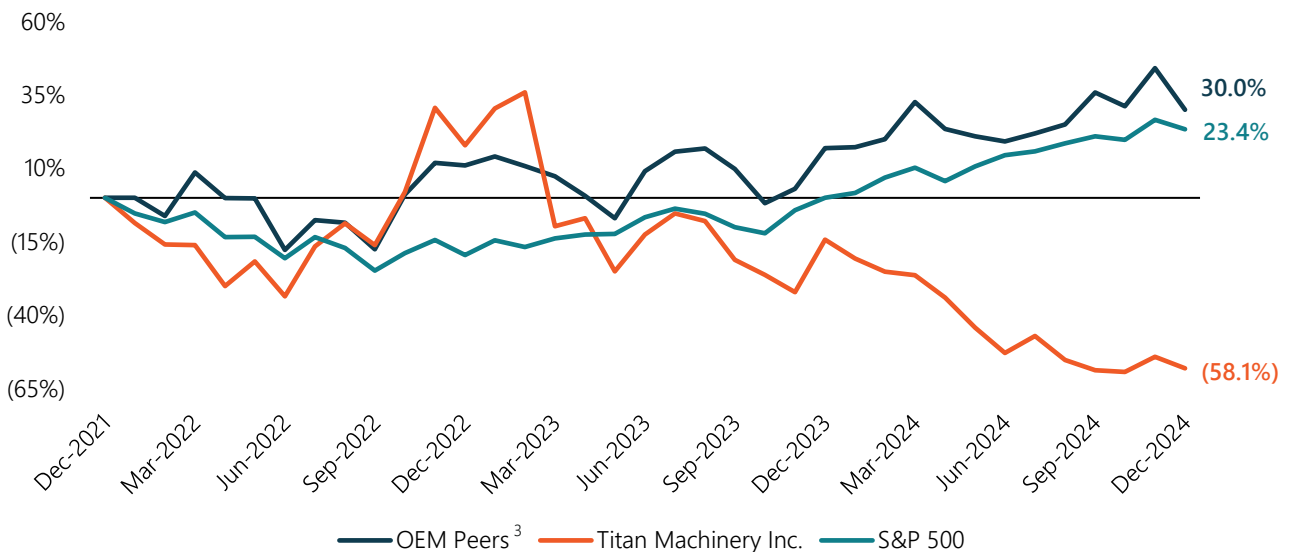
**Domestic OEM Peers:** General Motors, Ford and Fiat Chrysler. **Foreign OEM Peers:** Toyota, Honda and Nissan.

### Ag Implement Revenue vs. Farm Cash Receipts Per Quarter<sup>1</sup>



Farm cash receipts decreased 4.5% year-over-year from Q3 2023 to Q3 2024. The year-over-year revenue of John Deere’s Canadian segment decreased by 33.1% from Q3 2023 to Q3 2024. Q4 2024 farm cash receipts data is not yet available at the time of this report. As there are no publicly traded agriculture equipment dealerships in Canada, we have used the U.S.-based agriculture dealership Titan Machinery Inc. as part of our data.

### Share Price Performance<sup>2</sup>

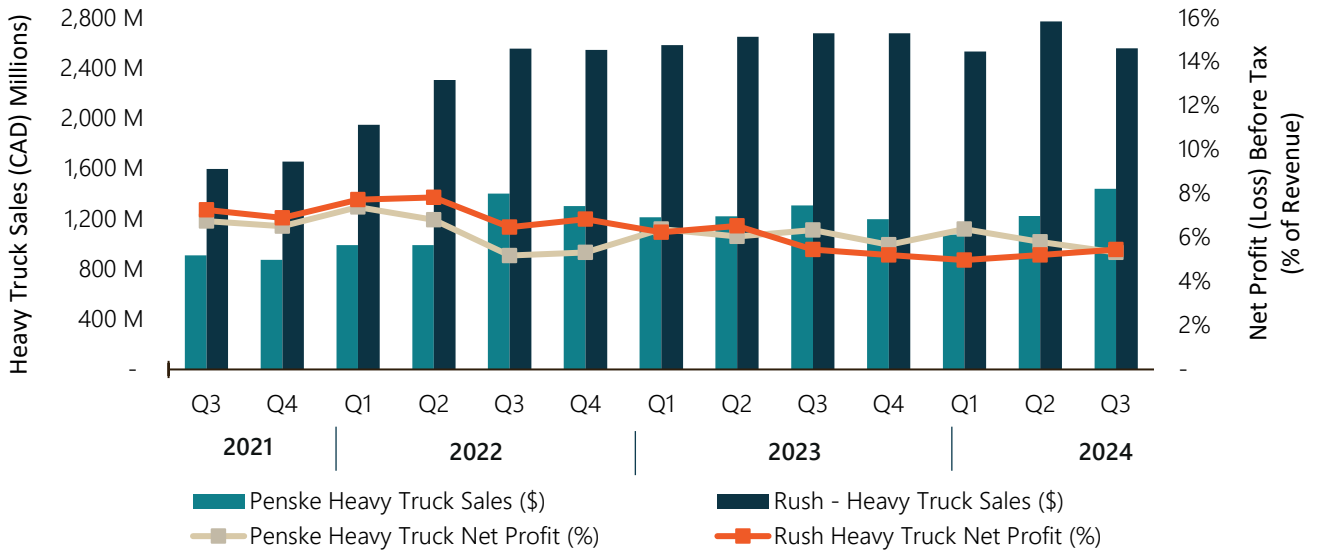


1: Farm Cash Receipts retrieved from Statistics Canada. Data effective September 30, 2024. Farm Cash Receipts lag one quarter in our reports.

2: Capital IQ. Data as of December 31, 2024.

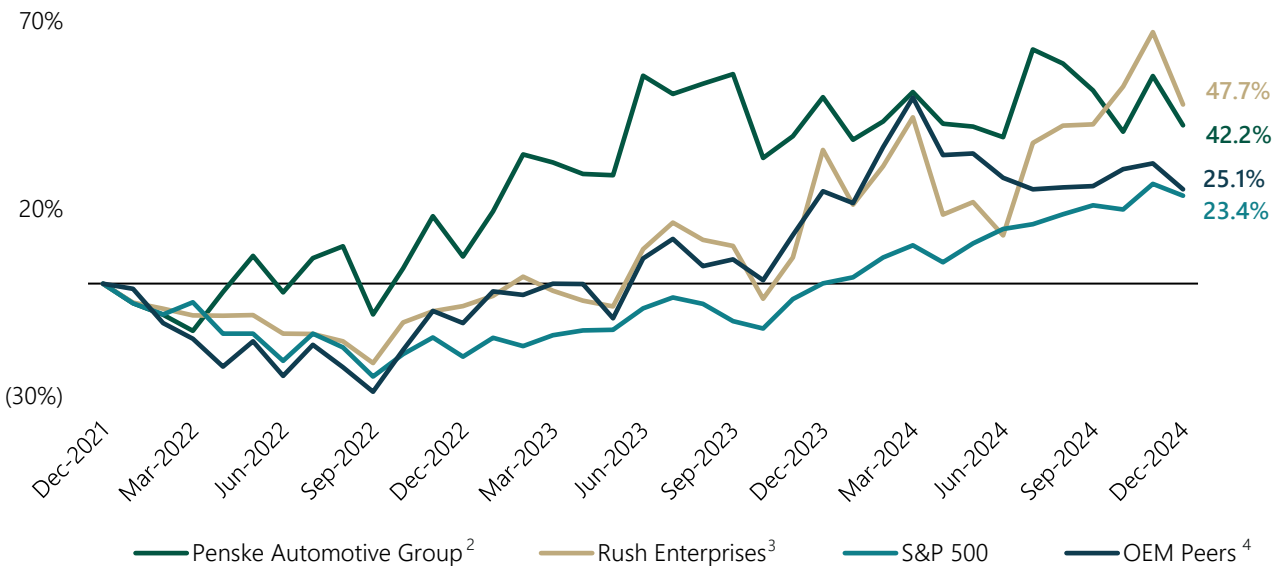
3: **OEM Peers:** Deere & Company (John Deere), CNH Industrial (Case IH, New Holland), Kubota Corp., Caterpillar Inc. (CAT), and AGCO Corporation (Massey Ferguson).

### Penske & Rush Heavy Truck Division Performance<sup>1</sup>



Penske Automotive Group (Penske) is a publicly traded, global dealership group. Rush Enterprises Inc. (Rush) is a publicly traded retailer of commercial vehicles in North America. Penske generated approximately 14.0% of sales from its heavy truck division in Q3 2024, while substantially all of Rush’s sales relate to heavy trucks. Heavy truck sales and net profit margins have been isolated to gauge divisional performance as a metric for the industry in general.

### Share Price Performance<sup>2</sup>



1: Capital IQ. Data as of December 31, 2024. Penske & Rush Heavy Truck Division Performance for Q4 2024 is not available at the time of preparing this report.

2: Penske is a diversified company, therefore the share price performance shown above is not inherently related to the performance of its heavy truck division.

3: Rush Enterprises is a retailer of commercial vehicles in North America, primarily retailing new and used heavy trucks.

4: **OEM Peers** Daimler AG (Freightliner, Western Star), AB Volvo (Volvo, Mack), and PACCAR Inc. (Kenworth, Peterbilt).

# Select Recent M&A Transactions

**Birchwood**

has acquired

**FUNK'S**



Closed	October 2024
Transaction Value	Not Disclosed
TEV/EBITDA	Not Disclosed
Location (Vendor)	Steinbach, MB

- **Birchwood Automotive Group (Birchwood)** is Winnipeg and Manitoba's largest network of automotive retailers, with 24 dealerships, 22 brands, three collision repair facilities, and four credit locations.
- **Funk's Toyota** is a Steinbach, MB-based Toyota dealership.
- The acquisition of Funk's Toyota allows Birchwood to gain a presence in Steinbach and further expand operations across Manitoba.<sup>1</sup>

**CHUDDS**

CHRYSLER DODGE Jeep RAM

has acquired



Closed	December 2024
Transaction Value	Not Disclosed
TEV/EBITDA	Not Disclosed
Location (Vendor)	Gimli, MB

- **Chudds Chrysler** is an automotive dealer based in Gimli, MB and proudly serves the Winnipeg, Winnipeg Beach, and Selkirk areas.
- **Gimli Auto** is a Ford dealership that carries both new and used vehicles.
- The acquisition of Gimli Auto strengthens Chudd Chrysler's presence within Gimli and adds Ford to their brand selection.

**Kot Auto Group**

has acquired



Announced	November 2024
Transaction Value	Not Disclosed
TEV/EBITDA	Not Disclosed
Location (Vendor)	Kelowna, BC

- **Kot Auto Group (KAG)** is a family-owned and operated dealership group in British Columbia
- **Okanagan Chrysler Jeep Dodge (Okanagan Dodge)** is a Kelowna-based dealership.
- The acquisition of Okanagan Dodge will provide a significant opportunity for KAG to expand its dealership presence in the Okanagan Valley.<sup>3</sup>



1: "End of an era for Funk's Toyota; Steinbach business sold. <https://www.steinbachonline.com/articles/end-of-an-era-for-funks-toyota-steinbach-business-sold>

2: Chudd's Chrysler Acquires Gimli Auto. <https://my.pitchbook.com/profile/731598-40/investor/profile>

3: "Okanagan Dodge, Strengthening Its Presence in the B.C. Automotive Market. <https://www.newswire.ca/news-releases/kot-auto-group-acquires-okanagan-dodge-strengthening-its-presence-in-the-b-c-automotive-market-881023934.html>

# Public Comparable Analysis

## Trading Multiples & Operating Statistics

(Figures In CAD Millions, except percentages and ratios)<sup>1</sup>

CAD Millions	LTM Operating Figures						NTM Consensus Estimates			Valuation	
	Market Capitalization	Enterprise Value	Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
<b>Automotive Dealerships</b>											
AutoCanada Inc.	\$402	\$2,548	\$6,134	(3.3%)	\$194	3.2%	0.5%	2.9%	14.1x	13.1x	0.4x
AutoNation, Inc.	\$9,688	\$22,197	\$35,556	(2.1%)	\$2,155	6.1%	8.4%	6.0%	9.5x	9.7x	0.6x
Group 1 Automotive, Inc.	\$7,883	\$15,670	\$25,490	8.0%	\$1,499	5.9%	22.1%	4.8%	10.5x	9.8x	0.6x
Asbury Automotive Group, Inc.	\$6,849	\$14,059	\$22,285	12.2%	\$1,597	7.2%	10.5%	5.7%	9.9x	8.3x	0.6x
Sonic Automotive, Inc.	\$3,116	\$8,396	\$18,796	(3.2%)	\$853	4.5%	8.4%	4.1%	10.1x	9.2x	0.4x
Lithia Motors, Inc.	\$13,699	\$33,646	\$46,863	14.4%	\$2,939	6.3%	15.2%	4.5%	13.5x	10.7x	0.7x
Penske Automotive Group, Inc.	\$14,645	\$26,898	\$40,538	2.5%	\$2,756	6.8%	8.5%	4.8%	12.8x	9.2x	0.6x
<b>Median</b>	<b>\$7,883</b>	<b>\$15,670</b>	<b>\$25,490</b>	<b>2.5%</b>	<b>\$1,597</b>	<b>6.1%</b>	<b>8.5%</b>	<b>4.8%</b>	<b>10.5x</b>	<b>9.7x</b>	<b>0.6x</b>
<b>Mean</b>	<b>\$8,040</b>	<b>\$17,630</b>	<b>\$27,952</b>	<b>4.1%</b>	<b>\$1,713</b>	<b>5.7%</b>	<b>10.5%</b>	<b>4.7%</b>	<b>11.5x</b>	<b>10.0x</b>	<b>0.6x</b>
<b>Heavy Truck Dealerships</b>											
Penske Automotive Group, Inc.	\$14,645	\$26,898	\$40,538	2.5%	\$2,756	6.8%	8.5%	4.8%	12.8x	9.2x	0.6x
Rush Enterprises, Inc.	\$6,222	\$8,766	\$10,571	0.6%	\$954	9.0%	2.8%	8.6%	0.0x	8.6x	0.8x
<b>Median</b>	<b>\$10,433</b>	<b>\$17,832</b>	<b>\$25,555</b>	<b>1.6%</b>	<b>\$1,855</b>	<b>7.9%</b>	<b>5.6%</b>	<b>6.7%</b>	<b>6.4x</b>	<b>8.9x</b>	<b>0.7x</b>
<b>Mean</b>	<b>\$10,433</b>	<b>\$17,832</b>	<b>\$25,555</b>	<b>1.6%</b>	<b>\$1,855</b>	<b>7.9%</b>	<b>5.6%</b>	<b>6.7%</b>	<b>6.4x</b>	<b>8.9x</b>	<b>0.7x</b>
<b>Agriculture &amp; Construction Dealerships</b>											
Titan Machinery Inc.	\$463	\$2,202	\$3,894	12.3%	\$195	5.0%	(8.9%)	0.9%	13.5x	10.9x	0.5x
<b>Median</b>	<b>\$463</b>	<b>\$2,202</b>	<b>\$3,894</b>	<b>12.3%</b>	<b>\$195</b>	<b>5.0%</b>	<b>(8.9%)</b>	<b>0.9%</b>	<b>13.5x</b>	<b>10.9x</b>	<b>0.5x</b>
<b>Mean</b>	<b>\$463</b>	<b>\$2,202</b>	<b>\$3,894</b>	<b>12.3%</b>	<b>\$195</b>	<b>5.0%</b>	<b>(8.9%)</b>	<b>0.9%</b>	<b>13.5x</b>	<b>10.9x</b>	<b>0.5x</b>
<b>Automotive OEMs</b>											
General Motors Company	\$84,281	\$235,904	\$246,844	6.2%	\$24,921	10.1%	2.4%	14.3%	6.5x	8.9x	0.9x
Stellantis N.V.	\$51,424	\$43,669	\$258,381	(7.2%)	\$33,276	12.9%	(8.7%)	11.1%	0.0x	1.3x	0.2x
Ford Motor Company	\$56,612	\$246,039	\$246,877	4.9%	\$14,594	5.9%	1.6%	6.9%	14.2x	15.8x	0.9x
Honda Motor Co., Ltd.	\$65,171	\$121,398	\$203,844	17.3%	\$26,037	12.8%	(3.4%)	9.6%	6.4x	4.8x	0.6x
Nissan Motor Co., Ltd.	\$16,219	\$76,474	\$118,878	5.1%	\$6,814	5.7%	(1.7%)	4.8%	13.7x	11.6x	0.7x
Toyota Motor Corporation	\$377,444	\$649,968	\$437,506	12.0%	\$72,491	16.6%	2.5%	14.0%	10.6x	9.2x	1.5x
<b>Median</b>	<b>\$60,892</b>	<b>\$178,651</b>	<b>\$246,860</b>	<b>5.7%</b>	<b>\$25,479</b>	<b>11.4%</b>	<b>(0.0%)</b>	<b>10.4%</b>	<b>8.5x</b>	<b>9.1x</b>	<b>0.8x</b>
<b>Mean</b>	<b>\$108,525</b>	<b>\$228,909</b>	<b>\$252,055</b>	<b>6.4%</b>	<b>\$29,689</b>	<b>10.7%</b>	<b>(1.2%)</b>	<b>10.1%</b>	<b>8.6x</b>	<b>8.6x</b>	<b>0.8x</b>
<b>Heavy Trucks OEMs</b>											
AB Volvo (publ)	\$71,101	\$95,099	\$71,515	(0.3%)	\$11,846	16.6%	(8.7%)	16.4%	8.9x	8.2x	1.4x
PACCAR Inc.	\$78,471	\$87,766	\$47,058	1.9%	\$8,013	17.0%	(4.6%)	14.1%	13.7x	10.3x	1.8x
<b>Median</b>	<b>\$74,786</b>	<b>\$91,433</b>	<b>\$59,286</b>	<b>0.8%</b>	<b>\$9,930</b>	<b>16.8%</b>	<b>(6.7%)</b>	<b>15.2%</b>	<b>11.3x</b>	<b>9.3x</b>	<b>1.6x</b>
<b>Mean</b>	<b>\$74,786</b>	<b>\$91,433</b>	<b>\$59,286</b>	<b>0.8%</b>	<b>\$9,930</b>	<b>16.8%</b>	<b>(6.7%)</b>	<b>15.2%</b>	<b>11.3x</b>	<b>9.3x</b>	<b>1.6x</b>
<b>Agriculture Implement / Construction OEMs</b>											
Deere & Company	\$165,562	\$252,054	\$71,497	(15.8%)	\$16,050	22.4%	(21.7%)	20.6%	21.8x	15.1x	3.4x
CNH Industrial N.V.	\$20,361	\$58,264	\$29,386	(12.4%)	\$4,042	13.8%	(12.7%)	8.7%	23.8x	13.5x	1.9x
Kubota Corporation	\$18,917	\$38,003	\$28,670	-	\$4,225	14.7%	(3.9%)	14.2%	9.7x	9.3x	1.4x
Caterpillar Inc.	\$252,000	\$299,694	\$88,709	(1.4%)	\$21,771	24.5%	5.0%	23.9%	13.4x	12.9x	3.2x
AGCO Corporation	\$10,040	\$15,700	\$16,989	(13.3%)	\$2,121	12.5%	(16.2%)	10.7%	9.2x	7.0x	0.9x
AB Volvo (publ)	\$71,101	\$95,099	\$71,515	(0.3%)	\$11,846	16.6%	(8.7%)	16.4%	8.9x	8.2x	1.4x
<b>Median</b>	<b>\$45,731</b>	<b>\$76,682</b>	<b>\$50,441</b>	<b>(6.9%)</b>	<b>\$8,036</b>	<b>15.7%</b>	<b>(10.7%)</b>	<b>15.3%</b>	<b>11.6x</b>	<b>11.1x</b>	<b>1.6x</b>
<b>Mean</b>	<b>\$89,664</b>	<b>\$126,469</b>	<b>\$51,128</b>	<b>(7.2%)</b>	<b>\$10,009</b>	<b>17.4%</b>	<b>(9.7%)</b>	<b>15.7%</b>	<b>14.5x</b>	<b>11.0x</b>	<b>2.0x</b>

Source: Capital IQ. Data as of December 31, 2024

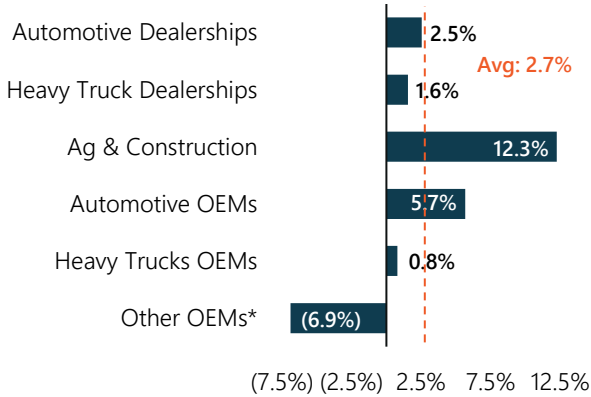
<sup>1</sup>"LTM" refers to last twelve months. "NTM" refers to next twelve months.



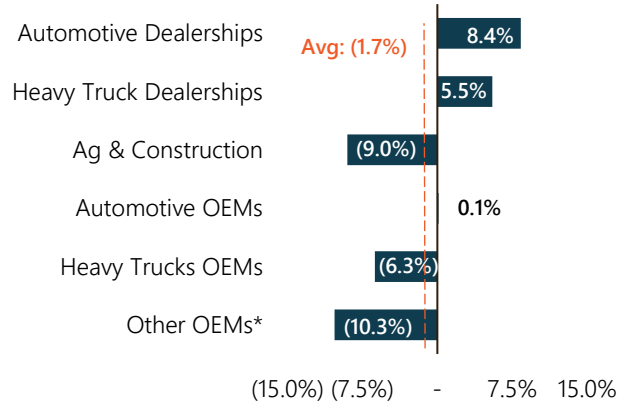
# Public Comparable Analysis

## Growth, Margins & Multiples

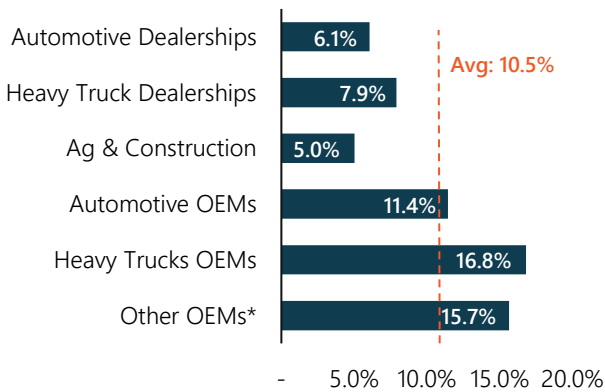
### Median Revenue Growth (LTM)



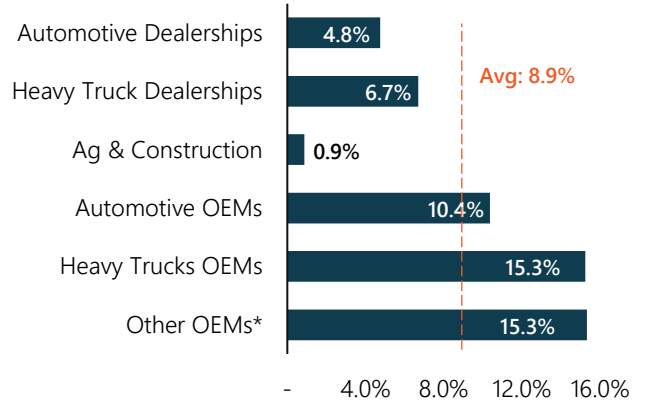
### Median Revenue Growth (NTM)



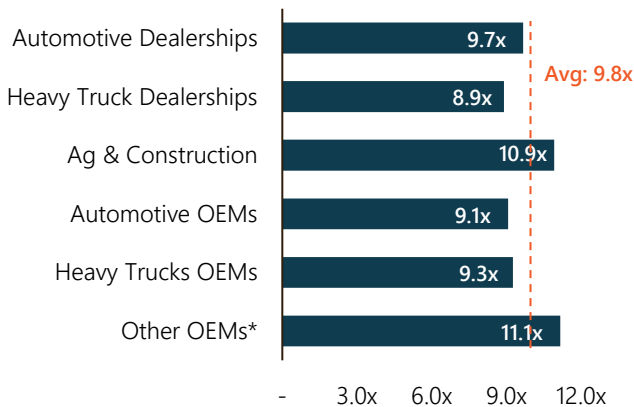
### Median EBITDA Margin (LTM)



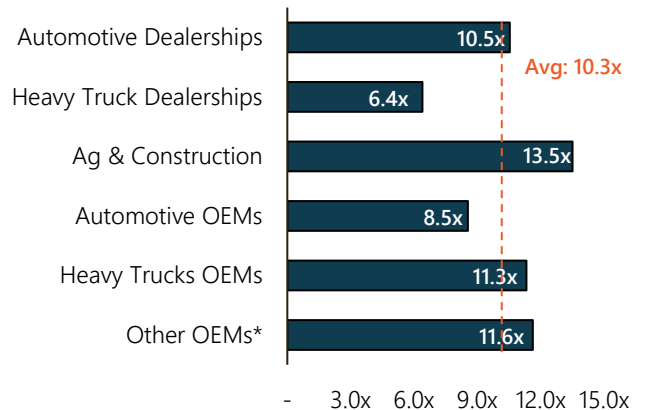
### Median EBITDA Margin (NTM)



### Median EV/EBITDA (LTM)



### Median EV/EBITDA (NTM)



\*Agriculture Implement / Construction OEMs.

Source: Capital IQ. Data as of December 31, 2024.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Valuation details provided on page 8.

# About Us

MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

Our typical transactions range in value between \$3 million and \$300 million.

## Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 300 transactions worth more than \$5 billion (not including due diligence engagements).

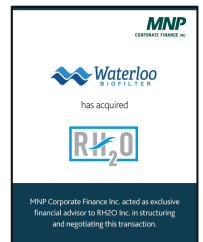
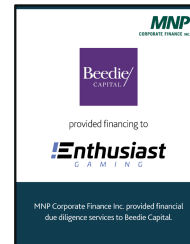
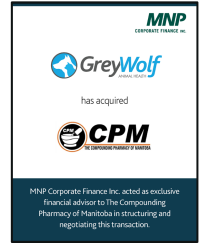
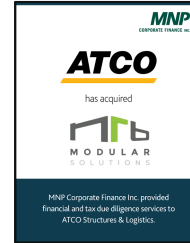
## Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

## Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

## Recently Closed Deals (National)



# About Us



## Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

## Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

## Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide.



## Recently Closed Deals (National)

MNP Corporate Finance Inc. provided financial and tax due diligence services to Beedie Capital.

MNP Corporate Finance Inc. provided vendor due diligence services to Scott Springfield Mfg. Inc.

MNP Corporate Finance Inc. provided financial and tax due diligence services to CAI Capital Partners.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Gestalt Capital.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Figurra Institute in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Sommers Generator Systems in structuring and negotiating this transaction and providing vendor due diligence services.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Château des Charmes Wines Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Uni-Select Inc.

MNP Corporate Finance Inc. acted as exclusive financial advisor to G. Williams Paving Ltd. & Williams Hot Mix Ltd. in structuring and negotiating this transaction.

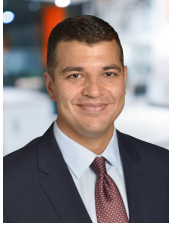
MNP Corporate Finance Inc. acted as exclusive financial advisor to Légère Invest Ltd. in structuring and negotiating this transaction.

# Leadership Team

## Transaction Leadership



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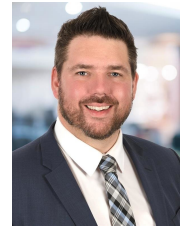
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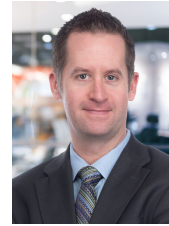
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