

VEHICLE AFTERMARKET SECTOR BENEFITS FROM RESURGENCE IN TRAFFIC LEVELS

VEHICLE AFTERMARKET SECTOR UPDATE | FEBRUARY 2022



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Vehicle Aftermarket Sector

Resurgence in Traffic Levels Bolsters Demand

KEY SECTOR TAKEAWAYS

Capstone Partners' Consumer Investment Banking Group is pleased to share its inaugural Vehicle Aftermarket sector report. Sector performance was bifurcated at the onset of the pandemic as companies in Enthusiast and Do-It-Yourself (DIY) categories benefited from elevated demand, while service providers and part manufacturers serving Do-It-For-Me (DIFM) markets experienced a brief drop in demand due to government-imposed shop closures. However, growth dynamics, including rising vehicle age and growing car parc, provide a favorable outlook for companies in the sector. Recognizing the resilience and growth potential of the sector, buyers have demonstrated significant interest in the space, with merger and acquisition (M&A) activity moving at a fervent pace throughout 2021.

1. The Vehicle Aftermarket sector has demonstrated its resilience with leading companies citing significant sales increases in their respective Q3 2021 earnings calls.
2. Rising traffic levels and average vehicle age are expected to translate to higher demand for replacement parts, collision repair, and general maintenance services.
3. Supply chain disruptions, raw material prices, and labor market shortages are expected to continue to challenge aftermarket companies in the near term. However, difficulties regarding sourcing parts overseas are projected to wane in the second half (2H) of 2022 as supply chains normalize.
4. Clear winners amid the pandemic include enthusiast aftermarket product suppliers/distributors, especially those with robust e-commerce or e-tail platforms offering Jeep, truck, and offroad accessories and upgrade parts.
5. The sector experienced elevated M&A activity in 2021 with buyers demonstrating an interest in recession-resilient businesses in the wake of COVID-19.

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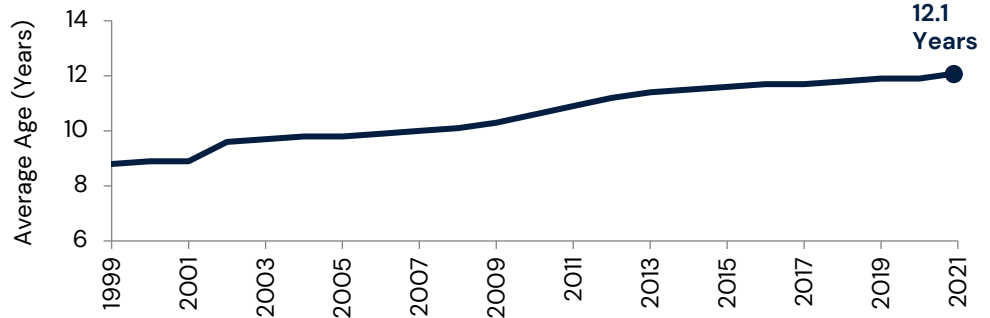
To learn more about Capstone's wide range of advisory services and Vehicle Aftermarket sector expertise, please contact [Yogesh Punjabi](#).

KEY INDICATORS PROVIDE FAVORABLE SECTOR OUTLOOK

The Aftermarket is largely dependent on the key macroeconomic drivers below. Companies offering replacement parts, and general maintenance and repair services are expected to see a rise in demand due to increasing vehicle age and the resurgence of traffic levels from the onset of the pandemic.

Average Age of Automobiles and Light Trucks in Operation in the U.S.

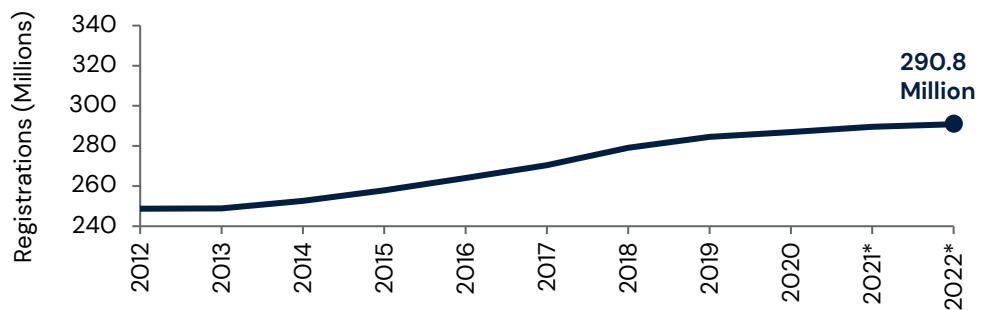
The average age of automobiles and light trucks in operation reached 12.1 years in 2021 due to vehicle improvements that bolster longevity and rising new vehicle prices.



Sources: Bureau of Transportation Statistics, IHS Markit, U.S. Department of Energy, U.S. Department of Transportation, and Wolf Street

Total Registered Vehicles in the U.S.

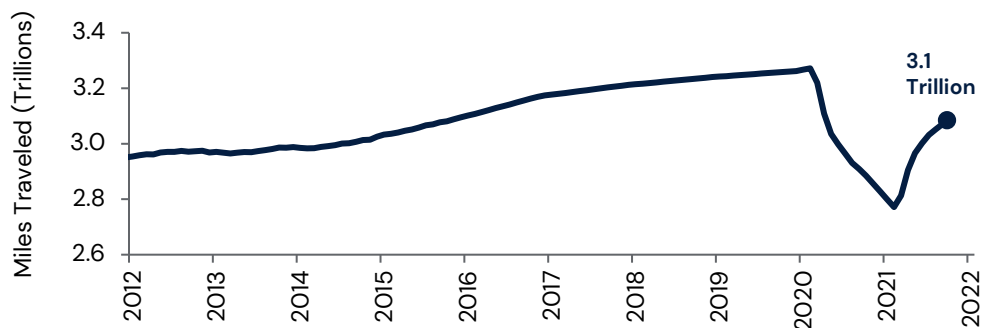
Total vehicle registrations are estimated to have reached 289.5 million in 2021, although only 14.5 million light vehicles were sold in 2020 (lowest since 2012). A rising number of vehicles on the road will buoy sector demand throughout 2022.



Note: *Estimated vehicle registrations
Source: Hedges & Company

Moving Twelve-Month Total Vehicle Miles Traveled in the U.S.

Total vehicle miles traveled recovered to 3.1 trillion in October as citizens have begun to resume activities put on hold at the onset of the pandemic, including returning to in-person work and leisure traveling.



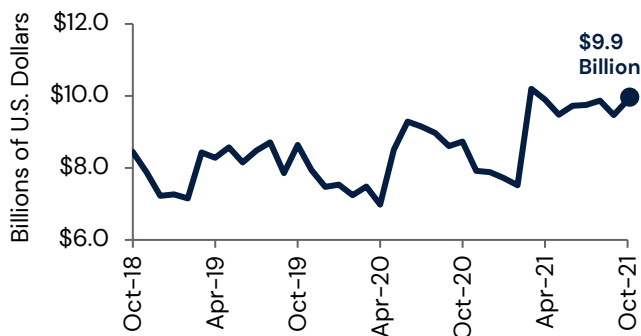
Source: U.S. Federal Highway Administration

PANDEMIC TAILWINDS SUPPORT NEAR-TERM GROWTH

Aftermarket service providers were challenged at the onset of the pandemic as consumers reduced discretionary spending amid financial uncertainty, electing to delay general maintenance and repair services. In addition, the widespread adoption of work-from-home business models and safety protocols significantly reduced the number of cars on the road, illustrated by the 15.3% decrease in total vehicle miles traveled in February 2021 year-over-year (YOY), according to the U.S. Department of Transportation.¹ Lower vehicle usage coupled with temporary store closures led to a reduction in replacement part sales with automotive parts, accessories, and tire stores sales falling to their lowest monthly level in nine years in April 2020, according to the U.S. Census Bureau.² However, increased time spent at home and the rise of e-commerce translated to elevated demand for enthusiast and DIY products, with total sales for parts, accessories, and tires rising to \$9.9 billion in October 2021.

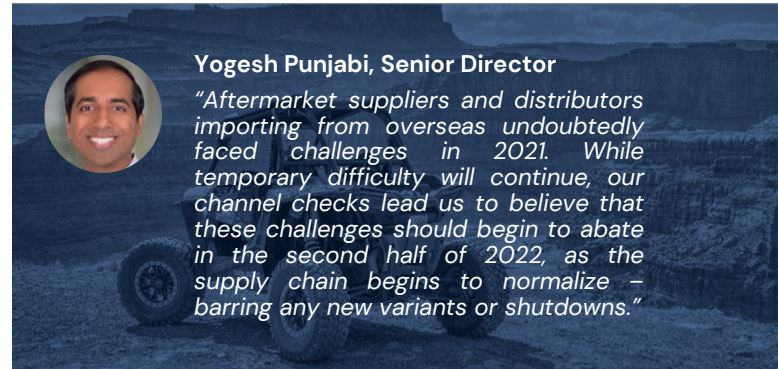
With the continued recovery of the economy, leading companies in the Parts Distribution and Services segments have capitalized on the uptick in consumer demand, evidenced by Boyd Group Services (TSX:BYX) reporting a 28.4% YOY increase in sales and O'Reilly Automotive (Nasdaq:ORLY) recording comparable store sales growth of 12.9% YOY through Q3 2021, according to the companies' respective earnings calls.^{3,4}

Automotive Parts, Accessory, and Tire Stores Retail Sales Recover in 2021



Source: U.S. Census Bureau

Aftermarket parts suppliers and manufacturers also recorded increased demand, although supply chain disruptions and corresponding elevated raw material prices have put downward pressure on profit margins, particularly for smaller companies.



However, many manufacturers have been able to pass high input costs to consumers given the strong demand backdrop. One example of this is part manufacturer, Standard Motor Products (NYSE:SMP), which experienced record quarterly sales in Q2 2021 despite inflation across input costs. "From a gross margin standpoint, we anticipate certain pressures as the nonrecurring benefits of favorable absorption fade and elevated supply chain costs persist, though we do believe that the market is amenable to a pass-through of inflation," said Eric Sills, CEO at Standard Motor Products, in the company's Q2 2021 earnings call.⁵ Labor shortages and rising wages are also expected to challenge top-line growth for companies across all segments of the sector.

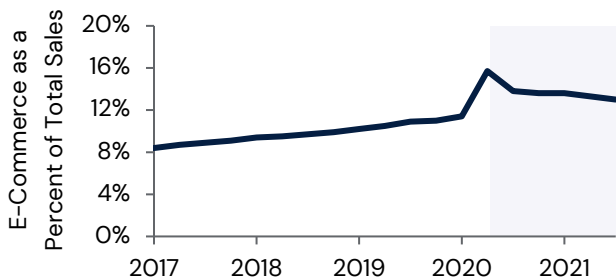
Aftermarket companies are expected to benefit from positive trends in macroeconomic drivers including the rising number of registered vehicles, the increasing average age of automobiles and light trucks, and the resurgence in miles traveled. In addition, pent-up demand, elevated e-commerce use, rising interest in DIY projects, and growth in the Enthusiast category have created opportunities for aftermarket companies such as Holley (NYSE:HLLY) and Fox Factory (Nasdaq:FOXF). "The demand across our product categories continues to be strong with no signs of abating given our uncompromising brand and customer loyalty, complemented by a fundamental shift in consumer behavior towards the more health-conscious and outdoor lifestyle," said Michael Dennison, CEO of Fox Factory, in the company's Q3 2021 earnings call.⁶ Capstone expects the sector's recovery to supplement transaction activity, with financial buyers pursuing platform and add-on acquisitions to establish a footprint in the space, and strategics bolstering growth inorganically.

MEANINGFUL TRENDS IMPACTING THE VEHICLE AFTERMARKET SECTOR

Companies Bolster E-Commerce Infrastructure Amid Elevated Online Shopping Activity

Clear winners amid the pandemic include aftermarket product distributors that integrated e-commerce solutions as consumers elected to utilize online shopping over buying goods in person. Although the online shopping trend has modestly declined from the unprecedented levels experienced at the height of the pandemic, e-commerce as a percentage of total retail sales remains above pre-pandemic levels, at 13% in Q3 2021, as compared to 10.9% in Q3 2019, according to the U.S. Census Bureau.⁷ While growth in the E-commerce Aftermarket segment is expected to continue to normalize throughout 2022, companies will continue to augment online platforms as e-tailers aim to challenge traditional part distributors. Notably, leading online part retailer CarParts.com (Nasdaq:PRTS) reported that its online demand has exceeded outbound capacity, supporting the company's thesis that it is well-positioned to disrupt the Aftermarket due to the sector's historically low online penetration, according to its Q3 earnings call.⁸ E-commerce revenue for the U.S. Automotive Aftermarket is projected to reach \$38 billion in 2022 before expanding to \$67 billion by the year 2030, according to Hedges & Company.⁹

E-Commerce Retail Sales Remain Elevated



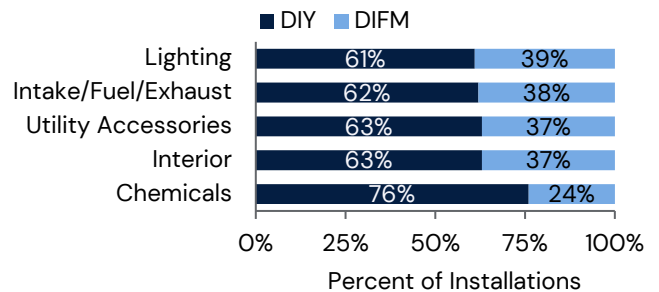
Note: shaded area indicates post-pandemic declaration
Source: U.S. Census Bureau

Consumer Enthusiast and DIY End Markets Experience Substantial Growth

The Consumer Enthusiast market experienced unprecedented growth during the pandemic owing to the growing popularity of outdoor sport activities and a rising number of trails and adventure parks. Aftermarket businesses providing replacement and upgrade parts, accessories, and services for enthusiast vehicles, including all terrain vehicles (ATVs), recreational vehicles (RVs), and off-road Jeeps and trucks benefited from high

demand as consumers increasingly pursued new and existing outdoor hobbies. Capstone expects this trend to hold steady as enthusiasts continue to pursue their passions. Similarly, the DIY market enjoyed robust growth during the pandemic as consumers adopted passion projects with increased time at home translating to heightened spending on vehicle care, maintenance, and accessorizing. This trend is expected to continue, albeit not at the unprecedented levels experienced at the onset of COVID-19, supported by consumers feeling more confident about working on their vehicles, the rise of parts e-tail, and a continuously expanding library of online content, most notably through proliferating social media channels.

Consumers Choose to Install Simple Parts Themselves



Source: Specialty Equipment Market Association

Service Providers Adjust Business Models to Reduce the Impact of Lower Margins

In recent years, many independent auto body shops have endured declining margins, with profit comprising 6.7% of revenue in 2021 as compared to 8.8% in 2016, according to IBIS World.¹⁰ This is largely due to insurance companies requiring Direct Repair Program (DRP) shops to reduce their average prices and hourly labor rates for all deferred maintenance, lowering margins and putting downward pressure on prices across the sector. DRP shops are often unwilling to terminate program participation as insurance companies contribute to shops' client-base through referrals. The pandemic led to further deterioration of profit margins as shops were forced to reduce prices in order to increase demand, which was intensified by rising sector wages and material prices. This has driven opportunity for larger multi shop operations (MSOs) and financial investors as they continue to consolidate the space.

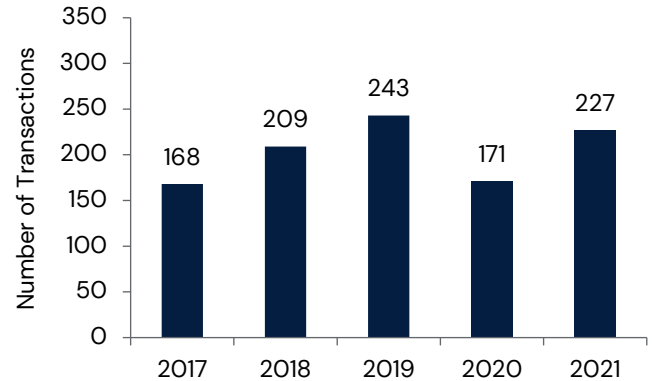
DEAL VOLUME SURGES AS PE-BACKED COMPANIES EXECUTE ADD-ONS

The Vehicle Aftermarket sector experienced elevated M&A activity in 2021 with buyers demonstrating a substantial interest in recession-resilient businesses in the wake of COVID-19. Transaction volume increased 32.7% YOY in 2021 with 227 deals announced or completed. Capstone expects deal activity to remain strong in 2022 with companies aiming to bolster market share as the sector continues to capture demand driven by favorable growth dynamics.

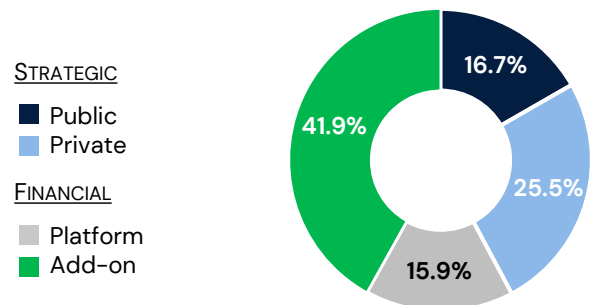
Given its fragmentation across subsectors, the Vehicle Aftermarket presents a lucrative consolidation opportunity with acquirers seeking businesses in attractive geographies that serve high-growth end markets or offer complementary products or services. One example of this is Dexter Axle Company's December 2021 acquisition of Progress Manufacturing, a provider of custom-engineered towing products based in Provo, Utah. Terms of the deal were not disclosed. Dexter, a wholly-owned subsidiary of DexKo Global, serves utility trailer, RV, marine, heavy-duty agricultural, and specialty equipment manufacturers and distribution partners. The transaction allows DexKo Global to expand into adjacent product categories and pursue potential cross-sell opportunities through Progress' extensive dealer network.

Financial buyers comprised the majority of deal activity in 2021, led by PE add-ons which accounted for 41.9% of acquisitions. PE-backed companies have leveraged private equity funding to pursue roll-up opportunities to increase scale. This is very prevalent across the Aftermarket Service sector including general repair, collision, car wash, and oil & lube.

Vehicle Aftermarket M&A Transaction Volume Recovers in 2021



PE-Backed Buyers Lead Deal Activity



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



Yogesh Punjabi, Senior Director

"The Aftermarket sector witnessed heightened M&A activity across virtually all subsectors in 2021. We expect this level to sustain through 2022 as aftermarket fundamentals remain strong, and strategic and financial buyers continue to put capital to work through acquisitions."



SELECT NOTABLE TRANSACTIONS IN 2021

FS Freeman Spogli & Co.

Partners With



In December, WhiteWater Express Car Wash announced its partnership with private equity firm Freeman Spogli & Co. (undisclosed). WhiteWater's founders and SkyKnight Capital will remain significant investors alongside Freeman Spogli, according to a press release.¹¹ Headquartered in Houston, Texas, WhiteWater is a multi-regional express car wash platform that has utilized a "land and expand" strategy in order to bolster its geographic presence, entering new markets through acquisitions, then building locations while pursuing other acquisitions to strengthen its market share.

"We are excited to partner with Freeman Spogli as WhiteWater continues to execute on its multi-pronged, multi-regional growth strategy. Freeman Spogli's extensive experience in successfully building consumer brands and scaling multi-unit businesses will bolster our strategy to densify existing markets while pursuing thoughtful new market expansion," said Steve Mathis, Co-founder and CEO of WhiteWater Express, in the press release.

LGP

Acquires



In September, private equity firm Leonard Green & Partners acquired a majority stake in Sun Auto Tire & Service (undisclosed). Upon closing of the deal, Tony Puckett, former President of automotive maintenance products and services giant Valvoline (NYSE:VVV), has become Sun Auto's Chief Executive Officer, according to a press release.¹² Greenbriar Equity Group, Sun Auto's longtime owners, will remain a shareholder in the company.

Sun Auto is a leading provider of aftermarket automotive repair, maintenance, and tire services in the Southwestern U.S. The company currently operates over 350 retail locations nationwide and is recognized as the sixth largest tire dealership on the 2021 Modern Tire Dealer 100. Sun Auto will utilize Leonard Green's funding and expertise to continue to execute on its aggressive growth strategy. In July 2020, Capstone advised Sun Devil Auto on its acquisition by Sun Auto Tire & Service (formerly known as GB Auto Service), a portfolio company of Greenbriar Equity Group.

△ Audax Private Equity

Acquires



In August, Audax Private Equity acquired a majority stake in Covercraft Industries, a leading manufacturer of custom automotive, marine, and recreational vehicle protection products (undisclosed). Covercraft primarily focuses on protection covers with a library of more than 300,000 patterns, according to a press release.¹³

"Covercraft introduced the first custom fit car cover more than 55 years ago and is a long-standing leader in the Vehicle Protection Accessories market. We look forward to partnering with and supporting the company's highly experienced management team. We believe that they are well-positioned to execute on organic growth opportunities and complete strategic acquisitions," said Jay Mitchell, Managing Director of Audax, in the press release.

TSG CONSUMER

Acquires

ROUGH COUNTRY

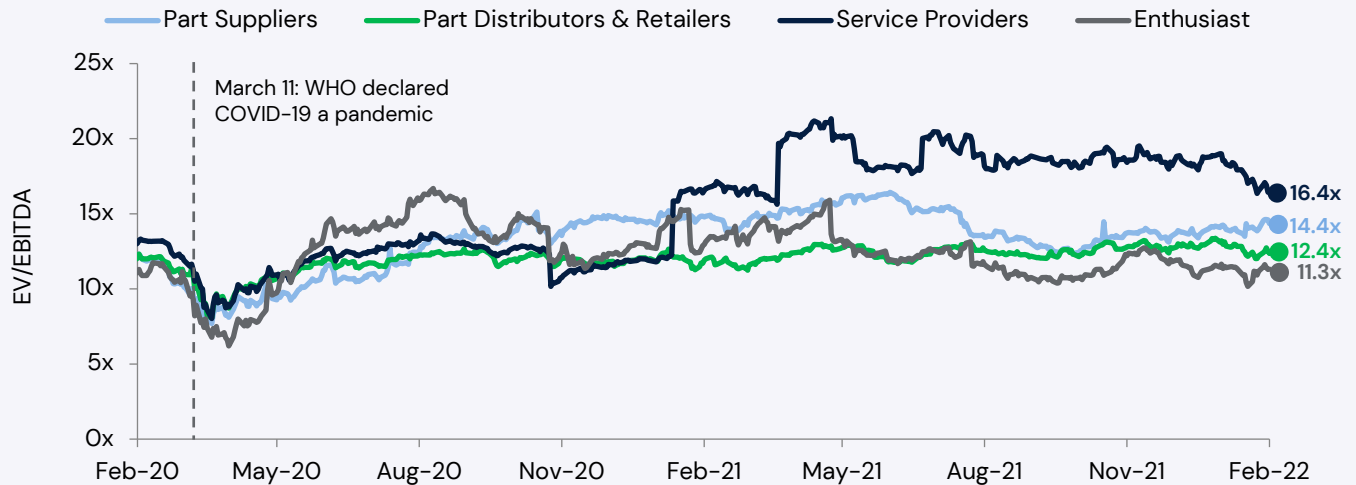
In June, private equity firm TSG Consumer Partners acquired a majority stake in Rough Country from Gridiron Capital (undisclosed). Gridiron Capital and Rough Country's management team will remain significant investors, according to a press release.¹⁴ Rough Country is a manufacturer of aftermarket performance products and accessories serving the Truck, Jeep, and SUV Enthusiast markets.

"TSG is the global leader in building world-class consumer brands, and we are excited to enter our next phase of growth with their support. Over the past few years, we have experienced great success under Gridiron's ownership. With TSG's unrivaled Auto Aftermarket and digital marketing expertise, we'll continue to expand our brand reach, digital presence and diversified customer base as we help fulfill consumers' passions for off-road and outdoor lifestyles around the world," said Ken Dunn, CEO of Rough Country in the press release.

TRADING MULTIPLES AND VALUE DRIVERS


Capstone has intimate knowledge of EBITDA multiples and value drivers for companies in the Vehicle Aftermarket sector through our closed mandates, proprietary research, and database access. Below are trading multiples and drivers for leading public companies in the space.

Public Company Trading Multiples Surpass Pre-Pandemic Levels



Part Distributors & Retailers: AAP, AZO, PRTS, CPRT, GPC, LKQ, ORLY, ID, UNS
 Part Suppliers: AXTA, DORM, HZN, MPAA, PPG, SMP, SNA, XPEL
 Service Providers: ACVA, BYD, DRVN, MCW, MNRO, VVV
 Enthusiast: FOXF, HLLY, PII
 Note: Service Providers index includes Mister Car Wash IPO in April 2021
 Source: Capital IQ as of February 4

Value Drivers

Part Manufacturers	Part Distributors and Suppliers	Service Providers
 <ul style="list-style-type: none"> Client network comprised of large distributors Exposure to high-growth categories Supply chain strength Economies of scale Strong profit margins Proficient labor force 	 <ul style="list-style-type: none"> Established customer base, serving body shops and consumers directly National presence or access to lucrative geographies Strong market penetration E-commerce offerings Exposure to growing end markets 	 <ul style="list-style-type: none"> More than 25 locations Regional dominance in high-demand geographies Recurring revenue streams Strong unit economics Variety of service offerings, particularly those in segments that are expanding

Source: Capstone Research

NOTABLE TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Acquisition Type	Service Locations
12/23/21	WhiteWater Express Car Wash	Freeman Spogli Management	Offers exterior car wash services.	Platform Investment (Minority)	60
12/16/21	Caliber Carwash	Percheron Investment Management	Operates as a car wash company.	Platform Investment	50
12/16/21	Morris 4x4	Ecommerce Brands	Provides aftermarket Jeep parts, with a focus on the Enthusiast space.	Private Strategic	NA
12/16/21	Tuffy Associates	Mavis Tire Express Services	Operates and franchises tire and auto service centers.	PE Add-on	165
12/14/21	T.O. Haas Tire	Sun Auto Tire & Service	Provides tire and automotive service facilities in the Midwest.	PE Add-on	25
12/14/21	Quanz Auto Body	Crash Champions	Offers services including paint and body work, bumper damage repair, and hail damage repair.	PE Add-On	4
12/13/21	Delta World Tire	Sun Auto Tire & Service	Operates a network of automobile tire retail stores.	PE Add-on	17
12/09/21	Clean Streak Ventures	Mister Car Wash (NYSE:MCW)	Operates as a national car wash platform across the U.S.	Public Strategic	23
12/09/21	Progress Manufacturing	DexKo Global	Manufactures and supplies hitches and trailer products.	PE Add-on	NA
12/07/21	Cost Less Auto Parts	Parts Authority	Sells auto parts and accessories.	PE Add-on	NA
12/03/21	Mondo Products	National Carwash Solutions	Manufactures cleaning fluids for the Car Wash industry.	PE Add-on	NA
12/03/21	PerTronix	Charger Investment Partners	Manufactures and markets electronic ignition systems for delivery trucks, school buses, and industrial engines.	Platform Investment	NA
11/25/21	Plaza Tire Service	Sun Auto Tire & Service	Offers tires for cars, trucks, SUVs, vans, and other vehicles.	PE Add-on	70
11/23/21	Race Winning Brands	MiddleGround Capital	Manufactures racing and high-performance parts for Automotive and Powersports markets.	Platform Investment	NA
11/22/21	American Tire Depot	Pecheron Capital	Operates a chain of retail stores that sell passenger car tires and wheels in California.	Platform Investment	107
11/18/21	Empire Auto Parts	Sentinel Capital Partners	Distributes automobile parts, such as bumpers, headlamp doors, fenders and door mirrors.	Platform Investment	NA
11/16/21	EVANNEX	Enthusiast Auto Holdings	Retails automotive aftermarket parts online.	PE Add-on	NA
11/15/21	Super Star Car Wash	TSG Consumer	Provides car wash and lubrication services.	Platform Investment	35
11/08/21	Martin Tire	Sun Auto Tire & Service	Provides tire dealership services in New Mexico and Texas.	PE Add-on	8
11/01/21	Auto Accessories Garage	Genuine Parts (NYSE:GPC)	Retails automotive parts and accessories.	Public Strategic	NA
11/01/21	National Trailer Parts	DexKo Global	Offers trailer components in Western Canada.	PE Add-on	NA
10/20/21	Toleamar	Bruckmann, Rosser, Sherrill & Co.	Manufactures aftermarket motorcycle parts.	Platform Investment	NA
10/13/21	Royal Car Wash	GO Car Wash	Provides car wash services in Rochester and Buffalo, New York.	PE Add-on	14

Source: Capital IQ, PitchBook, FactSet, Capstone Research, and Transaction Press Releases



NOTABLE TRANSACTIONS (CONTINUED)

Date	Target	Acquirer	Target Business Description	Acquisition Type	Service Locations
09/20/21	Hogan and Sons	Sun Auto Tire & Service	Provides auto repair and maintenance services.	PE Add-on	7
09/21/21	White Brothers Auto Supply	TPH Acquisition	Distributes automotive parts, tools, and accessories.	Private Strategic	NA
09/20/21	ProCare Collision	Classic Collision	Operates an automobile body repair shop.	PE Add-on	45
09/16/21	Sun Auto Tire & Service	Leonard Green & Partners	Provides automotive aftermarket repair and maintenance services.	Platform Investment	350
09/14/21	Assets of Charlies Truck & Auto Parts	Fenix Parts	Comprises an automotive recycling facility.	PE Add-on	NA
09/13/21	Autolux MB Collision	AutoCanada (TSE:ACQ)	Operates a collision center focused on servicing luxury vehicles.	Public Strategic	1
09/07/21	Küryakyn Holdings	Tucker Powersports	Provides accessories for the Motorcycle industry.	Private Strategic	NA
09/01/21	RV Group of Airxcel	Thor Industries (NYSE:THO)	Comprises air conditioning, heating, ventilation, and related appliances manufacturing.	Public Strategic	NA
09/01/21	Boss Paint & Body	Kaizen Collision Center	Provides collision-related damage repair services.	PE Add-on	1
08/31/21	Orleans Auto Supply	National Automotive Parts Association	Provides customers with car parts and accessories.	Private Strategic	NA
08/25/21	Driven Lighting Group	Wheel Pros	Designs and e-tails aftermarket enthusiast automotive lighting products.	PE Add-on	NA
08/23/21	Covercraft Industries	Audax Management Company	Manufactures exterior and interior protection products for Automotive, Marine, RV, and Aircraft markets.	Platform Investment	NA
08/17/21	Painters Supply & Equipment	Odyssey Investment Partners	Supplies automotive, industrial, and architectural paint products and equipment.	Platform Investment	NA
08/12/21	Flagship Car Wash	Car Wash Owners Network	Operates car wash centers in the Mid-Atlantic.	PE Add-on	11
08/10/21	McSpadden's Tire & Automotive	Sun Auto Tire & Service	Provides automotive and mechanic repair services.	PE Add-on	4
07/29/21	Rough Country	TSG Consumer Partners	Manufactures automobile parts and suspension systems.	Platform Investment	NA
07/21/21	Collision Works	Boyd Group Services (TSX:BYD)	Provides auto collision and paint repair services in Oklahoma and Kansas.	Public Strategic	35
07/13/21	Coney Island Auto Parts Unlimited	Parts Authority	Distributes automotive aftermarket parts.	PE Add-on	NA
06/27/21	Dayton Parts	Dorman Products (NasdaqGS:DORM)	Manufactures driveline, ride control, spring, steering, suspension, trailer, and engineering products.	Public Strategic	NA
06/03/21	sPOD	Bestop	Manufactures power distribution switch control systems for offroad vehicles.	PE Add-on	NA
06/01/21	Fabtech Industries	Warn Industries	Manufactures suspension systems for offroad enthusiasts.	Private Strategic	NA
05/25/21	PermaPlate Film	XPEL (NasdaqCM:XPEL)	Distributes automotive protection products.	Public Strategic	NA
05/25/21	Assets of Green Bean Battery	LKQ Corporation (NasdaqGS:LKQ)	Comprises hybrid battery reconditioning and installation services business.	Public Strategic	NA

Source: Capital IQ, PitchBook, FactSet, Capstone Research, and Transaction Press Releases



PUBLIC COMPANY DATA BY SEGMENT

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	02/04/22	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
PART DISTRIBUTORS & RETAILERS									
Advance Auto Parts, Inc.	\$226.99	92.8%	\$14,031.4	\$17,071.3	\$10,966.1	\$1,881.6	17.2%	1.6x	9.1x
AutoZone, Inc.	\$2,018.70	95.7%	\$41,654.7	\$48,736.7	\$15,144.2	\$3,919.9	25.9%	3.2x	12.4x
CarParts.com, Inc.	\$8.66	37.2%	\$455.0	\$470.2	\$563.9	\$7.2	1.3%	0.8x	NM
Copart, Inc.	\$128.12	79.5%	\$30,388.6	\$29,623.6	\$2,909.7	\$1,368.9	47.0%	NM	21.6x
Genuine Parts Company	\$129.82	90.8%	\$18,489.2	\$20,797.8	\$18,318.9	\$2,014.5	11.0%	1.1x	10.3x
LKQ Corporation	\$55.02	91.0%	\$16,037.8	\$19,452.6	\$12,856.4	\$2,235.6	17.4%	1.5x	8.7x
O'Reilly Automotive, Inc.	\$646.43	90.9%	\$43,555.4	\$48,948.2	\$12,864.8	\$3,537.9	27.5%	3.8x	13.8x
PARTS iD, Inc.	\$2.07	21.8%	\$68.7	\$45.2	\$435.2	\$2.0	0.5%	0.1x	22.1x
Uni-Select Inc.	\$18.32	87.9%	\$802.4	\$1,191.7	\$1,578.9	\$107.4	6.8%	0.8x	11.1x
Mean							17.2%	1.6x	13.6x
Median							17.2%	1.3x	11.8x
Harmonic Mean							2.7%	0.5x	12.2x
PART SUPPLIERS									
Axalta Coating Systems Ltd.	\$28.45	83.2%	\$6,469.5	\$9,504.3	\$4,416.2	\$776.4	17.6%	2.2x	12.2x
Dorman Products, Inc.	\$91.53	74.4%	\$2,894.5	\$3,139.1	\$1,248.3	\$215.7	17.3%	2.5x	14.6x
Horizon Global Corporation	\$7.35	62.4%	\$200.6	\$492.4	\$793.7	\$60.8	7.7%	0.6x	8.1x
Motorcar Parts of America, Inc.	\$16.08	60.9%	\$308.8	\$523.9	\$615.3	\$66.3	10.8%	0.9x	7.9x
PPG Industries, Inc.	\$152.99	83.6%	\$36,320.0	\$42,771.0	\$16,802.0	\$2,372.3	14.1%	2.5x	18.0x
Snap-on Incorporated	\$213.70	82.2%	\$11,440.4	\$11,916.8	\$4,601.7	\$1,254.4	27.3%	2.6x	9.5x
Standard Motor Products, Inc.	\$46.92	85.2%	\$1,032.2	\$1,186.3	\$1,271.7	\$176.4	13.9%	0.9x	6.7x
XPEL, Inc.	\$62.62	60.3%	\$1,729.1	\$1,733.9	\$237.7	\$44.8	18.8%	NM	NM
Mean							15.9%	1.7x	11.0x
Median							15.7%	2.2x	9.5x
Harmonic Mean							14.0%	1.3x	9.9x

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

Source: Capital IQ as of February 4, 2022



PUBLIC COMPANY DATA BY SEGMENT (CONTINUED)

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	02/04/22	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
SERVICE PROVIDERS									
ACV Auctions Inc.	\$11.69	31.0%	\$1,818.7	\$1,219.0	\$312.0	NM	NA	3.9x	NM
Boyd Group Services Inc.	\$142.56	68.2%	\$3,061.1	\$3,949.4	\$1,851.3	\$237.2	12.8%	2.1x	16.7x
Driven Brands Holdings Inc.	\$28.06	78.9%	\$4,696.7	\$7,183.6	\$1,363.9	\$422.7	31.0%	NM	17.0x
Mister Car Wash, Inc.	\$16.77	68.5%	\$4,986.4	\$6,188.1	\$728.9	\$117.3	16.1%	NM	NM
Monro, Inc.	\$45.04	62.0%	\$1,510.9	\$2,335.9	\$1,336.8	\$223.8	16.7%	1.7x	10.4x
Valvoline Inc.	\$32.09	84.5%	\$5,775.6	\$7,739.6	\$2,981.0	\$800.0	26.8%	2.6x	9.7x
Mean							20.7%	2.6x	13.4x
Median							16.7%	2.4x	13.5x
Harmonic Mean							18.6%	2.4x	12.6x
ENTHUSIAST									
Fox Factory Holding Corp.	\$125.59	66.0%	\$5,287.8	\$5,383.3	\$1,219.1	\$243.9	20.0%	NM	22.1x
Holley Inc.	\$11.41	83.7%	\$1,321.3	\$1,843.3	\$651.5	\$144.8	22.2%	2.8x	12.7x
Polaris Inc.	\$115.15	77.9%	\$6,987.5	\$8,448.8	\$8,252.0	\$996.7	12.1%	1.0x	8.5x
Mean							18.1%	1.9x	14.4x
Median							20.0%	1.9x	12.7x
Harmonic Mean							16.9%	1.5x	12.4x

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

Source: Capital IQ as of February 4, 2022

VEHICLE AFTERMARKET REPORT CONTRIBUTORS

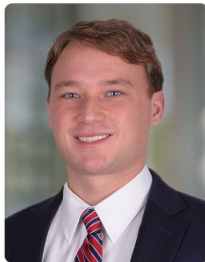
**Yogesh Punjabi**

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Yogesh is a Senior 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. 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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Luke serves as a Research Analyst at Capstone Partners primarily focusing on the Industrials and Business Services industries. Prior to joining the firm's corporate Research Team, Luke was an intern at DLG Wealth Management, Valpey Financial Services, and VIGILANT Capital Management where he performed financial analysis on equities, evaluated exchange traded funds and mutual funds, and determined the impact of proposed legislation on financial planning strategies.



SELECT FIRM TRANSACTION EXPERIENCE

Capstone Partners maintains an active Consumer Banking practice in the middle market, with the Vehicle Aftermarket being an important vertical within our focus. This market presence allows Capstone Partners to provide vehicle aftermarket companies with up-to-date market data and access to key decision makers among the sector's most active acquirers and investors.

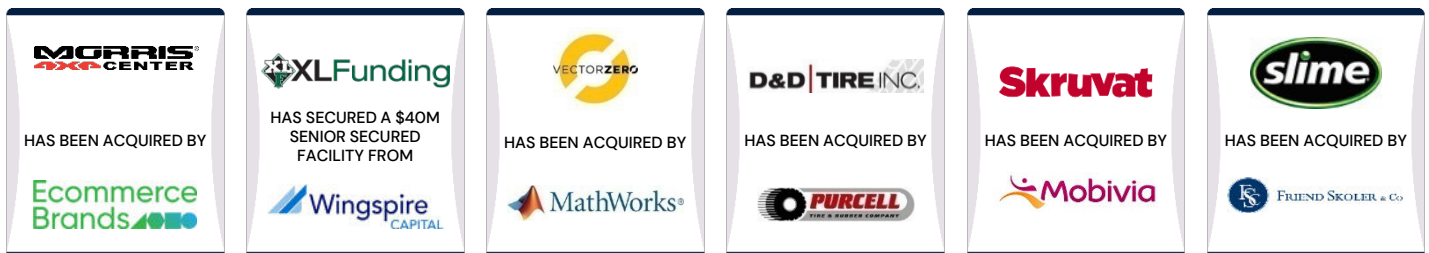


Capstone Partners, advised Sun Devil Auto & Sun Auto (Sun Devil Auto), an auto repair and maintenance company on its acquisition by GB Auto Services, Inc (GB Auto), a portfolio company of Greenbriar Equity Group, L.P. (Greenbriar) in July 2020.

Sun Devil Auto, established in 1978, is a family-owned and operated auto repair and maintenance company. Founded in Arizona, it has since added markets throughout Nevada and Texas.

"We are honored to have represented Sun Devil Auto. This transaction symbolizes both the strong outlook and interest in automotive aftermarket services. Through the vision and commitment of Tom Higginbotham, Sun Devil Auto grew to become a highly successful company, with an outstanding organizational culture and exceptional geographic footprint. The combination of Sun Devil Auto and GB Auto will propel the combined organization forward and unlock greater support to its employees and customers," said Capstone Partners in a [transaction press release](#).

Now Sun Auto Tire & Service, GB Auto was a premier provider of vehicle maintenance, repair, and tire replacement serving multiple markets including San Diego and the Inland Empire (CA), Las Vegas (NV), Phoenix and Tucson (AZ), and Dallas, Austin, and Houston (TX). Sun Auto Tire & Service continues to expand its presence throughout the United States and is entertaining acquisition discussions with operators who wish to preserve their companies' legacies while leveraging the benefits of shared resources and technology to grow their business.





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