

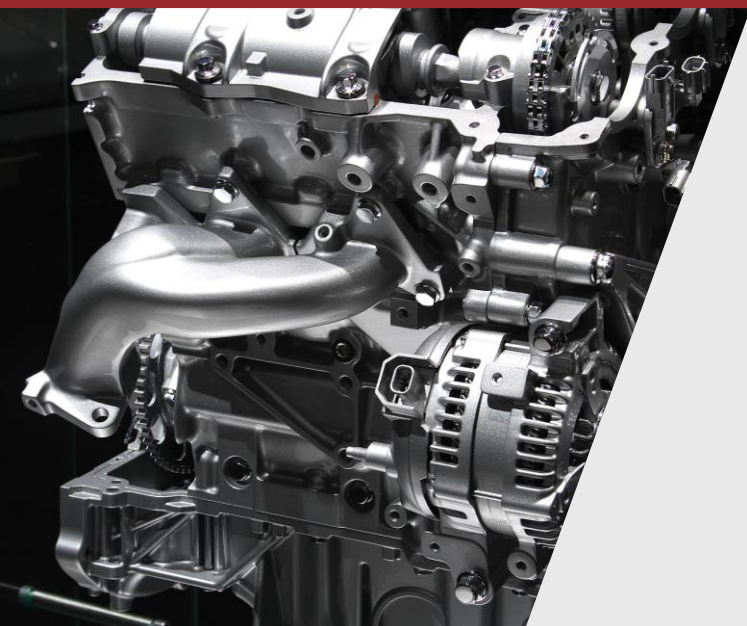


**HW** Harris Williams



# Transportation & Logistics

Automotive Aftermarket Sector Update  
August 2021



# What We're Reading

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## AUTOMOTIVE AFTERMARKET INDUSTRY NEWS & TRENDS

*In this Industry Update, we have included a collection of articles focused on economic factors and trends that are impacting the automotive aftermarket industry: technology, supply chain constraints, and regulation. The COVID-19 pandemic accelerated the technological shift in the industry, with e-commerce and crowdsourced delivery becoming industry mainstays in a post-pandemic world. Supply chain bottlenecks have been driving up prices of both new and used vehicles as dealerships struggle to replenish their inventory, and recent regulation by the Biden administration solidifies consumers' "right to repair," a positive development for the automotive aftermarket.*

### TECHNOLOGY

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#### ***Winning the Last Mile – Aftermarket News***

**6/30/2021**

Crowdsourced delivery of automotive aftermarket parts surged 10,518% during 2020 as mechanics and shop owners increasingly turn to crowdsourcing apps such as Roadie for a reliable, cost-effective way to ensure same-day delivery of parts. As customers cite pricing / value, reputation, and convenience as their top three concerns when choosing a repair provider, crowdsourcing can help shops address these concerns by extending order cut-off times, increasing the pace of repairs, and lowering the cost of shipping.

Read the full article [here](#).

#### ***How the e-Commerce Boom Is Changing Content Management – Aftermarket News***

**6/30/2021**

The significant increase in e-commerce activity within the automotive aftermarket in 2020 will likely continue throughout 2021, creating a need for suppliers and distributors to update their digital cataloging and data management. Digital marketing agency Hedges & Company reported that automotive parts e-commerce revenue hit \$16B in 2020, inclusive of \$1.9B in incremental revenue driven by the pandemic-induced e-commerce boom, and the industry is projected to reach \$22B by 2023. Suppliers and distributors will need to ramp up their digital assets to meet the increased demand for cataloging content from images, troubleshooting information, technical "how-to" videos, and installation instructions that consumers value when ordering parts online.

Read the full article [here](#).

### SUPPLY CHAIN

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#### ***TSMC Expects Auto-Chip Shortage to Abate This Quarter – Wall Street Journal***

**7/15/2021**

Taiwan Semiconductor Manufacturing Co., the world's largest contract chip maker, said it expects the chip shortage that has stymied automotive manufacturing to start easing in the next few months as it ramps up production of auto chips. However, the broader semiconductor shortage is likely to persist until 2022 as demand for electric vehicles and technology for remote work continues to grow. Long term, the company is in talks to expand capacity at a current plant in the Chinese city of Nanjing as well as build new manufacturing facilities in Japan and Arizona.

Read the full article [here](#).

#### ***Car Sales Continue Hot Streak, but Market Shows Signs of Cooling – Wall Street Journal***

**7/1/2021**

U.S. car sales continued at a blistering pace in the second quarter, with vehicle sales at General Motors up 40% and Stellantis up 32% year-over-year. The combination of excess household savings, federal stimulus payments, low interest rates, and soaring used car values all contributed to a buying frenzy in the second quarter. However, sales showed signs of slowing in June as the number of vehicles on dealership lots continued to dwindle due to the persistent semiconductor shortage creating a gap between supply and demand.

Read the full article [here](#).

### REGULATION

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#### ***Associations Applaud Right to Repair Executive Order – Aftermarket News***

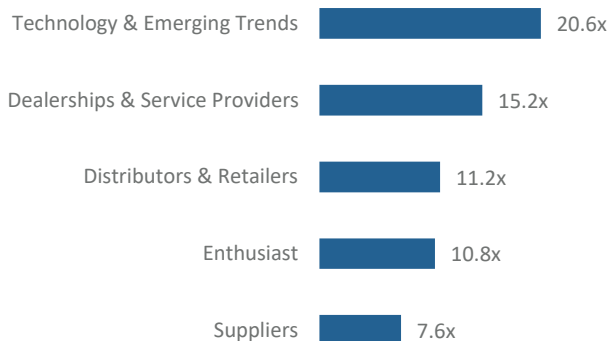
**7/9/2021**

The Motor and Equipment Manufacturers Association (MEMA) and the Automotive Aftermarket Suppliers Association (AASA) applaud President Biden for issuing an executive order directing the U.S. Federal Trade Commission to establish new rules making it easier and cheaper for consumers to repair items they own, including their vehicles. Consumer choice, competitive markets, and access to vehicle data are essential to the success of the automotive aftermarket, and this executive order paves the way for a bright future for the industry.

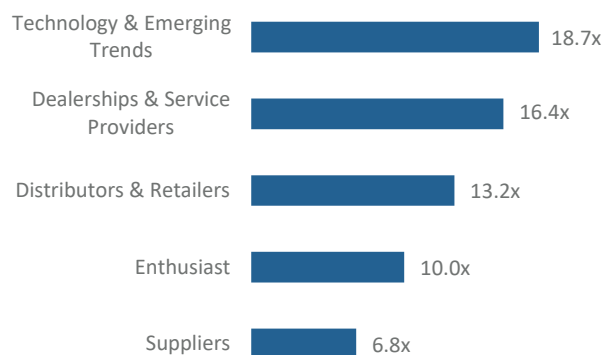
Read the full article [here](#).

# Public Markets<sup>1</sup>

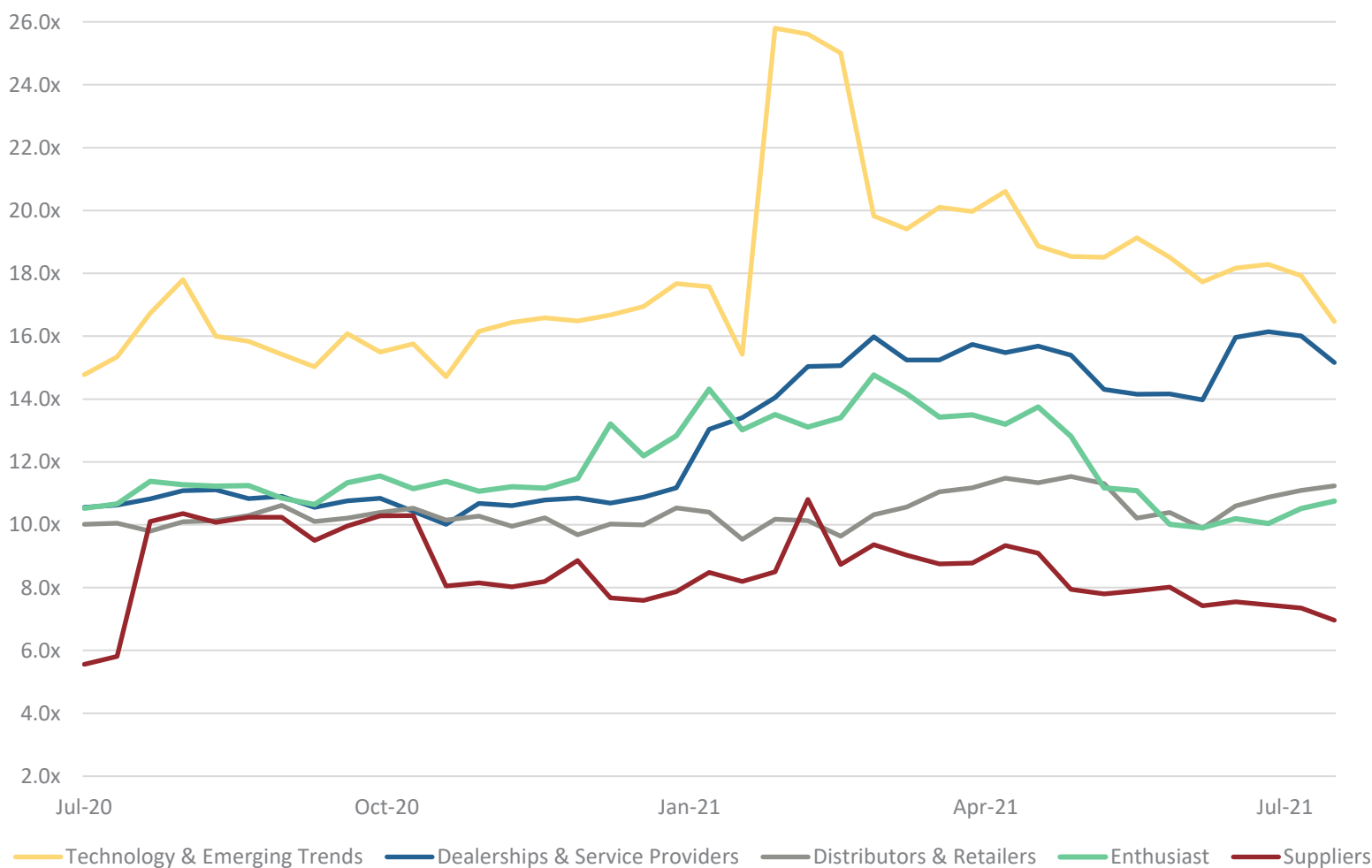
## TEV / LTM EBITDA



## TEV / 2021E EBITDA



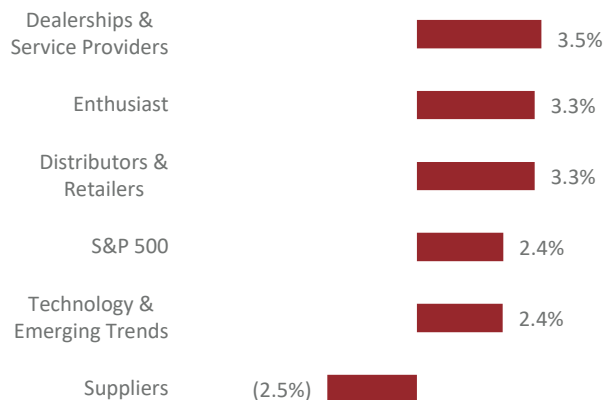
## TRAILING TWELVE MONTHS TEV / LTM EBITDA



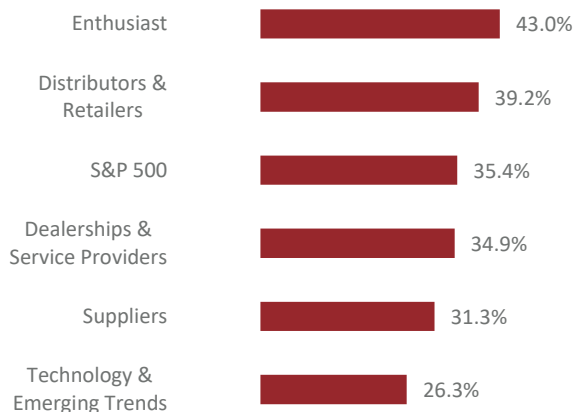
Note: Figures as of 7/30/2021

# Stock Price Performance<sup>1</sup>

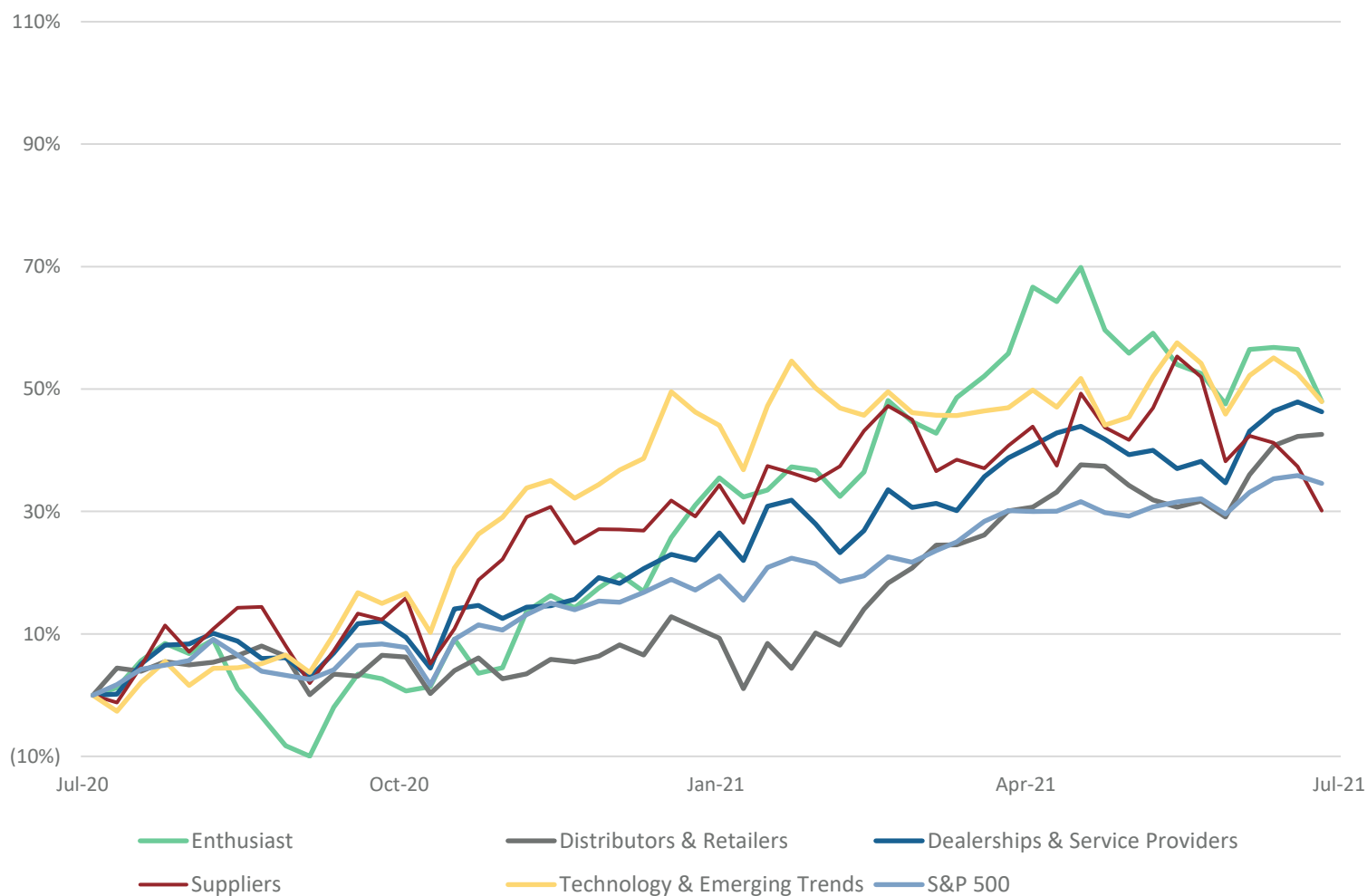
## MEDIAN % CHANGE (1 MONTH)



## MEDIAN % CHANGE (12 MONTH)



## TRAILING TWELVE MONTH STOCK PRICE



Note: Figures as of 7/30/2021

# M&A Transactions<sup>1,2,3,4</sup>

## RECENT M&A TRANSACTIONS

Date	Target	Business Description	Acquirer
<b>Private Markets</b>			
7/14/2021	Yost Vises	Provides bench vises, drill press vises, woodworking vises, and clamps through its e-commerce platform to auto enthusiasts, DIYers, metalworkers, and woodworkers	The Eastwood Company (Kian Capital)
7/13/2021	Coney Island Auto Parts	Operates seven wholesale distribution locations throughout New York and New Jersey offering a wide range of automotive aftermarket products	Parts Authority (Kohlberg & Co.)
7/9/2021	FleetMaster	Cloud-based fleet software business delivering innovative solutions to rental companies, dealerships, and automotive manufacturers	Cox Automotive
7/8/2021	Solve Industrial Motion Group	Leading manufacturer and value-added service provider of highly engineered specialty bearings and other power transmission and drive components	Audax Group
7/7/2021	25 Quick Lube Centers	Acquired 25 quick lube and automotive service centers under four different brands in the Dallas-Fort Worth area, with the majority being Kwik Kar Automotive Lube & Service Centers	FullSpeed Automotive (MidOcean Partners)
6/30/2021	John Harris Body Shops	Operates 16 collision repair centers in South Carolina and Georgia	The Boyd Group
6/30/2021	Rough Country (Pending)	Leading provider of branded aftermarket performance-enhancing products and accessories to the truck, Jeep, and SUV enthusiast market	TSG Consumer Partners
6/29/2021	Auto Collision Experts / Karas Auto Body	Operates four collision repair centers in the Fort Collins metropolitan area / Operates one collision repair center in the Denver area	Crash Champions A&M Capital Partners
6/27/2021	Dayton Parts	Leading independent heavy-duty undercarriage aftermarket component supplier	Dorman Products
6/23/2021	Signature Collision Centers	Operates 24 family-owned, independent collision repair centers on the East Coast	Crash Champions A&M Capital Partners
6/18/2021	All Pro Truck & Trailer (Assets)	Offers repair services for customers throughout northern Illinois and southern Wisconsin with 16 service bays, plus on-site towing and roadside services	Fleet Pride (American Securities)
6/17/2021	T Sportline (Majority Recap)	Provides branded aftermarket parts and accessories designed specifically for Tesla vehicles	Kian Capital Partners
6/16/2021	Mobile Tech RX	Leading automotive and collision reconditioning application with more than 4,000 companies and approximately 6,000 active users that enables technicians to estimate, invoice, and process orders on their mobile devices	asTech (Kinderhook Industries)
6/8/2021	Sapp Bros (Assets of diesel exhaust fluid division)	Leading regional diesel exhaust fluid provider based in Omaha, Nebraska	Highline Warren (Pritzker Private Capital)
5/27/2021	Green Bean Battery	Reconditions and installs batteries for Toyota, Honda, General Motors, Lexus, and Nissan hybrid vehicles	LKQ Corp.
5/26/2021	Carlisle Brake & Friction	Largest global manufacturer of friction materials and mechatronic solutions for off-highway brake and transmission products	CentroMotion
5/21/2021	Nivel Parts & Manufacturing	Leading manufacturer and supplier of branded aftermarket parts for personal transportation vehicles, utility terrain vehicles and heavy-duty equipment	Morgan Stanley Capital Partners
4/5/2021	HyperShine Car Wash	Operates eight car wash locations across Ohio and Kentucky	WhiteWater Express (SkyKnight Capital)
<b>Public Markets</b>			
7/19/2021	DRB Tunnel Solutions (Pending)	Developer of point-of-sale (POS) software designed for the conveyorized car wash industry	Vontier
6/25/2021		Owns and operates more than 340 car washes across 21 states; IPO valued the company at \$4.44 billion	Mister Car Wash (Leonard Green)

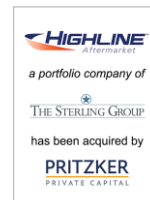
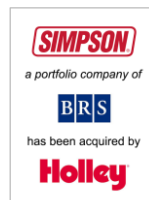
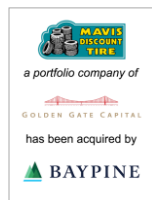
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## FOCUS AREAS

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- › Third-party Logistics (3PL)
- › Marine
- › Automotive
- › Truck
- › Air Transportation
- › Heavy-Duty Vehicle Market
- › Rail
- › Transportation Equipment

## SELECT RECENT AUTOMOTIVE AFTERMARKET TRANSACTIONS



## DEEP EXPERIENCE ACROSS T&L SECTORS

### AUTOMOTIVE & HEAVY-DUTY VEHICLE



### RAIL & RAIL SERVICES



### MARINE TRANSPORTATION



### TRANSPORTATION EQUIPMENT



### NICHE TRANSPORTATION



### THIRD-PARTY LOGISTICS



### AIRPORT AND AVIATION SERVICES





# Transportation & Logistics



## 10 INDUSTRY GROUPS

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Across the Globe

## 3 DECADES

Providing Award-Winning  
M&A Advisory Services

## 1 UNIFIED TEAM

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to Every Engagement

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**Business Services**

**Energy, Power & Infrastructure**

**Specialty Distribution**

**Transportation & Logistics**

**Building Products & Materials**

**Consumer**

**Healthcare & Life Sciences**

**Industrials**

**Technology**

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## SOURCES

1. S&P Global Capital IQ
2. Aftermarket News
3. Business Wire
4. MergerMarket

Note: Data through July 30, 2021.

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