



AUTOMOTIVE *IQ*

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EXPERIENCE | SOLUTIONS | RESULTS

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Industry-Specific Overview of Recent M&A and Capital Markets Activity

May 2023

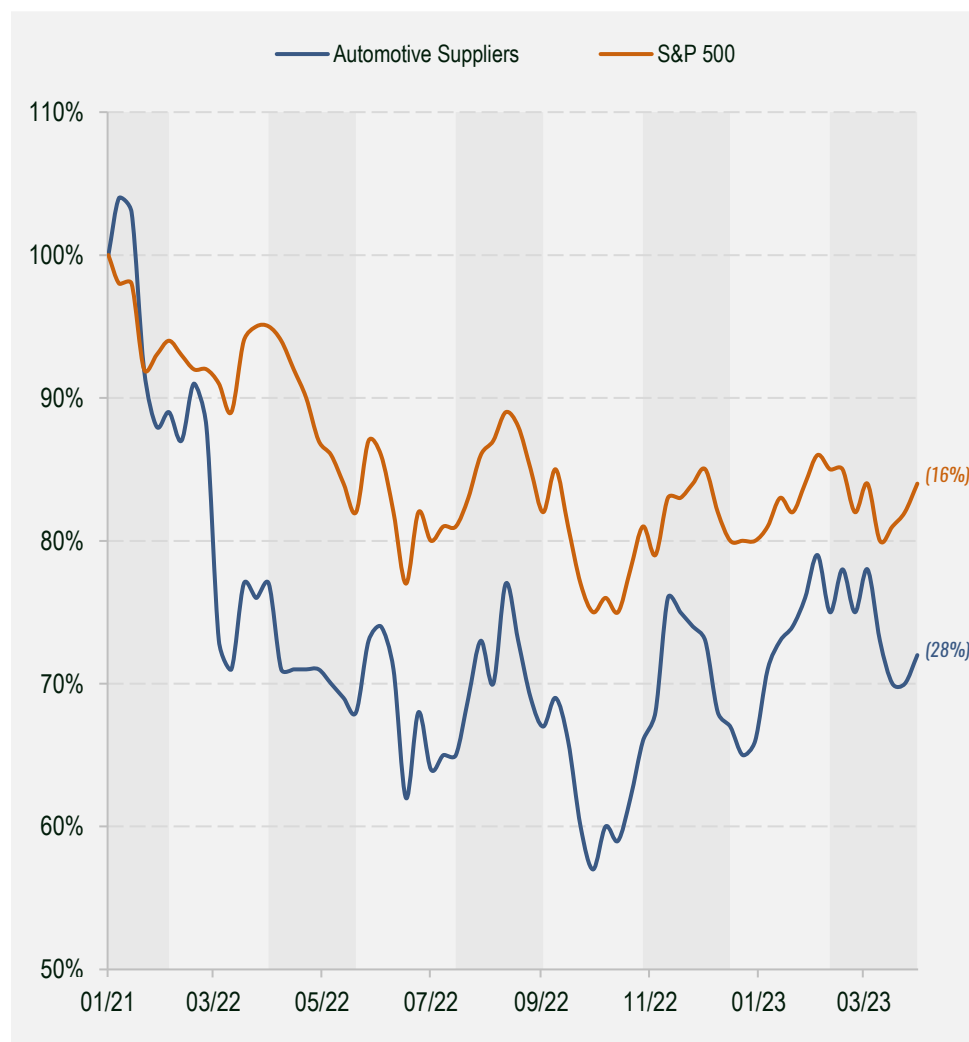
Recent Market Observations

Automotive Industry Update | May 2023

Automotive suppliers continue to navigate familiar macro supply chain disruptions in 2023 as we mark the three-year anniversary of COVID-19 lockdowns, two years of semiconductor shortages, and over a year of war in Ukraine. While the impact of these disruptions was generally easing as we moved through 2022 and into 2023, the inflationary impact on input costs escalated during this same time period and resulted in continued pressure on profit margins of auto suppliers.

- **Supply Chains Still Recovering:** Automotive suppliers continue to experience the relief associated with a reduction in supply chain disruptions and gradually improving lead times; semiconductor lead times, for example, decreased steadily over the course of 2022 and now average approximately 27 weeks (versus a peak of 36 weeks). While overall lead times for certain inputs are still not comparable with pre-pandemic levels, shortages generally peaked in early 2022 and have been improving since that time. Unfortunately for suppliers, however, the improvement in supply chain dynamics has roughly corresponded with the detrimental impact of rising inflation on a broad range of costs, including labor, energy, and freight to name just a few.
- **2023 Production Volume Expectations Foresee Modest Growth:** Analysts generally expect that 2023 North America light vehicle production levels will reach just over 15 million units, or an increase of roughly 5.5% compared with 2022 results. While production has steadily increased to replenish inventory levels depleted by pandemic-related supply chain constraints, primarily semiconductor shortages, the inflationary impact on new vehicle prices and escalating concerns over the health of the consumer are causing some suppliers to chart a more conservative course. Aptive, for example, a global technology company and leading automotive supplier, anticipates light vehicle production in North America will be flat in 2023, while global production will actually decline by just over 1%.
- **Demand Destruction as Financial Conditions Erode:** Just how resilient will consumers be in the face of rising costs and declining economic conditions is the overarching question facing the auto industry today. As with consumer goods in general, rising input costs have resulted in higher prices for vehicles, with a recent study by J.D. Power indicating that the price of a new vehicle was up just over 4% in January 2023 compared with the same period in 2022. When you combine that with the spike in the overall cost of vehicle ownership (e.g., gas prices, repair costs, interest on loans), there is a considerable and growing headwind that is likely to slow vehicle sales in 2023. As inventory levels begin to normalize over the course of this year, look for automakers to come to the rescue of beleaguered consumers and selectively (and grudgingly) turn to incentive programs in order to stabilize demand.

Recent Stock Price Performance – Automotive Suppliers Index

















Source: Capital IQ

Automotive Suppliers Universe: APTV, AXL, BWA, CPS, DAN, GNTX, GT, LEA, MGA, MRE, SRI, SUP, THRM, VC

Public Market Trading Multiples

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(\$ in millions, other than stock price)		3/31/2023	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company		Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
 American Axle & Manufacturing		\$7.81	(0%)	\$890	\$3,533	\$5,802	\$726	11%	13%	3.4x	0.6x	4.9x
 Aptiv		112.19	20%	29,777	36,113	17,489	2,124	15%	12%	2.4x	2.1x	17.0x
 BorgWarner		49.11	22%	11,271	14,863	15,801	2,242	20%	14%	1.3x	0.9x	6.6x
 Cooper-Standard Holdings		14.24	57%	231	1,185	2,525	44	5%	2%	12.2x	0.5x	NM
 Dana Inc		15.05	(1%)	2,116	4,726	10,156	635	8%	6%	3.3x	0.5x	7.4x
 Gentex Corporation		28.03	3%	6,419	6,328	1,919	467	32%	24%	NM	3.3x	13.6x
 Gentherm		60.42	(7%)	1,953	2,113	1,205	100	23%	8%	1.0x	1.8x	21.2x
 Goodyear Tire & Rubber		11.02	9%	3,025	10,971	20,805	1,840	19%	9%	3.6x	0.5x	6.0x
 Lear Corporation		139.49	12%	8,169	10,571	20,892	1,392	7%	7%	1.4x	0.5x	7.6x
 Magna International		53.57	(5%)	14,865	19,540	37,840	3,161	12%	8%	1.1x	0.5x	6.2x
 Martinrea International		10.77	29%	844	1,739	3,515	342	17%	10%	2.3x	0.5x	5.1x
 Stoneridge		18.70	(13%)	497	640	900	37	19%	4%	3.0x	0.7x	17.3x
 Superior Industries		4.95	17%	137	780	1,640	187	10%	11%	2.2x	0.5x	4.2x
 Visteon		156.83	20%	4,357	4,477	3,756	303	10%	8%	NM	1.2x	14.8x
Median								14%	9%	2.4x	0.6x	7.4x

Source: Capital IQ

(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Median excludes all non-meaningful values.

Valuation and Debt Multiples

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Although valuation multiples in the sector have seen some fluctuations over the past year, median valuation multiples and debt levels in the sector have remained relatively stable over this period



Source: Capital IQ

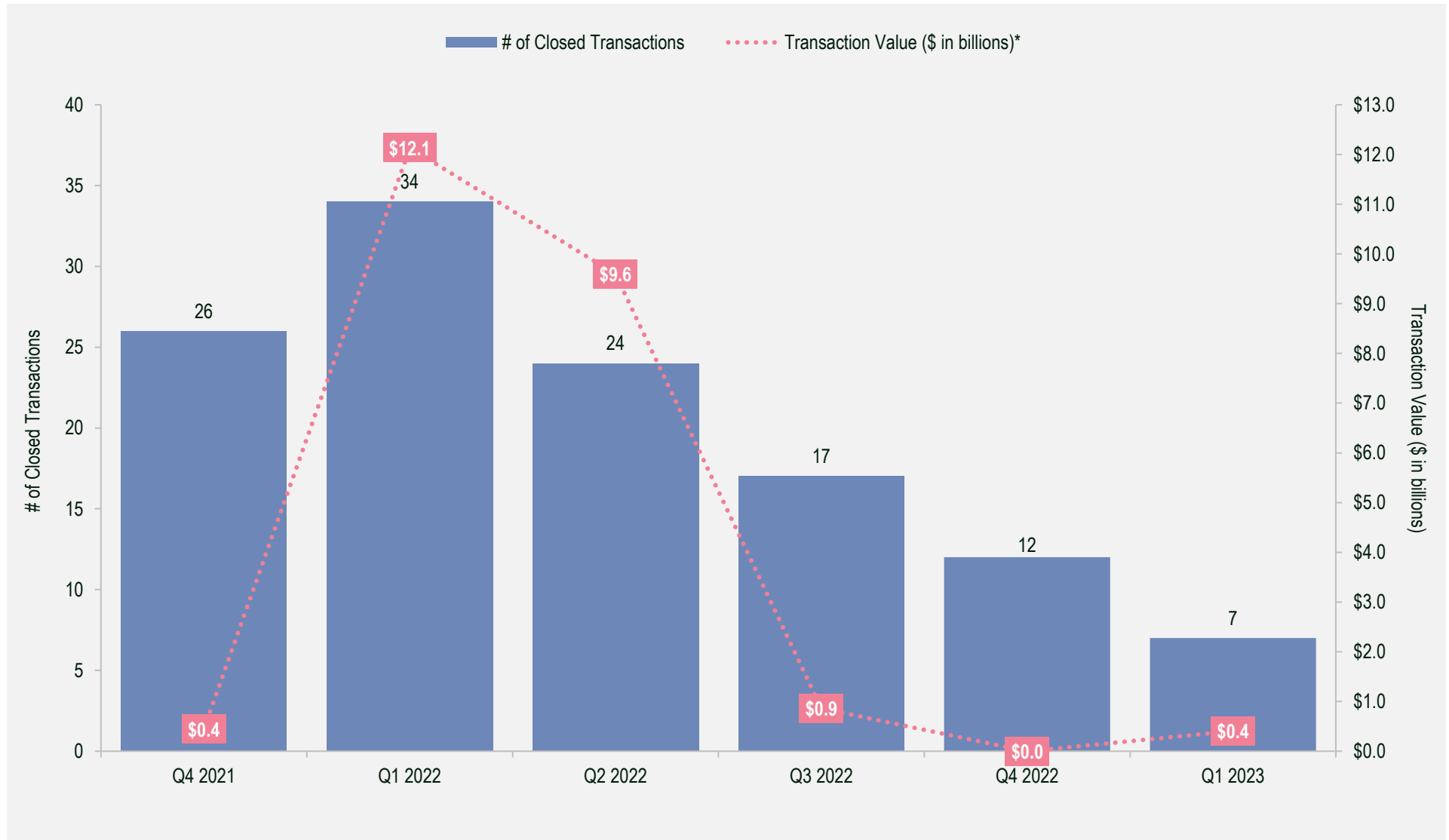
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

U.S. M&A Activity

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Deal volume has declined in recent quarters, with 7 Automotive reported deals in Q1 2023














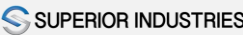




















Source: Capital IQ

*Transaction Value represents publicly announced deal terms

Recent Transaction Activity

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Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
02/23	 Custom Wheel House	 FOX	\$132	Designs and distributes automotive aftermarket wheels, performance tires, and accessories
01/23	 Cotta	 Salt Creek Capital	Undisclosed	Manufactures precision-engineered transmissions for vocational truck/custom chassis, defense, off-highway, aerospace, heavy industry, and more
01/23	 AP ENGINEERING TECHNOLOGIES	 Marmon Holdings, Inc. A Berkshire Hathaway Company	Undisclosed	Designs, manufactures, and supplies exhaust and emissions products for automotive, light truck, heavy-duty, off-road vehicles, and industrial applications
01/23	 AGE AUTO GEAR EQUIPMENT	 GEAR MOTIONS	Undisclosed	Engages in the manufacturing of gearboxes
01/23	 HORIZON GLOBAL	 FIRST BRANDS GROUP™	\$408	Engages in the design, manufacture, and distribution of towing, trailering, cargo management, and other related accessory products
12/22	 GAMBURG	 MAGNAFLOW	Undisclosed	Manufactures motor vehicle parts and accessories
12/22	 ELUDOT	 AGS CO. AUTOMOTIVE SOLUTIONS®	Undisclosed	Operates as a brake systems supplier to all sizes of manufacturers of tow-able recreational vehicles, motor homes, livestock trailers, utility trailers, and more
11/22	 INTOUCH AUTOMATION	 LEAR CORPORATION	Undisclosed	Manufactures assembly, function test, and calibration equipment used in the production of automotive seating components
11/22	 SUPERIOR INDUSTRIES	 M2 CAPITAL	\$975	Designs, manufactures, and sells aluminum wheels to the original equipment manufacturers and aftermarket distributors
11/22	 RANDYS	 GREENBRIAR EQUITY GROUP LLC	Undisclosed	Manufactures, distributes, and services automotive parts
10/22	 Altra Motion	 RegalRexnord	\$5,185	Designs, produces, and markets a range of electromechanical power transmission motion control products for use in various motion-related applications
10/22	 BestDeal SPRING	 FleetPride HEAVY DUTY PARTS & SERVICE	Undisclosed	Manufactures and distributes heavy duty truck parts
09/22	 RoadDB	 Qualcomm	\$31	Develops and offers an end-to-end software solution for road data and localization for automated driving and ADAS in series production vehicles
09/22	 M&D	 GRIDIRON CAPITAL	Undisclosed	Manufactures and distributes diesel engine parts and components for maintaining and repairing diesel-powered engines
08/22	 Corvette Central	 GOODYEAR	Undisclosed	Manufactures and distributes Corvette parts and accessories
08/22	 DAYCO MOVE FORWARD. ALWAYS.™	 HIDDEN HARBOR CAPITAL PARTNERS	Undisclosed	Engages in the research, design, manufacture, and distribution of engine drive systems
07/22	 ROMEOPOWER	 NIKOLA™	\$176	Designs and manufactures lithium-ion batteries for vehicles
05/22	 BBB INDUSTRIES	 CLEARLAKE CAPITAL	Undisclosed	Remanufactures and supplies, alternators, hydraulics, and other automotive parts

Source: Capital IQ

Amherst's Representative Automotive Transactions

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Alternative Fuel Containers

Wilmington, DE
an affiliate of



Has made a significant convertible debt investment in

Framergy
College Station, TX



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Acted as advisor to Alternative Fuel Containers

ARRK Corporation

Osaka, Japan



has divested Ditemsa, S.A. de C.V.



Ditemsa Acquisition Corp
Saltillo, Mexico



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Acted as advisor to the ARRK Corporation

ARRK Corporation

Osaka, Japan



Has divested Omega Tool Corporation
Ontario, Canada



To Revstone
Paris, KY



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Acted as advisor to ARKK Corporation

ASC, Inc.

Southgate, MI



has been acquired by

Questor Management Company
Southfield, MI



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Acted as advisor to ASC, Inc

Autospect, Inc.

Ann Arbor, MI

Autospect, Inc.

has been acquired by

Perceptron, Inc.
Plymouth, MI



AmherstPartners

Acted as advisor to Autospect, Inc.

Blue Water Plastics, Inc.

Marysville, MI



has been acquired by

Caro Manufacturing, Inc.
Caro, MI

Caro
Manufacturing

AmherstPartners

Acted as advisor to Blue Water Plastics, Inc.

Blue Water Plastics, Inc.

Marysville, MI



has been acquired by

Sarna Polymer Holding, Inc.
Sarnen, Switzerland



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Acted as advisor to Blue Water Plastics, Inc.

Cargill Detroit Corporation

Clawson, MI



has been acquired by
CDC Acquisition Co.

Shelby Township, MI
a subsidiary of Utica Enterprises, Inc.



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Acted as advisor to Cargill Detroit Corporation

Cargill Detroit Corporation

Clawson, MI



Has acquired

Stellar Engineering, Inc.
Warren, MI



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Acted as advisor to Cargill Detroit Corporation

CPI Products

Charlevoix, MI



has been acquired by

Destaco
Auburn Hills, MI



AmherstPartners

Acted as advisor to CPI Products

(1) Transactions executed by Amherst professionals while employed at previous firms

Amherst's Representative Automotive Transactions (cont'd)

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<p>Curt Manufacturing, Inc. Wixom, MI</p>  <p>has been recapitalized by</p> <p>Pfingsten Partners, LLC Chicago, IL</p>  <p>AmherstPartners</p> <p>Acted as advisor to Curt Manufacturing, Inc.¹</p>	<p>DieTech North America Roseville, MI</p>  <p>has been acquired by</p> <p>Alpha Group Livonia, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Die Tech North America</p>	<p>Efficient Engineering Company, Inc. and PD Interactive Troy, MI</p>  <p>have been acquired by</p> <p>Modern Engineering, Inc. Rochester Hills, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Efficient Engineering Company, Inc. and PD Interactive</p>	<p>Empire Die Casting Macedonia, OH</p>  <p>has been acquired by</p> <p>American Light Metals Ludington, MI a subsidiary of</p>  <p>AmherstPartners</p> <p>Acted as advisor to Empire Die Casting</p>	<p>Federal-Mogul Corp. Southfield, MI</p>  <p>has divested its Wagner Division to</p> <p>Decoma International, Inc. Concord, ON a subsidiary of Magna International, Inc.</p>  <p>AmherstPartners</p> <p>Acted as advisor to Federal Mogul Corp.</p>
<p>Federal-Mogul Corp. Southfield, MI</p>  <p>has divested its Signal Strat Division to</p>  <p>Truck-Lite Co., Inc. Falconer, NY a subsidiary of the Penske Corporation</p>  <p>AmherstPartners</p> <p>Acted as advisor to Federal Mogul Corp.¹</p>	<p>Federal-Mogul Corp. Southfield, MI</p>  <p>has divested its Blazer Aftermarket Division to</p> <p>Clean-Rite Products LLC Buffalo Grove, IL</p>  <p>AmherstPartners</p> <p>Acted as advisor to Federal Mogul Corp.</p>	<p>Innatech, LLC. Rochester, MI</p>  <p>has been acquired by</p> <p>Engineered Plastic Components, Inc. Grinnell, IA</p>  <p>AmherstPartners</p> <p>Acted as advisor to Innatech, LLC</p>	<p>KSR International Co. Ridgetown, ON</p>  <p>has been acquired by</p> <p>Electronic Motion Systems Holdings Limited Swansea, Wales, UK</p>  <p>AmherstPartners</p> <p>Acted as advisor to KSR International Co.</p>	<p>L&L Fittings Manufacturing Fort Wayne, IN</p>  <p>has been acquired by</p> <p>JMAC, Inc. Columbus, OH</p>  <p>AmherstPartners</p> <p>Acted as advisor to L&L Fittings Manufacturing</p>

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Amherst's Representative Automotive Transactions (cont'd)



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<p>Lear Corporation Southfield, MI</p>  <p>has divested its Byron Center Operations to Soroc Products Inc. Burton, MI a holding of Humphrey Capital Group</p>  <p>AmherstPartners</p> <p>Acted as advisor to Lear Corporation</p>	<p>Manufacturers Equipment and Supply Co. Flint, MI</p>  <p>has been acquired by TVS Logistics Services, Ltd. Chennai, India</p>  <p>AmherstPartners</p> <p>Acted as advisor to Mesco</p>	<p>Mercury Manufacturing Company Wyandotte, MI</p>  <p>has been acquired by O2 Investment Partners, LLC Bloomfield Hills, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Mercury Manufacturing Company</p>	<p>Metal Powder Products, LLC Westfield, IN</p>  <p>has been acquired by Millstein & Co. New York, NY</p>  <p>AmherstPartners</p> <p>Acted as advisor to Metal Powder Products, LLC</p>	<p>Parkway Products, Inc. Florence, KY</p>  <p>has been acquired by Oxford Financial Group, Ltd. Indianapolis, IN</p>  <p>AmherstPartners</p> <p>Acted as advisor to Oxford Financial Group, Ltd. and Parkway Products</p>
<p>Precision Die Casting Russellville, KY</p>  <p>has been acquired by Rane (Madras) Limited Chennai, India</p>  <p>AmherstPartners</p> <p>Acted as advisor to Precision Die Casting, Inc.</p>	<p>QuEST, LLC Schenectady, NY</p>  <p>has been acquired by Lexel Corporation a subsidiary of Magna International, Inc. Concord, ON</p>  <p>AmherstPartners</p> <p>Acted as advisor to QuEST, LLC</p>	<p>Red Spot Paint and Varnish Co. Evansville, IN</p>  <p>has been acquired by Fujikura Kasei Co., Ltd. Tokyo, Japan</p>  <p>AmherstPartners</p> <p>Acted as advisor to Red Spot Paint and Varnish Co.</p>	<p>Ross Casting & Innovation Sidney, OH</p>  <p>has been acquired by ABI-Showatech Chennai, India</p>  <p>AmherstPartners</p> <p>Acted as advisor to Ross Casting & Innovation</p>	<p>Saginaw Machine Systems Saginaw, MI</p>  <p>has been recapitalized by Fair Friend Enterprise Group Taipei, Taiwan</p>  <p>AmherstPartners</p> <p>Acted as advisor to Saginaw Machine Systems</p>

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Amherst's Representative Automotive Transactions (cont'd)

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<p>Siemens VDO Regensburg, Germany</p>  <p>has divested its Nancy, France business to Combined Industrial Group Network Grosse Pointe, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Cignet</p>	<p>Simpson Industries, Inc. Plymouth, MI</p>  <p>has acquired the Vibration Attenuation Division of Holset Engineering Company A subsidiary of Cummins Engine Co. Columbus, IN</p>  <p>AmherstPartners</p> <p>Acted as advisor to Simpson Industries, Inc.⁽¹⁾</p>	<p>Superior Industries, Inc. Southfield, MI</p>  <p>has acquired Uniwheels AG Bad Dürkheim, Germany</p>  <p>AmherstPartners</p> <p>Acted as co-advisor on the capital raise</p>	<p>Sur-Seal Corporation Cincinnati, OH</p>  <p>has been acquired by Capital Partners, Inc. Norwalk, CT</p>  <p>AmherstPartners</p> <p>Acted as advisor to Sur-Seal Corporation</p>	<p>Talon Automotive Detroit, MI</p>  <p>Has acquired Production Stamping, Inc. New Baltimore, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Talon Automotive⁽¹⁾</p>
<p>Trim Trends Co., LLC Farmington Hills, MI</p>  <p>has been acquired by Patriarch Partners LLC New York, NY</p>  <p>AmherstPartners</p> <p>Acted as advisor to Trim Trends Co., LLC</p>	<p>TTD Mexico Queretaro, MX</p>  <p>The production assets of TTD Mexico have been acquired by A Global Supplier of Mechanical Assemblies</p> <p>AmherstPartners</p> <p>Acted as advisor to Toledo Tool & Die Mexico</p>	<p>Tweddle Group Clinton Township, MI</p>  <p>has been acquired by CJK Group, Inc Brainerd, MN</p>  <p>AmherstPartners</p> <p>Acted as exclusive financial advisor to Tweddle Group</p>	<p>Veltri Metal Products, Inc. Troy, MI</p>  <p>has been acquired by Flex-N-Gate Corporation Urbana, IL</p>  <p>AmherstPartners</p> <p>Acted as advisor to Veltri Metal Products</p>	<p>Wagon plc (LSE: WAGN) Birmingham, UK</p>  <p>has divested its Hawtall Whiting Resource Services Division to Acro Service Corporation Livonia, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Wagon plc</p>

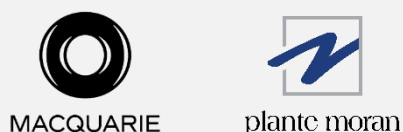
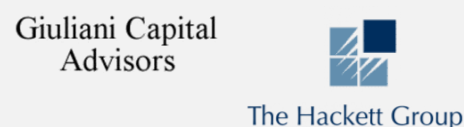
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The Amherst Partners Team

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With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses

Boutique investment bank with significant Wall Street experience



Core Execution Team



Charles Chandler
Partner



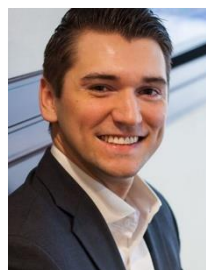
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Partner



Fahad Siddiqui
Director



Emily Pachla
Controller



John Wendzinski
Senior Associate



Sam Jabara
Associate



John Hayek
Analyst

Operations Advisory



Jon B. Cotton
CEO, Apex Health, Former President,
Meridian Health Plan of Michigan



Ray Dallavecchia, Jr.
Owner, Venetian Associates



S. Evan Weiner
President/CEO, Edw. C. Levy Co.

AmherstPartners

EXPERIENCE | SOLUTIONS | RESULTS

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