



# AUTOMOTIVE *IQ*

**AmherstPartners**

EXPERIENCE | SOLUTIONS | RESULTS

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

April 2024

# Recent Market Observations

Automotive Industry Update | April 2024

Anticipated shifts in 2024 towards a more consumer-friendly market for purchasing vehicles suggest that inventories will continue their trajectory towards pre-pandemic norms, fostering an environment conducive to downward price pressures alongside increased discounting and incentives.

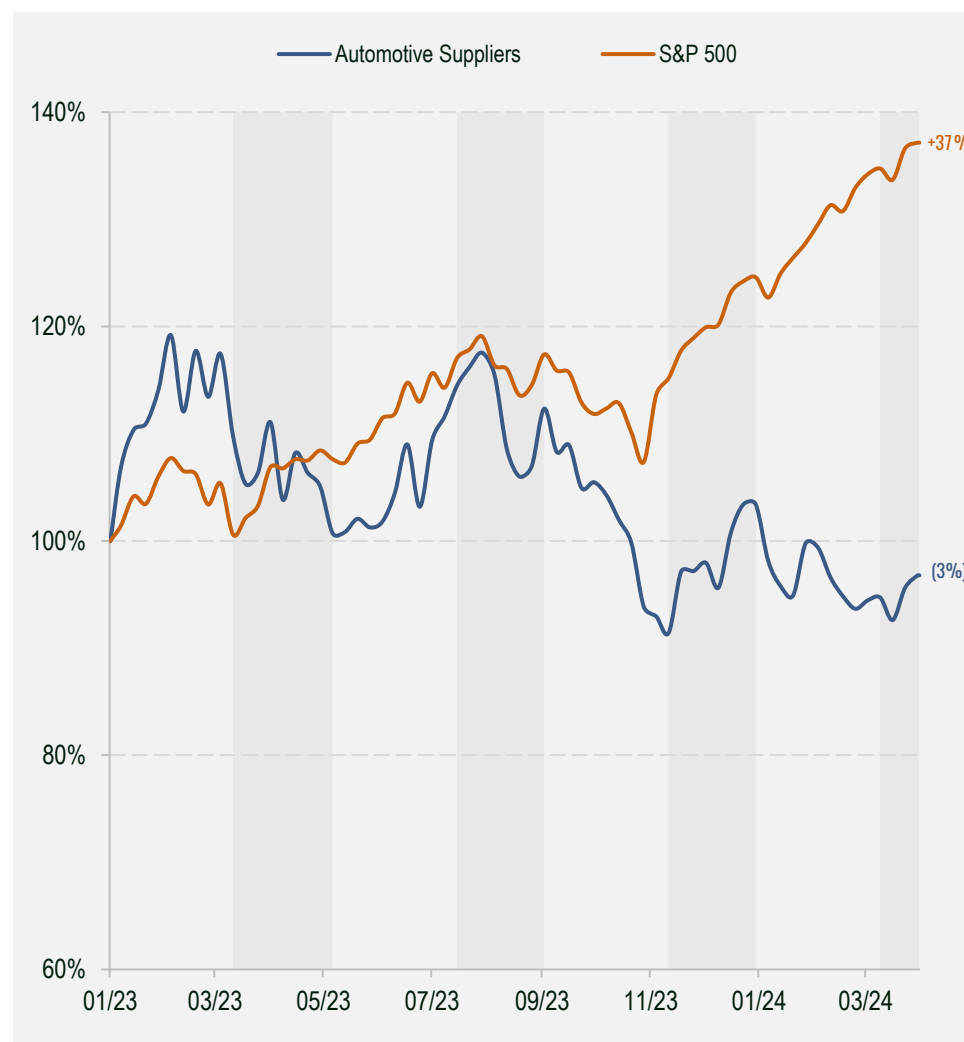
Easing supply chain challenges and increased OEM activity in new launches and refreshes have led to a surge in new vehicle supply since late 2023. In the U.S., new vehicle inventories reached 2.61 million in February, up by 50.0% from the previous year, with days' supply of 80 days, the highest since June 2020. Turn rates (share of new vehicles moved against average inventory) for much of 2023 remained steady around the mid-50% level. The prior two years saw these rates at significantly higher levels which were artificially inflated by resilient demand in a period of very low supply. As inventory counts began to accelerate in Q3 2023, the movement of vehicles did not keep pace with this acceleration and turn rates witnessed a decline by the end of the year, down ~12% from the start of 2023. January 2024 ended with new vehicle sales at a seasonally adjusted annual rate (SAAR) of 15.0 million, with February intensifying to a rate of 15.8 million SAAR. Q1 2024 sales are estimated to have increased by 5.6% year-over-year, indicating signs of demand normalization supported by healthy supply.

Amidst supply increases and relatively stable demand, the current market scenario is defined by downward pricing pressures and increased incentives. In February, incentives averaged 5.9%, significantly higher than the previous year's average of 3.1%. Historical patterns suggest that if vehicles persist on dealer lots for extended durations, incentives could approach pre-pandemic levels of ~12.0%. Average transaction prices decreased by 2.2% year-over-year in February 2024, contributing to some price stabilization. However, new vehicle prices remain 14% higher than February 2021, while auto loan rates persist at elevated levels. The resolution of the United Auto Workers' (UAW) strikes against the Detroit-three in 2023 is expected to raise costs for OEMs, further pressuring margins for manufacturers amid ongoing affordability concerns.

Concerns about battery range, charging availability, and prices have created bottlenecks for EV adoption, but this is expected to gradually shift in the year ahead. Regulations like the Bipartisan Infrastructure Law's National Electric Vehicle Infrastructure Formula Program will play a crucial role in enhancing accessibility, exemplified by the opening of the first federally funded EV charging stations in 2023 in Ohio and New York. Additionally, more automotive companies are set to embrace the North American Charging Standard (NACS) pioneered by Tesla, as the automaker rapidly expands its charging network. Global EV sales are projected to surge by 20.0% to 16.7 million units in 2024, with EV sales, including hybrids, expected to represent 24% of total vehicle sales in the U.S. Finally, the outcome of the 2024 U.S. Presidential election could have significant implications for the rollout of EVs, potentially influencing the timeline for proposed adoption.

Source: Cloud Theory, Cox Automotive, EIU, Nasdaq

## 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)		3/31/2024	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company		Stock Price	Price Δ	Cap.	EV <sup>(1)</sup>	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
 American Axle & Manufacturing		\$7.36	(16%)	\$865	\$3,351	\$6,080	\$659	10%	11%	3.6x	0.6x	5.1x
 Aptiv		79.65	(11%)	21,719	27,162	20,051	2,744	17%	14%	1.8x	1.4x	9.9x
 BorgWarner		34.74	(3%)	8,023	10,656	14,198	1,830	18%	13%	1.3x	0.8x	5.8x
 Cooper-Standard Holdings		16.56	(15%)	285	1,312	2,816	171	10%	6%	5.0x	0.5x	7.7x
 Dana Inc		12.70	(13%)	1,841	4,566	10,555	767	9%	7%	3.0x	0.4x	6.0x
 Gentex Corporation		36.12	11%	8,361	8,126	2,299	589	33%	26%	NM	3.5x	13.8x
 Gentherm		57.58	10%	1,816	1,911	1,469	153	24%	10%	0.6x	1.3x	12.5x
 Goodyear Tire & Rubber		13.73	(4%)	3,901	11,817	20,066	1,499	17%	7%	4.3x	0.6x	7.9x
 Lear Corporation		144.88	3%	8,263	10,681	23,467	1,657	8%	7%	1.2x	0.5x	6.4x
 Magna International		54.48	(8%)	15,708	21,988	42,797	3,786	13%	9%	1.4x	0.5x	5.8x
 Martinrea International		9.01	(15%)	704	1,476	3,957	413	18%	10%	1.7x	0.4x	3.6x
 Stoneridge		18.44	(6%)	508	670	976	51	21%	5%	2.8x	0.7x	13.1x
 Superior Industries		2.90	(9%)	81	752	1,385	129	9%	9%	3.2x	0.5x	5.8x
 Visteon		117.61	(6%)	3,233	3,248	3,954	392	12%	10%	NM	0.8x	8.3x
<b>Median</b>								<b>15%</b>	<b>10%</b>	<b>2.3x</b>	<b>0.6x</b>	<b>7.1x</b>

Source: Capital IQ

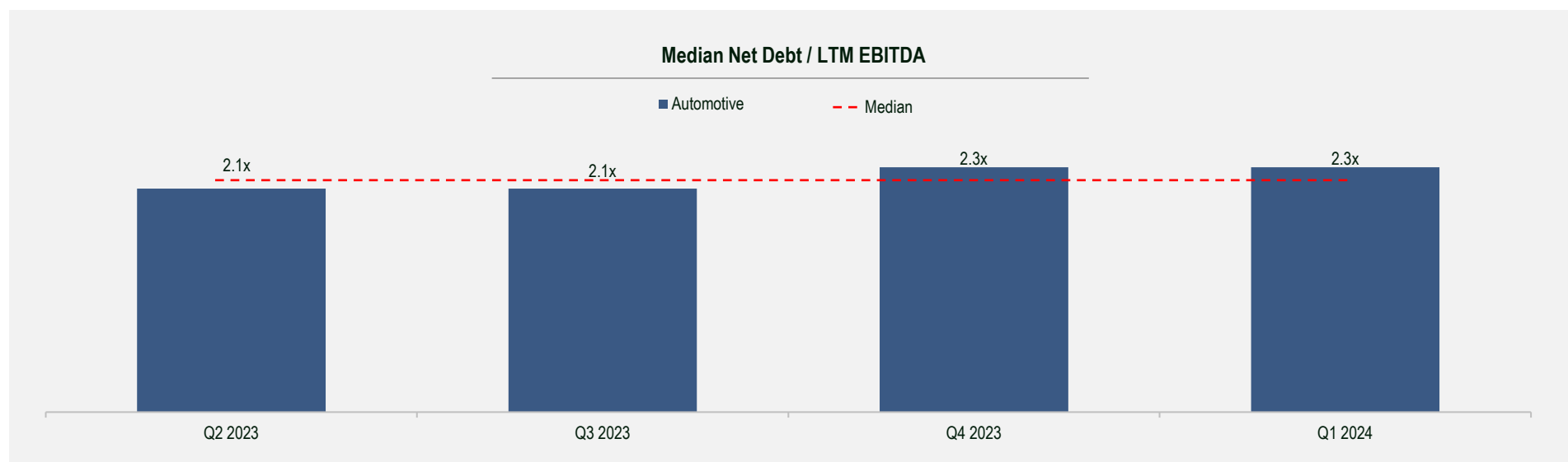
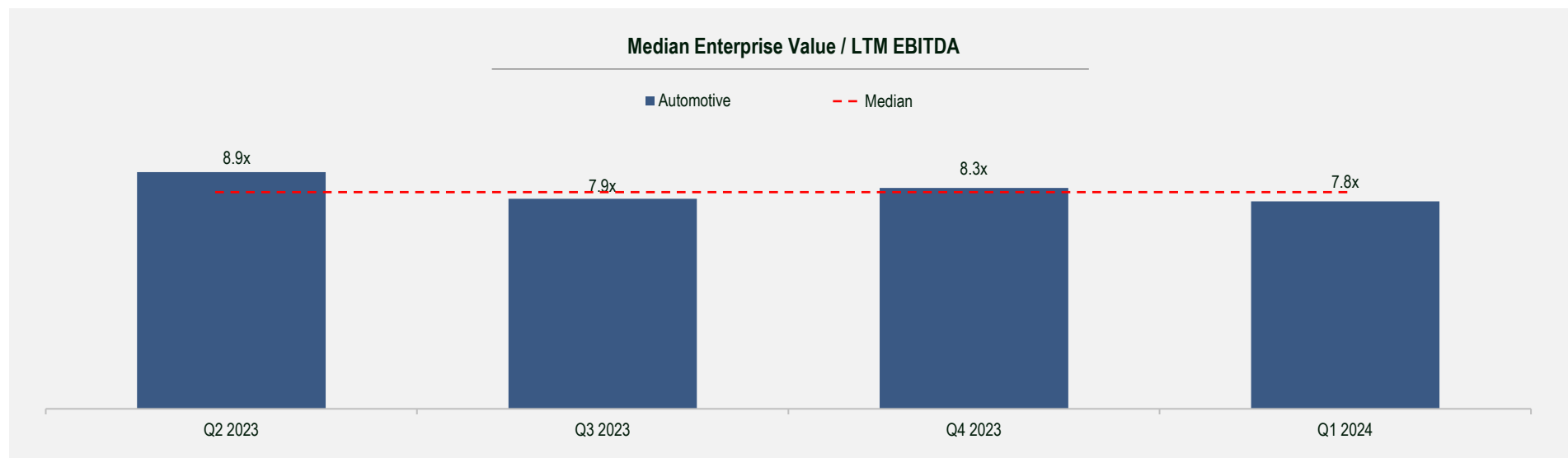
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Median excludes all non-meaningful values.

# Valuation and Debt Multiples

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*Median valuation and debt levels have stayed relatively stable since Q2 2023*



Source: Capital IQ

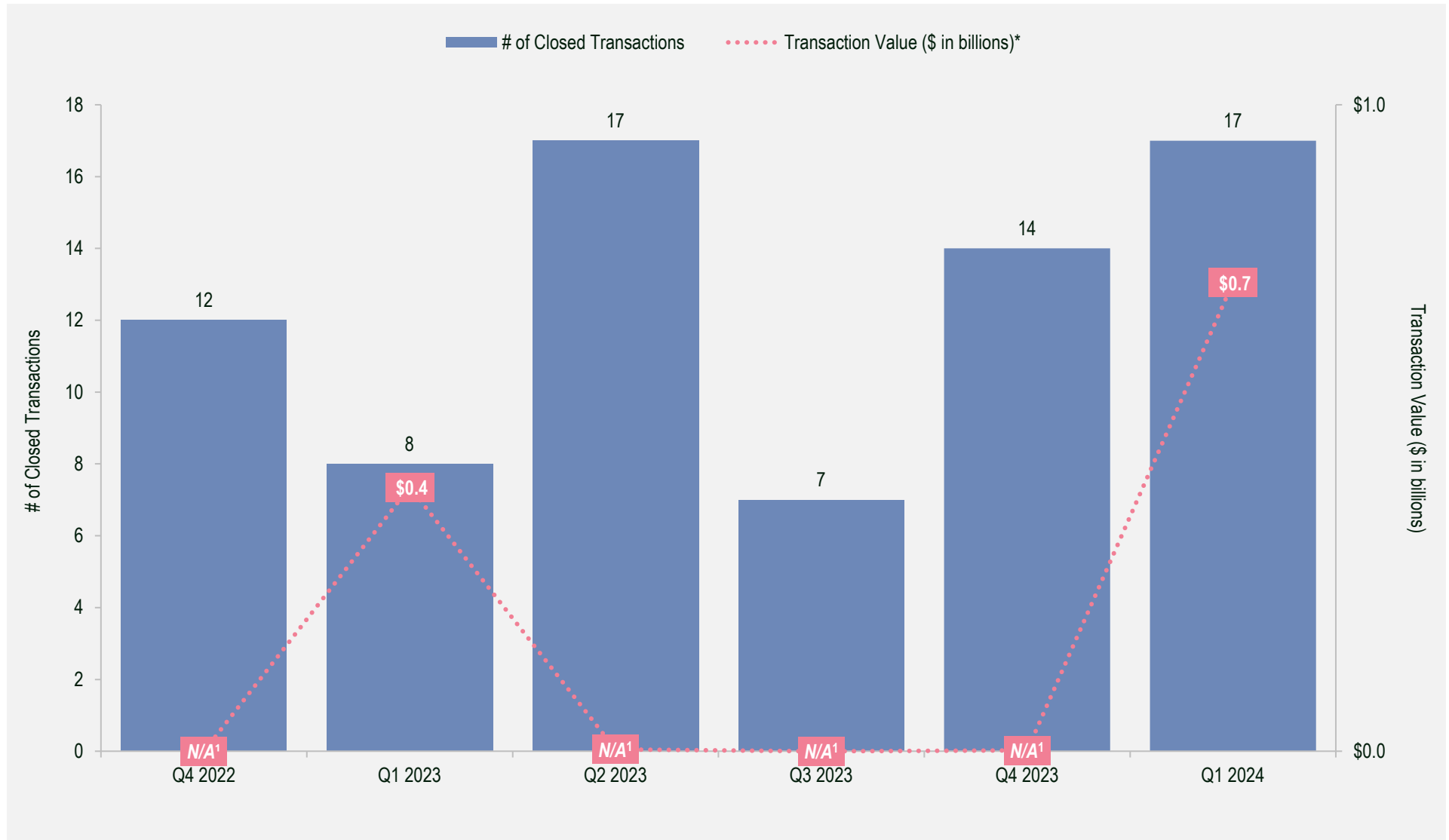
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

# U.S. M&A Activity

Automotive Industry Update | April 2024

*While there was a slight increase in reported deals and value during Q1 2024, deal volume for 2024 is anticipated to remain relatively consistent with the levels seen last year*




























Source: Capital IQ

\*Transaction Value represents publicly announced deal terms

(1) There were no transaction values publicly disclosed during this quarter.

# Recent Transaction Activity

Automotive Industry Update | April 2024

Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
03/24		<b>Vehlo</b>	Undisclosed	Develops and markets shop management software focusing on the automotive sector
03/24		<b>TRAMEC</b>	Undisclosed	Manufactures air tanks and reservoirs for heavy vehicle brake systems
03/24		<b>TITAN</b>	\$296	Manufactures industrial belts, wheels, and specialty tires for agriculture, construction, outdoor power equipment, powersports, towable equipment, and trailers
02/24		<b>COOPER</b>   MACHINERY SERVICES	Undisclosed	Manufacturer of industrial alloy valve seats for critical applications, such as LP, gas, diesel, natural gas, and unleaded fuels
01/24			Undisclosed	Manufactures and markets school buses. Offers support and maintenance services along with replacement parts
01/24			\$315	Designs and manufactures thermoformed plastic products. Provides design, development, and manufacturing of products and accessories for recreational and utility vehicles
01/24			\$73	Manufacturer and distributor of wheel service, alignment, inspection, lift, and shop productivity equipment for the automotive market
01/24		<b>DANLAW</b>	Undisclosed	Designs, develops, and sells cooperative intelligent transport systems hardware and software products for the automotive industry
01/24		<b>FRST BRANDS</b>	\$41	Designs, manufactures, and distributes automotive aftermarket products to distributors and retailers globally
12/23			Undisclosed	Designs and manufactures low speed utility vehicles including beverage cart, tipper dump, casket mover, trash hopper, turf tire and rim, camper shell, compact trucks
12/23		<b>automanager</b>	Undisclosed	Serves dealers and rental/fleet drivers for passenger vehicles and light-to-mid-duty trucks
12/23		<b>Humphrey</b>	Undisclosed	Manufactures custom bearing seals and precision molded products for automotive, aerospace, and manufacturing industries
11/23		<b>COOPER</b>   MACHINERY SERVICES	Undisclosed	Manufactures aluminum, bronze, and steel-backed bearing shells and bushings
11/23			Undisclosed	Provides energy management solutions for e-mobility with energy and battery management technologies
10/23		<b>MDP</b>	Undisclosed	Designs, manufactures, and assembles sensors, fluid management systems, and related components primarily for diesel exhaust fluid applications
10/23			Undisclosed	Designs, manufactures, and sells motorcycle wheels, parts, and accessories
10/23		<b>DPI Ventures</b>	Undisclosed	Manufactures cooling products for the performance aftermarket
10/23			Undisclosed	Manufactures weatherstripping, rubber, and sealing products for restoration and street rod markets, as well as custom OEM applications

Source: Capital IQ

# Amherst's Representative Automotive Transactions

Automotive Industry Update | April 2024

## Alternative Fuel Containers

Wilmington, DE  
an affiliate of



Has made a significant convertible debt investment in

Framergy  
College Station, TX



**AmherstPartners**

Acted as advisor to Alternative Fuel Containers

## ARRK Corporation

Osaka, Japan



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



Ditemsa Acquisition Corp  
Saltillo, Mexico



**AmherstPartners**

Acted as advisor to the ARRK Corporation

## ARRK Corporation

Osaka, Japan



Has divested Omega Tool Corporation  
Ontario, Canada



To Revstone  
Paris, KY



**AmherstPartners**

Acted as advisor to ARKK Corporation

## ASC, Inc.

Southgate, MI



has been acquired by

Questor Management Company  
Southfield, MI



**AmherstPartners**

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



**AmherstPartners**

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.



**AmherstPartners**

Acted as advisor to Cargill Detroit Corporation

## Cargill Detroit Corporation

Clawson, MI



Has acquired

Stellar Engineering, Inc.  
Warren, MI



**AmherstPartners**

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

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



# Amherst's Representative Automotive Transactions (cont'd)

Automotive Industry Update | April 2024

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

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

# Amherst's Representative Automotive Transactions (cont'd)

Automotive Industry Update | April 2024

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

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

# The Amherst Partners Team

Automotive Industry Update | April 2024

*With a track record spanning 30 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



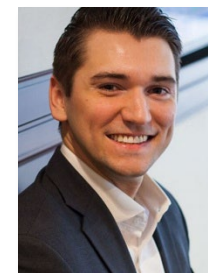
**Donald Luciani**  
Partner



**Charles Chandler**  
Partner



**Fahad Siddiqui**  
Director



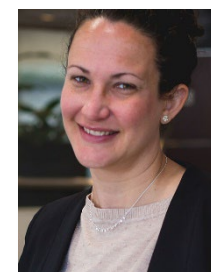
**John Wendzinski**  
Vice President



**Sam Jabara**  
Associate



**Noah Moderwell**  
Analyst



**Emily Pachla**  
Controller



**Amber Dunn**  
Director of Marketing

Operations Advisory



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



**Ray Dallavecchia, Jr.**  
Owner, Venetian Associates



**Terry Robinson**  
Former Senior Vice President and Director  
of Middle Market Banking – Comerica Bank



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



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