

Colonnade Advisors F&I Products

***Quarterly Update
2021 First Quarter***

F&I Product Sales Continue to Grow

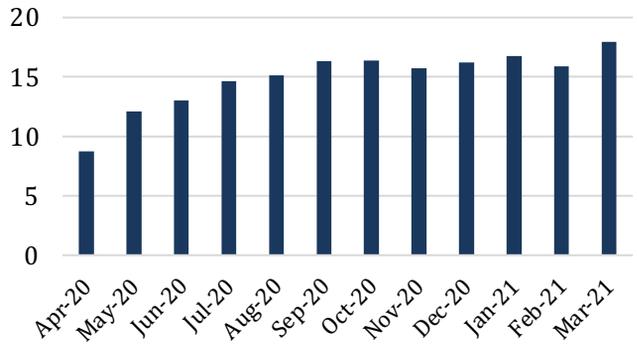
**MERGERS & ACQUISITIONS
CAPITAL RAISING
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New vehicle sales increased

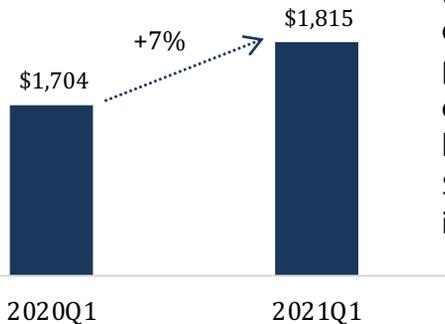
New light vehicle sales increased 12% in the first quarter of 2021 compared to last year. The SAAR for the first quarter of 2021 returned to 2019 levels, driven by a 13% increase in March 2021. March 2021 light vehicle sales (SAAR) reached 18 million units, the highest level since 2005.

U.S. Light vehicle sales in millions (SAAR)¹



Selling F&I products with new and used vehicles is a proven path to increasing dealer profits

Public Dealership Group F&I Profit per Vehicle (same store sales)²



Dealers earn roughly \$2,200 on the sale of a new vehicle itself. Dealers can earn another \$1,800 on the sale of a vehicle service contract (VSC) or other F&I products, significantly boosting profitability. Public dealerships have demonstrated a continued focus on improving F&I product penetration to bolster profitability. The six public dealership groups average \$1,815 of F&I profit per vehicle on a same-store basis, a 7% increase from last year.

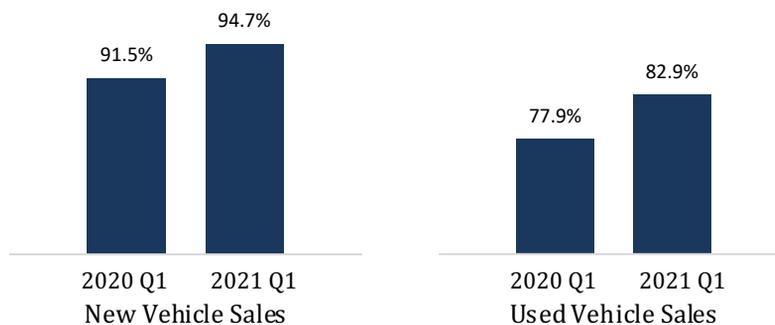
¹FRED

²Public Dealerships: AutoNation (NYSE: AN), Asbury Automotive Group (NYSE: ABG), Group 1 Automotive (NYSE: GPI), Lithia Motors (NYSE: LAD), Penske Automotive Group (NYSE: PAG), Sonic Automotive (NYSE: SAH)

F&I penetration continues to grow

New vehicle F&I penetration continued to grow in the first quarter of 2021, reaching 94.7%, a 3.5% increase year over year. Used vehicle penetration increased 6.4% from last year to 82.9%. Dealers continue to capitalize on consumer demand for F&I products to protect their primary source of transportation as travel resumes.

F&I Product Penetration³



2021 Q1 M&A transactions in the F&I products industry⁴

Date	Target	Buyer	Category
Jan-21	Buffalo Group	Kinderhook Industries	Administrator
Jan-21	Revolos	Protective Asset Protection	Administrator
Jan-21	ADM	Brown & Brown	Agency

³NADA

⁴Business Wire, PR Newswire, GlobeNewswire



Direct to Consumer Marketer of Vehicle Service Contracts
has been acquired by



Strategic Investor

The undersigned acted as the exclusive financial advisor to the seller

Colonnade Securities LLC



has been acquired by



a portfolio company of



The undersigned acted as exclusive financial advisor to CalTex Protective Coatings

Colonnade Securities LLC



Digital Lead Gen Company
has been acquired by



Private Equity backed Strategic

The undersigned acted as exclusive financial advisor to the automotive F&I company

Colonnade Securities LLC



has been acquired by



Tiptree Inc.

The undersigned acted as exclusive financial advisor to Smart AutoCare

Colonnade Securities LLC



has been acquired by



Crestview Partners

The undersigned acted as exclusive financial advisor to Protect My Car

Colonnade Securities LLC



has sold



to

Seabury Asset Management LLC

The undersigned acted as exclusive financial advisor to Mepco Finance Corporation

Colonnade Securities LLC



has been acquired by



and management

Colonnade acted as exclusive financial advisor to APC Integrated Services Group, Inc.

Colonnade Securities LLC




has been sold to




The undersigned acted as exclusive financial advisor to AutoAssure, LLC

Colonnade Securities LLC



has acquired



Colonnade acted as financial advisor to Capital Z Partners Management, LLC

Colonnade Securities LLC



has been sold to



Colonnade acted as exclusive financial advisor to Automotive Development Group, LLC and The Zabel Companies

Colonnade Securities LLC



a portfolio company of



has been sold to

Ganas Auto

a portfolio company of Investar Financial

The undersigned acted as exclusive financial advisor to Tricolor Auto

Colonnade Securities LLC

SOUTHFIELD

has acquired with management

VANGUARD
DEALER SERVICES

Colonnade acted as financial advisor to Southfield Capital

Colonnade Securities LLC

ENDURANCE

has been sold to

TRP Capital Partners

Colonnade acted as exclusive financial advisor to Endurance Warranty Services, LLC and Endurance Dealer Services, LLC

Colonnade Securities LLC



D E Shaw & Co

has sold

PayLink
Payment Plans LLC

to an investment group led by

OXFORD
FINANCIAL GROUP, LTD.

Colonnade acted as exclusive financial advisor to D.E. Shaw and Paylink Payment Plans

Colonnade Securities LLC



Focus. Expertise. Results.

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This advertisement was prepared May 17, 2021. It is not investment advice, and Colonnade undertakes no obligation to update the information contained herein.

Sources: SEC filings, regulatory filings, and company presentations, NADA, FRED, Business Wire, Auto Remarketing, PR Newswire, GlobeNewswire, public disclosure and Colonnade research

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