

Colonnade Advisors F&I Products

Quarterly Update
2021 Second Quarter

Used Vehicle F&I Product
Penetration Surged in Q2 2021

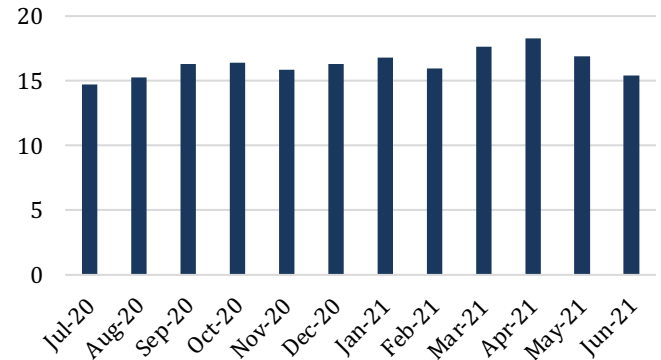
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New light-vehicle sales (SAAR) grew marginally from Q1 2021 levels

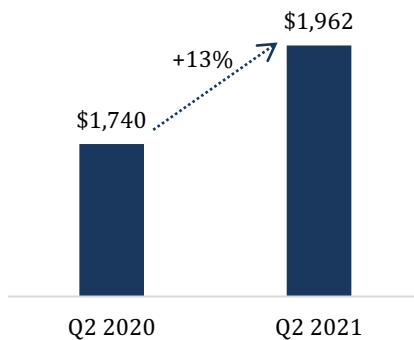
New light-vehicle sales (SAAR) increased from 16.8 million units in Q1 2021 to 16.9 million units in Q2 2021, a 0.5% improvement. Compared to June 2020, June 2021 light-vehicle sales (SAAR) are up 17.5%, or 2.3 million units, representing a strong recovery from the impacts of COVID-19.

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 almost \$2,000 more 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 \$1,962 of F&I profit per vehicle on a same-store basis, a 13% 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)

New vehicle sales F&I penetration remained constant relative to Q1 2021, while used vehicle sales F&I penetration grew significantly

New vehicle F&I penetration remained constant at 94.7% from the prior quarter but decreased by 4.0% when compared to Q2 2020. Used vehicle penetration increased 16.6% from last year to 87.4% and increased 5.5% from the prior quarter.

F&I Product Penetration³



³NADA



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The undersigned served as exclusive financial advisor to Sky Services LLC

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The undersigned acted as exclusive financial advisor to CalTex Protective Coatings

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The undersigned acted as exclusive financial advisor to the digital lead gen company

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has been acquired by



Tiptree Inc.

The undersigned acted as exclusive financial advisor to Smart AutoCare

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has been acquired by



Crestview Partners

The undersigned acted as exclusive financial advisor to Protect My Car

Colonnade Securities LLC



has been sold to an investment group led by management and

Fortress Investment Group LLC (NYSE: FIG)

The undersigned acted as exclusive financial advisor to Omnisure Group, Lincoln Park Capital and Management

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



has acquired



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

Colonnade Securities LLC



has acquired with management



Colonnade acted as financial advisor to Southfield Capital

Colonnade Securities LLC



has been sold to



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

Colonnade Securities LLC



has been sold to




The undersigned acted as exclusive financial advisor to AutoAssure, LLC

Colonnade Securities LLC

For more information on F&I products industry, please contact:



Gina Cocking
Managing Director
312.425.8145
gcocking@coladv.com



Jeff Guylay
Managing Director
205.726.0788
jguylay@coladv.com



Tiffany Hu
Director of Business Development
312.870.6204
thu@coladv.com



Colonnade Advisors LLC • 600 Cleveland Street • Suite 272 • Clearwater, FL • 33755
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This advertisement was prepared September 21, 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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