



F&I Products Quarterly Update: 2022 First Quarter

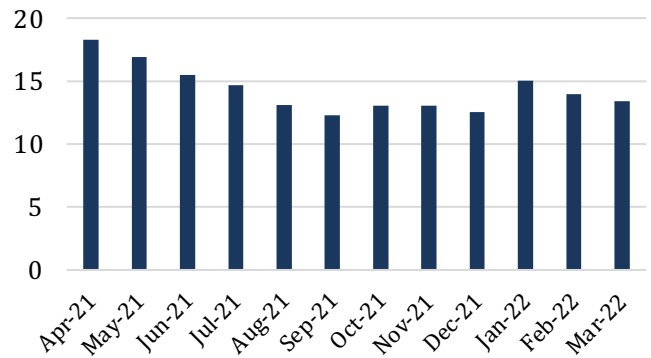


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New light-vehicle sales (SAAR) rose in the first quarter of 2022.

New light-vehicle sales (SAAR) rose to 14.1 million units in Q1 2022 from 12.8 million units in Q4 2021, a 10% increase.

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



Vehicle registrations were down nearly 15% in Q1 after a strong rebound in 2021

New registrations were down 19% in the first quarter of 2022 compared to the previous year, due to chip shortages and inflation, while used registrations were down 13.2% from prior year. Total registrations were down a combined 15%.²

New and Used vehicle registrations through the 1st quarter



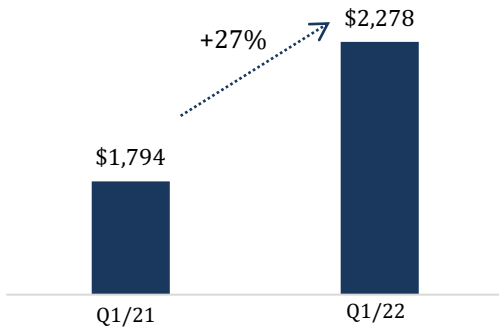
¹FRED

²Experian

³Experian

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)⁴



Dealers earn roughly \$1,100 on the sale of a new vehicle itself. Dealers can earn more than \$2,000 on selling a vehicle service contract (VSC) or other F&I products, significantly boosting profitability.

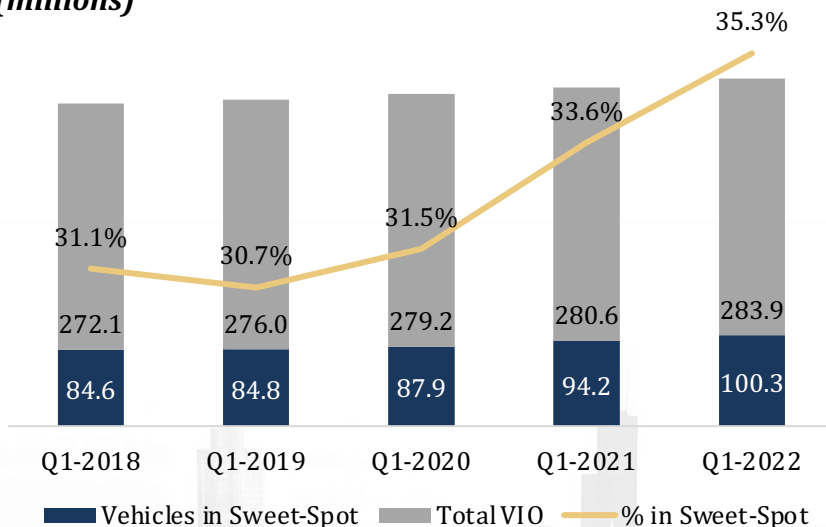
Public dealerships have continued to focus on improving F&I product penetration to bolster profitability. In Q1 2022, the six public dealership groups made an average of \$2,278 of F&I profit per vehicle on a same-store basis, a 27% increase from last year.

The total Vehicles in Operation ("VIO") in the F&I sweet-spot grew 6.5% in Q1/2022

The F&I sweet-spot is a direct reflection of the total addressable market for the F&I industry.

VIO in the F&I sweet-spot grew to 100.3 million from 94.2 million one year ago as of Q1/2022. Furthermore, the ratio of vehicles in the sweet-spot to total VIO grew to 35.3% from 33.6% in Q1 2022.

F&I Sweet-Spot (millions)⁵



⁴Public 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)

⁵Experian

2022 Q1 M&A transactions in the F&I products industry⁶

Date	Target	Buyer	Category
Mar-22	Amynta	Madison Dearborn Partners	Administrator
Jan-22	Uproar.car	Olive.com	Direct to Consumer

In March 2022, Madison Dearborn increased its ownership and acquired all of the equity interests in Amynta from its initial majority investment in 2018.

⁶PR Newswire, Business Wire

Colonnade is a leading advisor to the F&I products industry

CAPITAL RAISE

WARRANTY SOLUTIONS INC.
raised capital from



BUYSIDE

WARRANTY SOLUTIONS INC.
acquired
VALIANT


SELLSIDE / CAPITAL RAISE

LENDING
was sold to

CAPITAL PARTNERS, LLC


SELLSIDE

PROTECTION
was sold to

FORTEGRA
a subsidiary of
TiptreeInc.


SELLSIDE / CAPITAL RAISE

was sold to

AUTOMOTIVE HOLDINGS
a portfolio company of
CORNELL CAPITAL


SELLSIDE

was sold to
TiptreeInc.


SELLSIDE / CAPITAL RAISE

PROTECT MY CAR
was sold to



SELLSIDE / CAPITAL RAISE

OMNISURE
a portfolio company of

LINCOLN PARK CAPITAL
was sold to

FORTRESS


SELLSIDE

AUTOMOTIVE Development Group
was sold to

HOLDINGS, LLC


BUYSIDE

acquired

It's Your Portfolio™


BUYSIDE
SOUTHFIELD
acquired

DEALER SERVICES


SELLSIDE / CAPITAL RAISE
ENDURANCE 
was sold to
TRP Capital Partners


SELLSIDE

EXTENDED REPAIR COVERAGE
was sold to
ENDURANCE 


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Sources: SEC filings, regulatory filings, company presentations, FRED, Experian, Businesswire, PR Newswire, Auto Remarketing, Brown & Brown, Agent Entrepreneur, public disclosure, and Colonnade research

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