



F&I Products Quarterly Update: 2025 Third Quarter



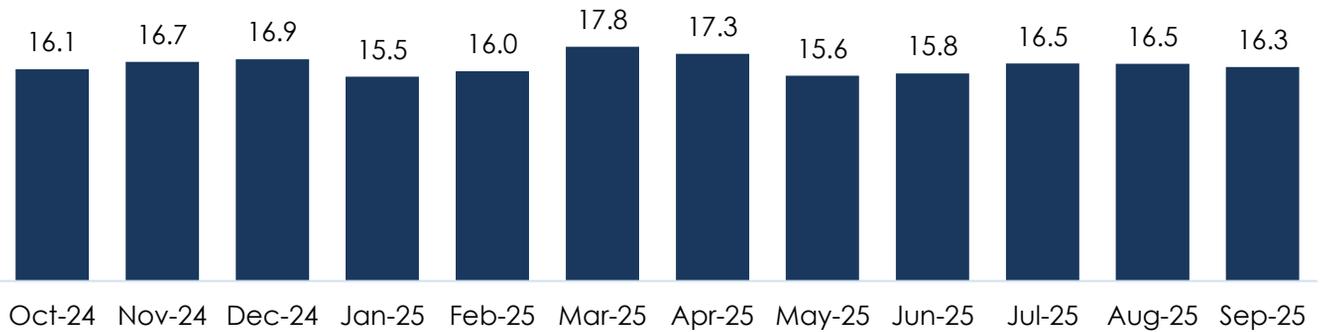
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NEW LIGHT-VEHICLE SALES (SAAR) MAINTAINED BY RESILIENT DEMAND

New light-vehicle sales (SAAR) averaged 16.4M units in Q3 2025, representing a 5.5% year-over-year increase, as demand proved resilient despite ongoing affordability pressures. Tariff concerns earlier in the year pulled some purchases forward, accelerating transactions in March and April, followed by softer activity in May and June and a subsequent rebound this quarter.

U.S. LIGHT VEHICLE SALES (SAAR)¹

(units in millions)

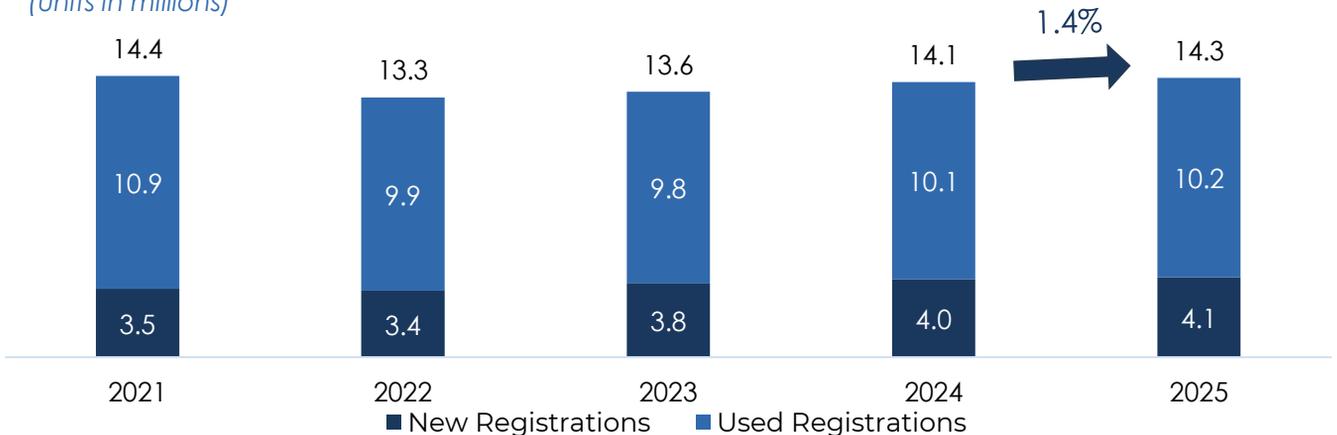


TOTAL VEHICLE REGISTRATIONS INCREASED IN Q3 2025

Total registrations saw modest growth in Q3, increasing by 1.4% year-over-year, but declined slightly from the previous quarter, again reflecting market stabilization following the pull-forward of vehicle purchases earlier in the year.

NEW AND USED LIGHT VEHICLE REGISTRATIONS²

(units in millions)



¹FRED, seasonally adjusted annual rate

²Experian as of July through September of each year

F&I PRODUCTS SOLD WITH VEHICLES PROVIDE DEALERS WITH ADDITIONAL PROFITS

F&I performance remained a core profit driver for dealerships in Q3. Among the top six public dealership groups, same-store F&I profit averaged \$2,208 PVR in Q3 2025, a 4.3% year-over-year increase.¹ While manufacturers have taken steps to absorb tariff-related costs, vehicle prices and monthly payments remain elevated.² As a result, consumers are increasingly finding value in F&I products that help manage ownership risk and deliver greater cost predictability over the life of the vehicle.

F&I PROFIT PER VEHICLE¹

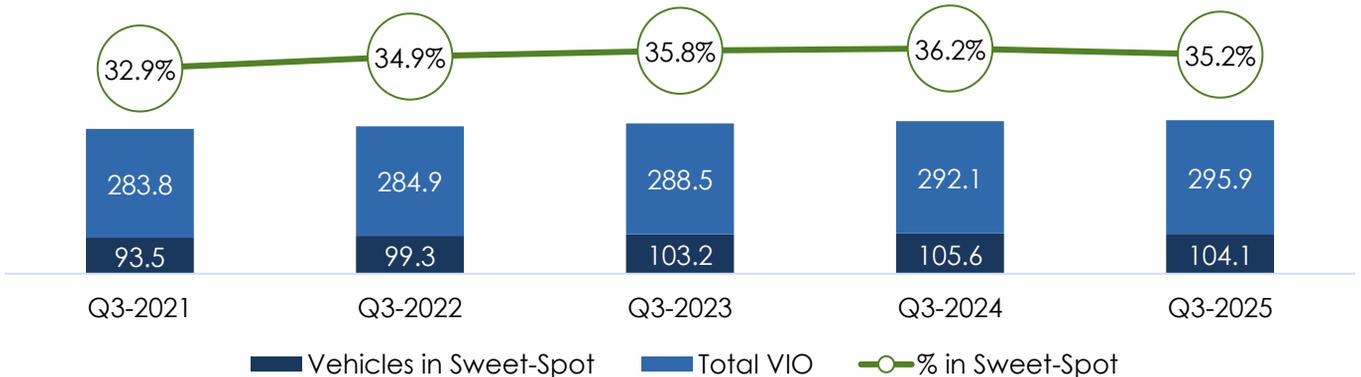


TOTAL VEHICLES IN OPERATION (VIO) INCREASED, SWEET SPOT SHARE DECLINES

The F&I "sweet spot" refers to 6- to 12-year-old vehicles that have aged out of OEM warranty coverage and represent the core addressable market for F&I products. In Q3 2025, the sweet spot segment contracted, accounting for 35.2% of total vehicles in operation.³ This contraction reflects longer-term structural effects of pandemic-era sales disruptions, when reduced new-vehicle volumes created gaps in the age curve that are now entering the sweet spot. Even with this decline, the sweet spot still represents more than one-third of the total fleet, underscoring its importance to the F&I industry.

F&I SWEET SPOT³

(units in millions)



¹Public Dealership Same Store Sales: 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)

²JM&A Group

³Experian

RECENT M&A TRANSACTIONS IN THE F&I PRODUCTS INDUSTRY

DATE	TARGET	BUYER	CATEGORY
September 2025	FORTEGRA	DB INSURANCE (KRX: 005830)	F&I ADMIN
September 2025	DEALERPRO TRAINING	APCO HOLDINGS, LLC (Ontario Teachers Pension Plan)	F&I ADMIN
September 2025	LAWLEY AUTOMOTIVE DEALERSHIP SOLUTIONS	APCO HOLDINGS, LLC (Ontario Teachers Pension Plan)	F&I ADMIN
August 2025	TIRE SHIELD	BROWN & BROWN (NYSE: BRO)	F&I ADMIN
July 2025	INET FINANCIAL SERVICES	T&J DEALER SERVICES	F&I ADMIN
February 2025	PERMAPLATE	SPECTRUM AUTOMOTIVE HOLDINGS, LLC (HPS Investment Partners)	F&I ADMIN
July 2024	SAFE-GUARD PRODUCTS	HELLMAN & FRIEDMAN	F&I ADMIN
June 2024	RIDER'S ADVANTAGE	APCO HOLDINGS, LLC (Ontario Teachers Pension Plan)	F&I AGENCY
June 2024	CAPITAL ADMINISTRATIVE PROFESSIONALS, LLC	APCO HOLDINGS, LLC (Ontario Teachers Pension Plan)	F&I ADMIN
May 2024	CRYSTAL FUSION TECHNOLOGIES	APCO HOLDINGS, LLC (Ontario Teachers Pension Plan)	F&I ADMIN

Colonnade clients in **bold**

Q3 2025 KEY U.S. AUTOMOTIVE TRENDS AND SALES HIGHLIGHTS¹

- 1 Loan amounts and monthly payments rose for both new and used vehicles, even as loan rates declined. Consumers are stretching financing terms, with growth concentrated in the 73+ month segment
- 2 Loan-to-Value (LTV) ratios increased for new vehicles while decreasing for used vehicles
- 3 Rising repair costs, high transaction prices, and elevated insurance costs have increased consumer sensitivity to unexpected expenses
- 4 Both VSC and GAP penetration rates were up year-over-year this quarter as consumers look to manage rising ownership costs

¹Experian, JM&A Group

COLONNADE IS A LEADING ADVISOR TO THE F&I PRODUCTS INDUSTRY

 **CrystalFusion**

was sold to

 **APCO**
HOLDINGS

COLONNADE

 **Reynolds & Reynolds™**

acquired

 **XZILON®**

COLONNADE

 **Reynolds & Reynolds™**

acquired

 **AGWS**

COLONNADE

 **APC**

INTEGRATED SERVICES GROUP

was sold to

 **SOUTHFIELD**

COLONNADE

 **SKYAUTO**
PROTECTION

was sold to

 **FORTEGRA®**

COLONNADE

 **CALTEX®**

was sold to

 **SPECTRUM**
AUTOMOTIVE HOLDINGS

COLONNADE

 **smart autocare™**

was sold to

 **Tiptree Inc.**

COLONNADE

 **PMC** | **PROTECT MY CAR**

was sold to

 **Crestview**

COLONNADE

 **PayLink**
Direct

was sold to

 **OXFORD**
FINANCIAL GROUP, LTD™

COLONNADE

 **AUTOMOTIVE**
Development Group

was sold to

 **APCO**
AUTOMOBILE PROTECTION CORPORATION

COLONNADE

 **CAPITAL Z**
PARTNERS

acquired

 **Portfolio**

COLONNADE

 **SOUTHFIELD**

acquired

 **VANGUARD**
DEALER SERVICES

COLONNADE

 **MEPCO**
insurance premium financing

was sold to

 **INDEPENDENT**
BANK

COLONNADE

 **ENDURANCE**

was sold to

 **TRP Capital Partners**

COLONNADE

 **AutoAssure**
Extended Repair Coverage

was sold to

 **ENDURANCE**

COLONNADE

 **OMNISURE**

was sold to

 **FORTRESS**

COLONNADE

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Sources: SEC filings, company presentations, FRED, Experian, JM&A, public disclosure, and Colonnade research

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