

THE BLUE SKY REPORT®

A KERRIGAN QUARTERLY



Second Quarter 2025

August 2025

KERRIGAN ADVISORS



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KERRIGAN ADVISORS

The Most Active Sell-Side Advisor in Auto Retail Nationwide

Kerrigan Advisors' Recent Transactions

<p>Kerrigan Advisors represented</p> <p>Blue Grass MOTORSPORT <i>Built on Performance</i></p> <p><i>Top Private Luxury Group in Kentucky</i></p> <p></p> <p>Louisville, KY</p>	<p>Kerrigan Advisors represented</p> <p>AUTO TRUST</p> <p><i>Most Valuable JLR Platform in the US</i></p> <p></p> <p>Southern CA & San Jose, CA</p>	<p>Kerrigan Advisors represented</p> <p>BOHN BROTHERS AUTOMOTIVE GROUP</p> <p><i>Top Private Import Dealership Group in Louisiana</i></p> <p></p> <p>New Orleans & Lafayette, LA</p>	<p>Kerrigan Advisors represented</p> <p></p> <p><i>#1 Subaru & Hyundai Dealerships in Vermont</i></p> <p></p> <p>Burlington, VT</p>	<p>Kerrigan Advisors represented</p> <p>LAMB</p> <p></p> <p>Prescott, AZ</p>	
<p>Kerrigan Advisors represented</p> <p>Buckalew</p> <p><i>Top 5 Volume Chevy Dealership in Houston</i></p> <p></p> <p>Houston, TX</p>	<p>Kerrigan Advisors represented</p> <p></p> <p></p> <p>Pittsburgh, PA</p>	<p>Kerrigan Advisors represented</p> <p>Lou Sobh Automotive</p> <p><i>#2 Kia Dealership in US</i></p> <p></p> <p>Los Angeles, CA</p>	<p>Kerrigan Advisors represented</p> <p>ASBURY AUTOMOTIVE GROUP</p> <p></p> <p>Salt Lake City, UT</p>	<p>Kerrigan Advisors represented</p> <p></p> <p></p> <p>Dallas, TX</p>	
<p>Kerrigan Advisors represented</p> <p></p> <p><i>Largest Private Dealership Group in Raleigh</i></p> <p></p> <p>Raleigh, NC</p>					
<p>Kerrigan Advisors represented</p> <p>RR AUTOMOTIVE</p> <p><i>Top Private Import Dealership Group in Washington-Baltimore</i></p> <p></p> <p>Washington-Baltimore, MD</p>	<p>Kerrigan Advisors represented</p> <p></p> <p><i>#1 Buick GMC Dealer in Tennessee</i></p> <p></p> <p>Memphis, TN</p>	<p>Kerrigan Advisors represented</p> <p>MISSION IMPORTS</p> <p></p> <p>Orange County, CA</p>	<p>Kerrigan Advisors represented</p> <p></p> <p></p> <p>San Antonio & Houston, TX</p>	<p>Kerrigan Advisors represented</p> <p></p> <p></p> <p>Shreveport, LA</p>	
<p>Kerrigan Advisors represented</p> <p></p> <p>TOYOTA</p> <p>Redwood City, CA</p>	<p>Kerrigan Advisors represented</p> <p></p> <p>Northwest</p> <p></p> <p>Houston, TX</p>	<p>Kerrigan Advisors represented</p> <p>ASBURY AUTOMOTIVE GROUP</p> <p></p> <p>Atlanta, GA</p>	<p>Kerrigan Advisors represented</p> <p></p> <p></p> <p>Hemet, CA</p>	<p>Kerrigan Advisors represented</p> <p>Jim Price "PRICE SELLS CARS"</p> <p></p> <p>Charlottesville, VA</p>	<p>Kerrigan Advisors represented</p> <p>Country</p> <p></p> <p>Leesburg, VA</p>

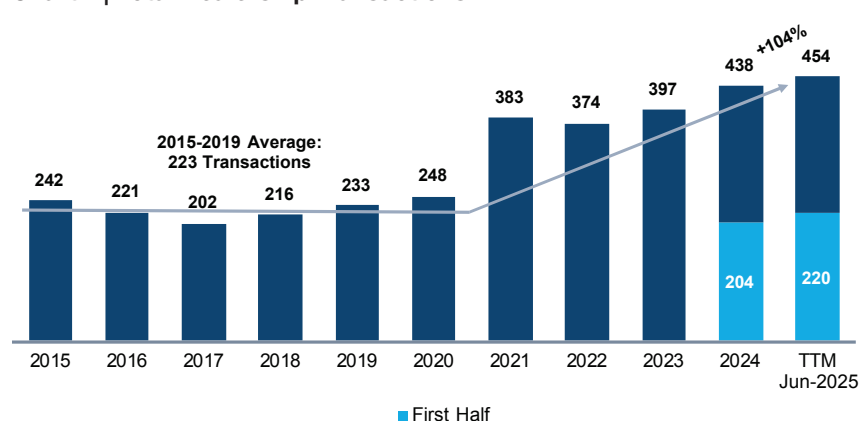
Kerrigan Advisors is honored to have led the industry in completed dealership buy/sells, representing on the highest value transactions. Our team is proud to serve as the leading sell-side advisor and thought partner to auto dealers nationwide.

If you would like to learn more about Kerrigan Advisors, please contact us for a confidential conversation at (775) 993-3600 or visit KerriganAdvisors.com.

EXECUTIVE SUMMARY

The dealership buy/sell market remained remarkably strong in the first half of 2025, despite continued market uncertainty regarding tariffs, interest rates and vehicle affordability. 220 transactions were completed in the first half of the year, 8% above last year's level (see Chart 1). For the trailing twelve months, 454 buy/sells were consummated, 104% higher than the pre-pandemic average and above last year's record. The 2025 buy/sell market is expected to continue at this elevated pace for the remainder of the year, fueled by the consolidation trend ignited by a surge in industry earnings earlier in the decade.

Chart 1 | Total Dealership Transactions



Source: The Banks Report, Automotive News, Kerrigan Advisors' Research

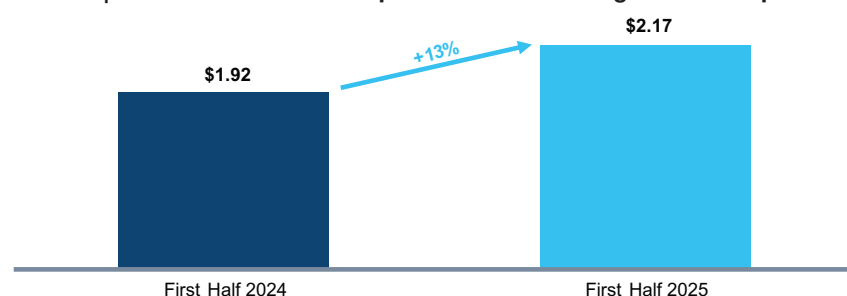
Buy/sell transactions for the first half of 2025 were 8% higher than last year's level, with 220 completed. For the trailing twelve months, there were 454 transactions, 104% higher than pre-pandemic averages and above last year's record. Kerrigan Advisors predicts this elevated pace will continue for the remainder of the year, fueled by earnings growth and dealers' access to capital.

"I would say from an M&A perspective, obviously, our doors are open."

Roger Penske, Chairman, Penske Automotive Group | Second Quarter 2025 Earnings Call

In the first half of the year, the strength of industry earnings continued (see Chart 2), supported by higher new vehicle sales (see Chart 3 on the following page), resilient new vehicle gross margins (see Chart 3 on the following page), rebounding used vehicle prices (see Chart 4 on the following page) and an expanding fixed operations business (Chart 5 on page 3). Average public dealership earnings rose to over \$2 million, up 13% compared to the first half of 2024, while new sales increased 3.2% due to robust consumer demand for pre-tariff vehicles, resulting in resilient new vehicle gross profit margins. The rebound in used vehicle prices and the rise in fixed operations gross profit also resulted in an earnings picture that supported stronger dealership buyer demand and greater confidence in the industry's financial results for the remainder of 2025.

Chart 2 | US Public Dealer Groups' Estimated Average Dealership Pre-Tax Profit, \$ in Millions



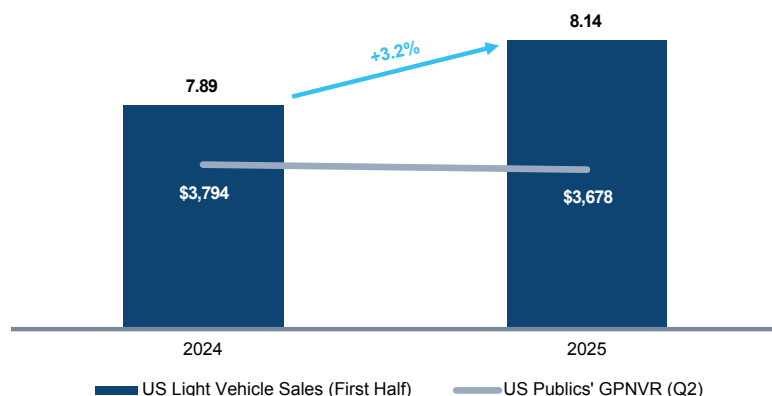
Source: SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic, Kerrigan Advisors' Research & Analysis

Industry earnings remained strong in the first half of 2025, with average public dealership pre-tax profits rising 13% year-over-year, climbing from \$1.92 million to \$2.17 million.

"The numbers were strong even after removing the year-over-year impact from last year's CDK outage."

Mike Manley, CEO, AutoNation | Second Quarter 2025 Earnings Call

Chart 3 | US Light Vehicle Sales First Half (in Millions) vs. US Public Dealer Groups' Second Quarter Average Gross Profit per New Vehicle Retailed ("GPNVR")



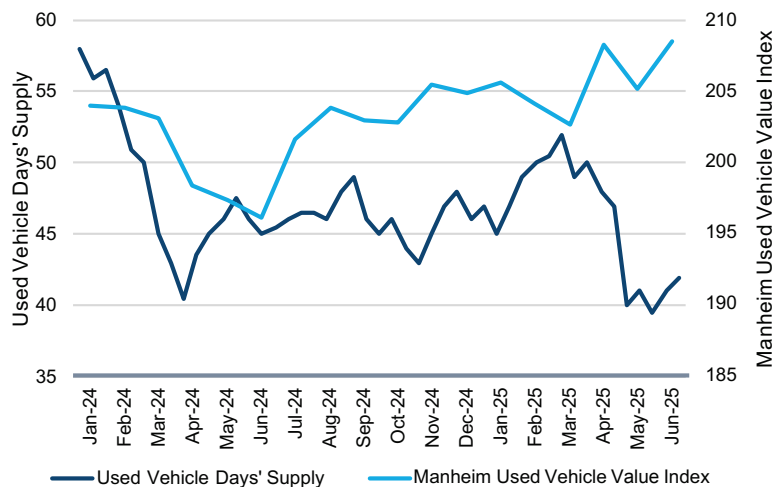
Bolstering strong industry earnings, new US light vehicle sales increased 3.2% year-over-year in the first half of 2025 to 8.1 million units from 7.9 million in 2024. Fueled by strong consumer demand ahead of anticipated tariffs, new vehicle gross margins remained high in the second quarter of 2025 and largely consistent with 2024.

Source: Automotive News, SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic

"We think we're pretty insulated from the impacts of tariffs, and it's easy for us to get confused with what manufacturers have to do versus what a retailer has to do. We're quite diversified."

Bryan DeBoer, President & CEO, Lithia & Driveway | Second Quarter 2025 Earnings Call

Chart 4 | Used Vehicle Days' Supply vs. Manheim Used Vehicle Value Index



Used vehicle days' supply decreased to less than 45 days in June 2025 from nearly 60 days in January 2024. The rebound in used vehicle prices, driven by tighter supply and strong demand, has strengthened dealership earnings projections for the remainder of the year and into 2026.

Source: Cox Automotive, Manheim

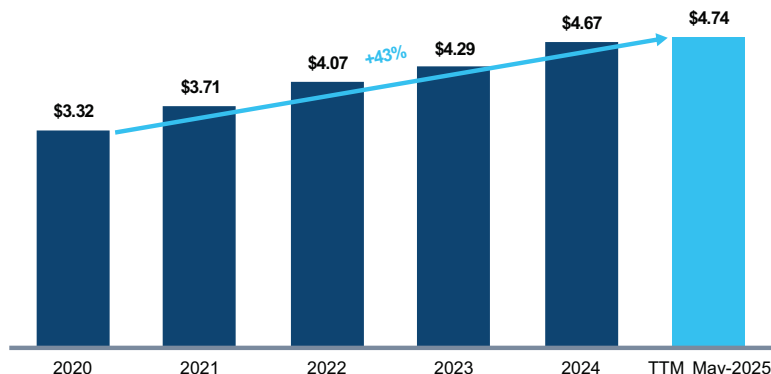
"Used vehicle profitability has remained strong, supported by a constrained supply environment."

David Hult, President & CEO, Asbury Automotive Group | Second Quarter 2025 Earnings Call

"You have to be agile in terms of how you move between the segments and how you're thinking about that development."

Mike Manley, CEO, AutoNation | Second Quarter 2025 Earnings Call

Chart 5 | Average Dealership Fixed Operations Gross Profit, \$ in Millions



Source: NADA Industry Analysis

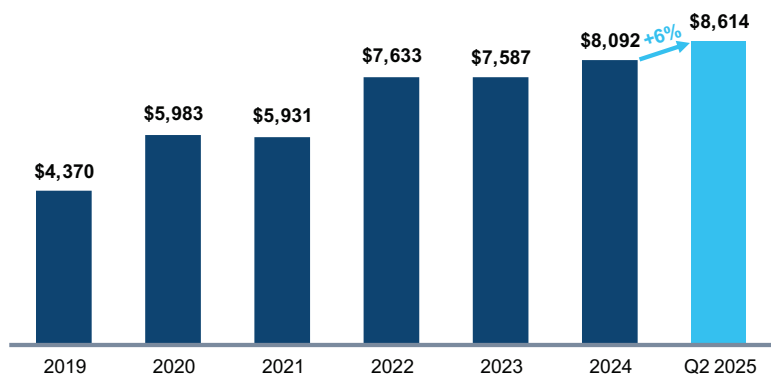
Average dealership fixed operations gross profit reached \$4.74 million in the trailing twelve months through May 2025, up an impressive 43% from 2020. Fixed operations growth is fueled in part by the ageing US vehicle fleet.

"When you look at the car park being 12 to 13 years of age, average mileage being close to 70,000 miles, we're going to continue to see the benefit in the fixed ops department."

Rick Shearing, COO - North America, Penske Automotive Group | Second Quarter 2025 Earnings Call

As a result of these healthy industry dynamics, the balance sheets of growing dealership groups remained very liquid in the first half of 2025. The publics, for instance, saw their liquidity rise 6% in the first half of 2025, up \$522 million since December 2024 (see Chart 6). Collectively, these companies now have a record \$8.6 billion of capital available for acquisitions. Even in a higher interest rate environment, capital is not a constraint for acquisitions, particularly for the largest consolidators who seek the highest return on investment for their retained earnings.

Chart 6 | US Public Dealer Groups' Total Capital Availability and Liquidity, \$ in Millions



Source: SEC Filing for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic

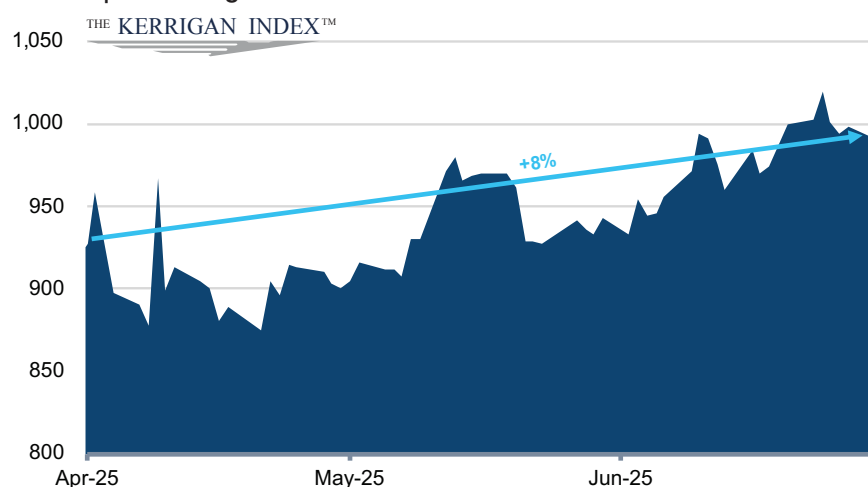
The publics saw their liquidity levels increase 6% since the fourth quarter of 2024 to a record \$8.6 billion at the end of the second quarter of 2025, up \$522 million and double pre-pandemic levels. Solid industry fundamentals have kept the largest dealership groups' balance sheets highly liquid.

"I continue to be pleased with our performance and the resilience of our business."

Roger Penske, Chairman, Penske Automotive Group | Second Quarter 2025 Earnings Call

With this robust financial picture, Wall Street investors were largely bullish on the auto retail sector in the second quarter of 2025. The Kerrigan Index™ achieved a positive trajectory throughout the quarter, rising 8% by the end of June (see Chart 7), with AutoNation and Sonic achieving peak market capitalizations. Investors appear optimistic about the industry's earnings growth projections and see the dealership business model as a winner post-tariff negotiations, particularly as OEMs appear to be absorbing a larger share of the tariff cost in an effort to retain market share. In 2025, average new vehicle prices actually declined 2.2% (see Chart 8) and Japanese OEMs reduced their export vehicle prices by a record amount (see Chart 9 on the following page).

Chart 7 | The Kerrigan Index™



Source: Microsoft Finance, Kerrigan Advisors' Analysis

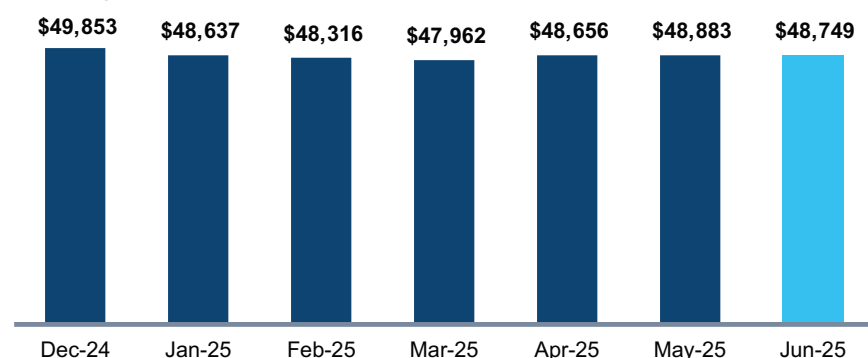
In the second quarter, The Kerrigan Index™ climbed 8%, with AutoNation and Sonic reaching record market capitalizations, reflecting investor optimism about the dealership business model and sustained earnings growth into 2026.

Methodology: The Kerrigan Index™ is composed of the seven largest publicly traded auto retail companies with operations focused on the US market, including CarMax, AutoNation, Penske Automotive Group, Lithia & Driveway, Asbury Automotive Group, Group 1 Automotive and Sonic Automotive. The Kerrigan Index™ is weighted by the market capitalization of each company and benchmarked at 100 on 1/3/2000.

"I remain confident in our diversified model and its ability to flex with market conditions."

Roger Penske, Chairman, Penske Automotive Group | Second Quarter 2025 Earnings Call

Chart 8 | Average New Vehicle Listing Price

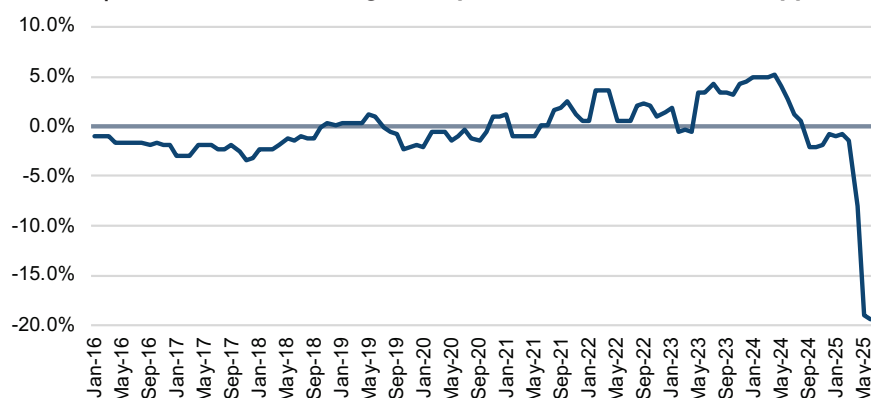


Source: Cox Automotive

Automotive OEMs appear to be absorbing the lion's share of the tariff cost in order to maintain market share. Despite tariff expenses, average new vehicle prices declined 2.2% in the first half of 2025 to \$48,749 from \$49,853 in December 2024.

"To date, we have not seen a material impact on vehicle pricing as a result of tariffs."

David Smith, Chairman & CEO, Sonic Automotive | Second Quarter 2025 Earnings Call

Chart 9 | Year-Over-Year Change in Export Price Index of Cars Shipped to North America from Japan

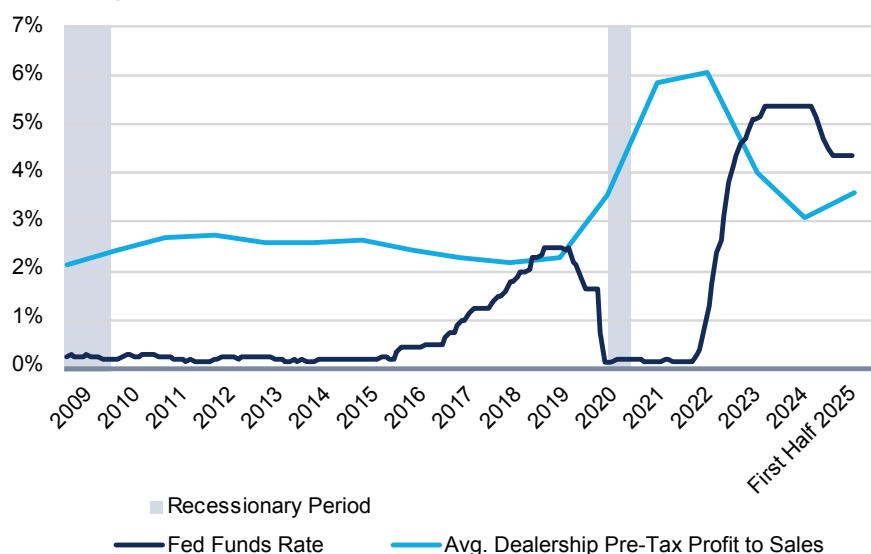
Source: Bank of Japan

In January 2025, Japanese OEMs reduced their export vehicle prices by nearly 20%, a record amount. This decline reflects Japanese OEMs' willingness to absorb the cost of tariffs in order to maintain their US market share.

"The most important thing is our manufacturers are all competing to sell cars."

Bryan DeBoer, President & CEO, Lithia & Driveway | Second Quarter 2025 Earnings Call

The dealership business model, which relies on multiple revenue streams, some of which are counter-cyclical, continued to prove its resilience. Franchised dealerships have a nimble structure, in which they can shift their focus quickly to higher margin business segments and products when the new vehicle market is disrupted, enabling a consistent profit margin largely impervious to economic cycles (see Chart 10). Furthermore, vehicle margins and sales volumes are often inversely correlated, allowing dealers to maintain overall gross margin even when vehicle sales decline, particularly when inventories are tight (see Chart 11 on the following page). The invaluable role of the franchised dealer as a market-maker is more evident today as the industry manages the episodic rollout of electric vehicles ("EVs") and reacts to a dearth of consumer demand for the EV product.

Chart 10 | Estimated Average Dealership Pre-Tax Profit as a Percentage of Sales vs. Effective Federal Funds Rate

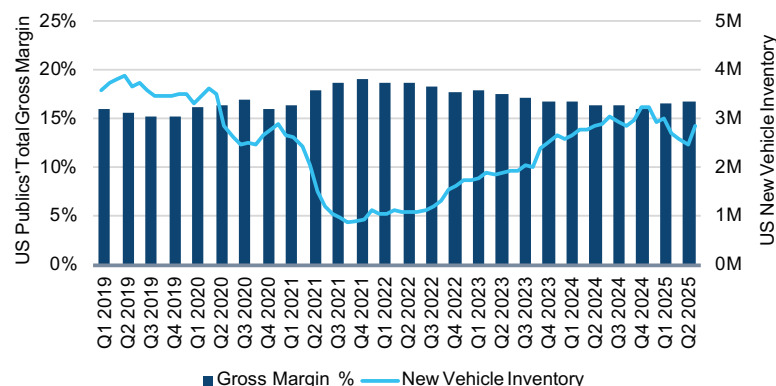
Franchised dealerships have proven the nimbleness and sustainability of their business model, remaining consistently profitable through challenging economic cycles, including in today's higher interest rate environment.

Source: NADA Industry Analysis, Kerrigan Advisors' Analysis & Research, SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic, Federal Reserve Bank of St. Louis

“One thing that holds true and especially through the recession in '08 and '09, this is a resilient business model. It's an accordion effect with its expense control, and it always finds a way to perform and continue to go on. The transportation retail business is strong. It's not going to go anywhere. In this business model, not just ours, but our peers in the private cap space will certainly adapt and come out on the other side of this just as strong as they did before.”

David Hult, President & CEO, Asbury Automotive Group | Second Quarter 2025 Earnings Call

Chart 11 | Average US Public Dealer Groups' Total Gross Margin by Quarter vs. US New Vehicle Inventory



Dealers' gross margins and new vehicle inventory are often inversely correlated, resulting in higher gross margins when inventory is tight. This underscores the franchised dealer's role as the industry's ultimate market-maker, particularly amid the commercially mis-timed rollout of electric vehicles.

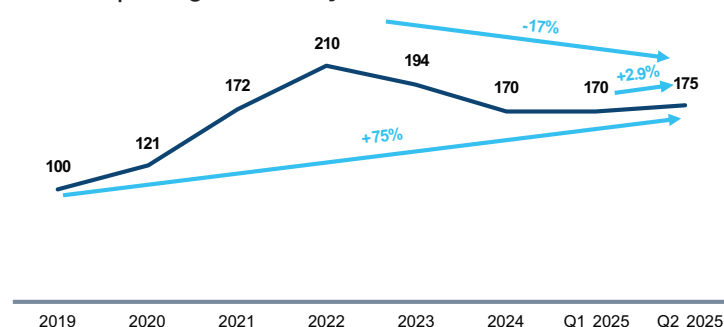
Source: Federal Reserve Bank of St. Louis, SEC Filings for Asbury, AutoNation, Group 1, Lithia, Penske & Sonic

“There is structural support within the industry and across competition that we're not here to kill each other, and there's only so much margin in cars...so manufacturers are going to have to respond. We continue to believe that incentives are going to have to grow again.”

Bryan DeBoer, President & CEO, Lithia & Driveway | Second Quarter 2025 Earnings Call

With rising confidence in the value of the franchise business model, the 2025 buy/sell market is comprised of more buyers than sellers, particularly in high demand locations and for top franchises. This is particularly the case as the industry increasingly believes 2024 to be the earnings trough from which growth can now be projected. Few sellers seek to exit if their franchises are priced on 2024's lower earnings while more buyers want to make acquisitions when profits are projected to rise. This dynamic is creating a supply-demand imbalance that is causing a rebound in average blue sky values. As a result, the Kerrigan Blue Sky Index rose 2.9% to 175 in the second quarter, up from 170 in the first quarter of 2025 (see Chart 12).

Chart 12 | Kerrigan Blue Sky Index



Source: Kerrigan Advisors
Methodology: Benchmarked to 100 at 12/31/2019

The Kerrigan Blue Sky Index rose 2.9% in the second quarter of 2025 to 175, from 170 in the first quarter of 2025, reflecting renewed buyer demand, particularly for top franchises in prime markets, against limited seller supply. Many in the industry view 2024 as the earnings low point, prompting buyers to seek acquisitions in a period of expected profit expansion and sellers to hold off in an effort to rebuild blue sky based on higher projected future earnings.

Average blue sky values are now 75% higher than pre-pandemic averages, though still down 17% from their 2022 peak (see Chart 12 on the previous page). Kerrigan Advisors expects the index to rise further in the second half of the year and end the year closer to 180. That said, the market is characterized by a much greater disparity among franchises. Whereas during the pandemic years, franchise values rose in lockstep, today's market has more winners and losers with some franchises continuing to achieve record blue sky values, while others revert below their pre-pandemic levels. The growing disparity in valuation is largely a result of greater variances in franchise earnings, with some franchises achieving continued growth and others seeing significant contraction.

"I think we'll see a little bit of a gross compression, and it's going to be different by brand."

Rick Shearing, COO - North America, Penske Automotive Group | Second Quarter 2025 Earnings Call

"Brand mix matters. All brands are cyclical. So depending upon your portfolio, it can be a tailwind or a headwind based on what you have."

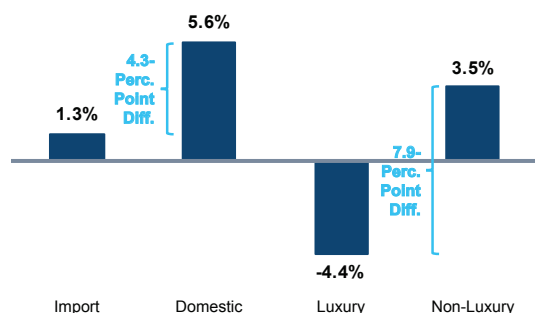
David Hult, President & CEO, Asbury Automotive Group | Second Quarter 2025 Earnings Call

Indicative of the growing disparity in blue sky values and financial performance, there is an increasing delta in new vehicle market share by industry segment. By way of example, in the second quarter of 2025, domestic franchises far outperformed import franchises in new vehicle sales growth, while non-luxury outpaced luxury (see Chart 13). Some of this market share movement was driven by reduced supply, particularly for import luxury vehicles. It also appears domestics benefited from the Trump administration's "Made in America" policies, which drove higher demand for US-built vehicles. Vehicle affordability also weighed on luxury sales, as more consumers shifted to less expensive options, resulting in a 7.9% difference in sales performance between luxury and non-luxury.

"Our sales of new vehicles increased 8%...this performance was led by our domestic segment, which increased 19% from a year ago."

Mike Manley, CEO, AutoNation | Second Quarter 2025 Earnings Call

Chart 13 | Change in US Light Vehicle Sales by Segment, First Half 2025 vs. 2024



Source: Automotive News

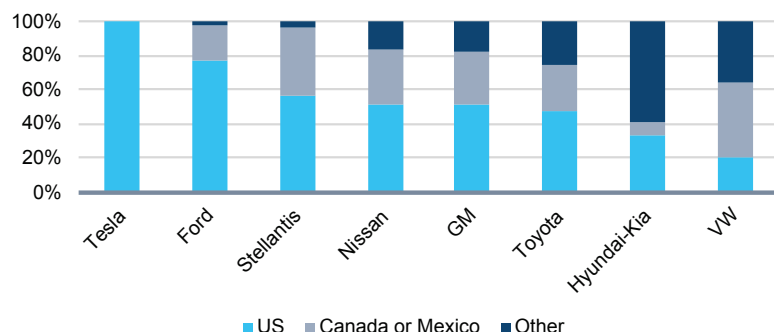
In the second quarter of 2025, domestic vehicle sales rose 5.6%, outpacing imports by 4.3 percentage points. Non-luxury also grew sales 3.5%, while luxury vehicle sales declined 4.4%, resulting in a 7.9 percentage point delta in performance. This shift, driven in part by "Made in America" tariff policies and affordability issues, highlights a widening gap in new vehicle market share across segments, reflecting growing differences in both blue sky values and franchise financial performance.

"Consumers today are more price- and payment-sensitive than they were in 2020 and 2021."

Jonathan Smoke, Chief Economist, Cox Automotive | Manheim Used Vehicle Value Index Webinar for June 2025

The passage of the Big Beautiful Bill (“BBB”) could further exacerbate these sales trends. The bill provides a significant financial boost to the mass market consumer for whom many of the tax provisions were designed to support. In particular, the deduction of car loan interest for new vehicles whose final assembly are completed in the US will likely be a shot in the arm to many domestic and some non-luxury import manufacturers (see Chart 14). Likewise, no tax on tips and overtime could result in additional income availability to lower-income consumers and help to offset the continuation of higher interest rates, making new vehicles more affordable.

Chart 14 | US Light Vehicle Sales by Assembly Location, September 2024 YTD



Source: Visual Capitalist

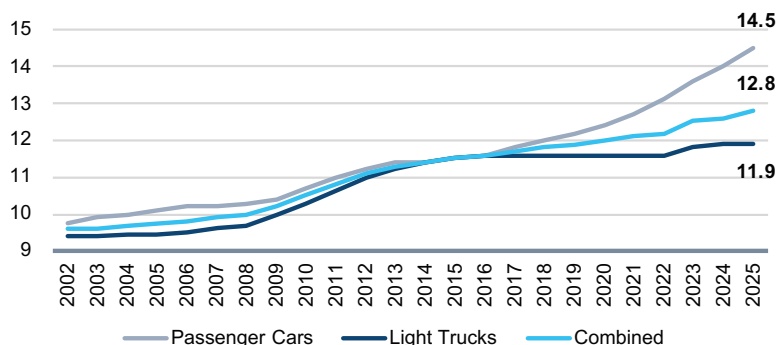
Ford leads the franchised dealership segment with more than 75% of its vehicles assembled in the US. Under the proposed Big Beautiful Bill, which includes a car loan interest deduction for US-assembled vehicles, Ford, Stellantis, Nissan, GM and Toyota are well positioned to benefit, while other import manufactures, such as Volkswagen, are disadvantaged.

“We’re encouraged by some of the provisions contained in the recently enacted US federal statute, which includes interest rate deductibility in auto loans.”

Mike Manley, CEO, AutoNation | Second Quarter 2025 Earnings Call

Also, with increasing clarity on tariffs, it appears new vehicle prices could stabilize in the coming quarters. Should this happen, consumer demand for new vehicles will likely improve along with sales (as they did in July). This is particularly the case when considering the ageing of the US vehicle fleet, which now stands at a record average of 12.8 years (14.5 years for passenger cars and 11.9 years for light trucks—see Chart 15). The age of the current fleet is a product of the constrained new vehicle supply during the pandemic, when supply could not meet demand. The resulting pent-up demand, estimated at 10.9 million new vehicles (see Chart 16 on the following page), was most evident in the first half of the year when the SAAR rose to 17.8 million and 17.3 million in March and April as consumers anticipated price increases due to tariffs (see Chart 17 on the following page).

Chart 15 | Average Age of Vehicles, By Segment



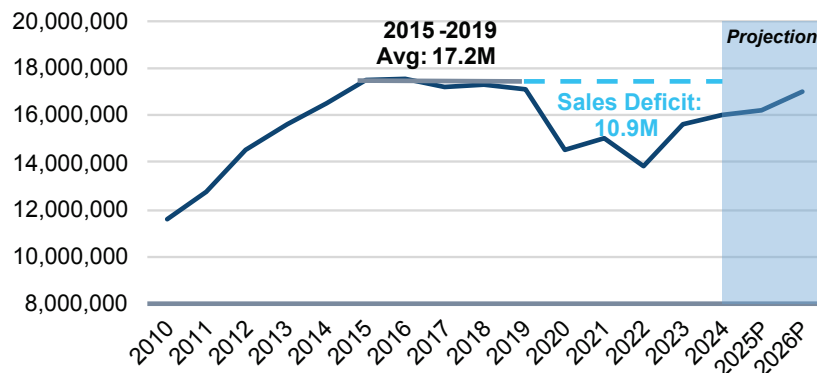
Source: S&P Global Mobility

As tariff policies become clearer, consumer demand and new vehicle sales are expected to improve. This outlook is supported by the record-high average age of the US vehicle fleet at 12.8 years (14.5 years for passenger cars and 11.9 years for light trucks), a result of pandemic-era supply constraints that left demand unmet.

"Our cars in use have never been older."

Jonathan Smoke, Chief Economist, Cox Automotive | Manheim Used Vehicle Value Index Webinar for June 2025

Chart 16 | Annual US Light Vehicle Sales



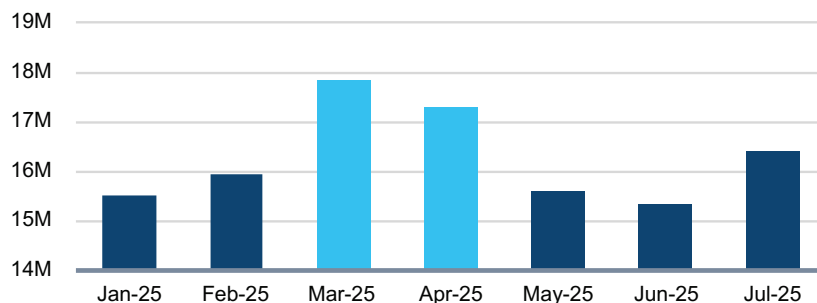
US new vehicle sales averaged 17.2 million units annually from 2015 to 2019, after which they fell sharply during the pandemic due to supply limitations. This created a cumulative sales demand deficit of 10.9 million units. Sales rates in March and April 2025 demonstrate the market's ability to return to pre-pandemic levels.

Source: Automotive News, S&P Global, Kerrigan Advisors

"We believe the pent-up demand is driving customer resilience, and we have seen stronger traffic and closing ratios so far in July with sales up approximately 10% month-to-date versus prior year."

Rick Shearing, COO - North America, Penske Automotive Group | Second Quarter 2025 Earnings Call

Chart 17 | Monthly SAAR, in Millions



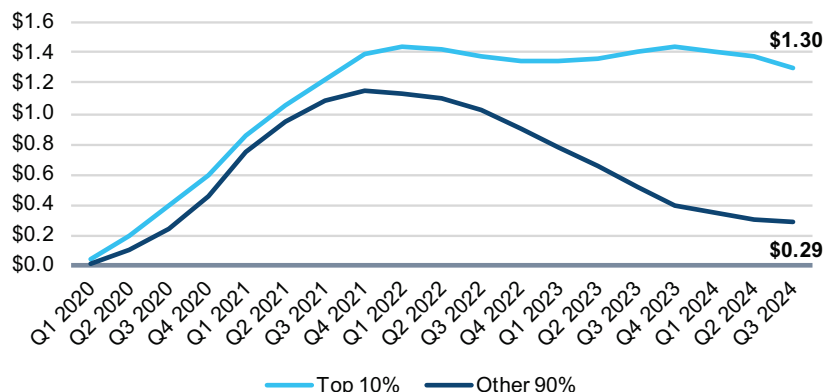
Source: Federal Reserve Bank of St. Louis

Pent-up demand for new vehicles was most demonstrable in March and April 2025, when the SAAR surged to 17.8 million and 17.3 million, respectively, as consumers advanced purchases in anticipation of potential tariff-related price increases. July's higher sales rate also shows consumers' strong demand for vehicles, even in a high interest rate environment.

"With the anticipation of the tariffs coming in, people did absolutely rush out to buy."

David Smith, CEO, Sonic Automotive | Second Quarter 2025 Earnings Call

The economic impact of the BBB, the ultimate resolution of tariffs and the potential for lower interest rates will likely drive economic growth in the US in the second half of 2025, resulting in improved prospects for all car sales, including luxury and imports. Luxury sales, while down in the first half, have high potential to rebound in the second half. The top 10% of US earners have significant savings and capital availability and today represent 50% of US consumer spending (see Charts 18 and 19 on the following page). The extension of the Trump tax cuts will be an additional boost to these consumers who may feel more bullish on luxury purchases with greater economic certainty around tariffs, driving luxury vehicle sales higher for the remainder of the year, particularly as more supply becomes available.

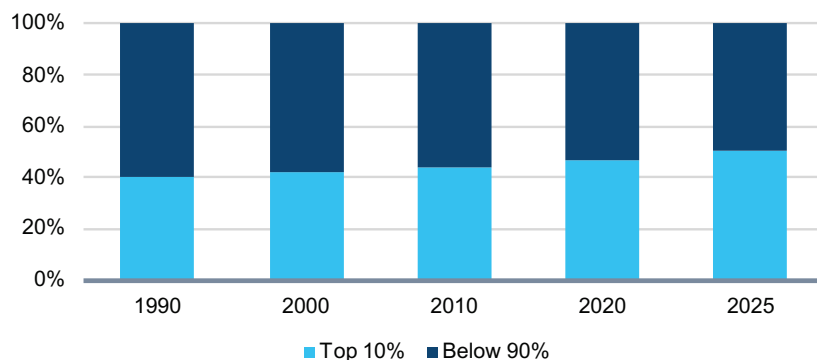
Chart 18 | Cumulative Excess Savings, by Income \$ in Trillions

Source: Moody's Analytics, Wall Street Journal

The top 10% of US earners hold \$1.3 trillion in excess savings, relatively unchanged since 2022, while the lower 90% has seen their savings plummet 75% since 2021, driving some of the affordability challenges in auto retail. With the extension of the Trump tax cuts and greater economic certainty around tariffs, high-income consumers are likely to feel more confident in making luxury purchases, supporting stronger luxury vehicle sales as supply improves in the second half of the year.

"In the face of rising prices, it is becoming more evident that the new-vehicle market is being supported by pent-up demand driven largely by high-net-worth households."

Erin Keating, Executive Analyst, Cox Automotive | Kelley Blue Book Report August 11, 2025

Chart 19 | Share of Consumer Spending by Income Group

Source: Moody's Analytics, Wall Street Journal

The share of US consumer spending has shifted by income group since 1990. The top 10% of earners have steadily increased their share and now account for roughly half of all consumer spending. Meanwhile, the spending share of lower income groups has declined over time, highlighting the growing influence of high-income households on overall consumption trends.

KERRIGAN ADVISORS REPRESENTS BLUE GRASS MOTORSPORT, SINGLE-POINT PORSCHE, JLR AND AUDI RETAILER IN LOUISVILLE, KENTUCKY, IN SALE TO GERMAIN MOTOR COMPANY

Kerrigan Advisors represented



Top Private Luxury Group in Kentucky



in its sale to

GermainCars

Louisville, KY
August 2025

"Once our family made the decision that it was time for all of us to retire from the automotive business, Kerrigan Advisors was our first call. Kerrigan Advisors has been a valued thought partner for several years and we knew that their tremendous market insights and experience would be key to guiding us through this transition. We truly appreciated their hands-on attention through every step of the process and their leadership as we navigated the complexity of selling multiple brands to a single buyer group."

Andy Vine, Co-Owner
Blue Grass Motorport

With this backdrop on the auto retail market for the first half of 2025, Kerrigan Advisors has identified the following three trends, which we believe will meaningfully impact the buy/sell market for the remainder of this year and into 2026:

- Local Consolidation by Private Dealers Drives 2025 Buy/Sell Activity
- The Nullification of the CARB Waiver Spurs Increased Buy/Sell Activity in CARB States
- Buyers Significantly Discount Franchises that Require New Facilities

The Blue Sky Report® is informed by Kerrigan Advisors' nationwide experience enhancing the value of the industry's leading dealers through the lifecycle of growing, operating and selling their businesses. Since our founding, Kerrigan Advisors has had the distinct honor of representing the industry's largest transactions, including more Top 150 Dealership Groups than any firm in the industry. *Our firm is proud to lead the industry with over \$9.5 billion in sales proceeds for our dealership clients from the sale of 300+ dealerships nationwide—more than any firm in auto retail.*

Kerrigan Advisors' success is a result of our team's active management of each client's engagement from beginning through a successful outcome. Our firm does not take listings, nor do we employ a brokerage model; rather, our team works together to develop a customized sales approach for each client to achieve their personal and financial goals. *We believe dealerships are far too valuable to be advised any other way.*

We hope you find the information presented in The Blue Sky Report® helpful to your business. We look forward to answering any questions you may have regarding our reports or Kerrigan Advisors' advisory services.

To have a confidential conversation with our team, please contact us.
We look forward to connecting with you.

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An aerial photograph of a two-lane road curving through a dense forest. A body of water is visible on the left side of the road. Several cars are visible on the road, including a red car in the distance and a dark car in the foreground. The text is overlaid on the image.

The Only Firm in Auto Retail Dedicated Exclusively to Sell-Side Advisory

Others have conflicts.
We have your interests.

At Kerrigan Advisors, we are proud to be a conflict-free firm, working exclusively on the sell-side of your transaction to ensure your goals come first. We have a clear fiduciary responsibility to you, the seller. With over \$9.5 billion in client proceeds in 10 years, our proven process delivers maximum value and a seamless, confidential sale.

KERRIGAN ADVISORS

A stylized graphic element consisting of three horizontal lines of varying lengths, with the longest line on the left and two shorter lines on the right, all pointing towards the right.

THE BLUE SKY REPORT®

A KERRIGAN QUARTERLY



If you would like to receive the
full report including franchise
blue sky multiples, please email:
info@kerriganadvisors.com

Upcoming Speaker Engagements

Kerrigan Advisors to Speak at NADC 2026 Fall Conference



Gabe Robleto

Senior Vice President

*Co-Presenting with Stephen Dietrich,
Partner, Holland & Knight*



Outmaneuvering the ROFR: Legal and Strategic Solutions to Protect Dealership Transactions

The manufacturers' use of their right of first refusal ("ROFR") has been on the rise, often disrupting buy/sells and the negotiated cohesiveness between buyer and seller. As consolidation continues in our industry, the risk of a ROFR seems to be a new reality that every transaction will face, as OEMs seek to streamline and shrink the number of dealers in their dealer network. This session will offer a comprehensive look at the current ROFR environment and explore potential strategies to potentially mitigate risk and preserve intended transaction integrity.

October 19-21 in Chicago, IL

Register at www.DealerCounsel.com

Kerrigan Advisors Selected to Speak at Upcoming NADA 2026 Convention

The Evolution of the Automotive Buy/Sell Market: 2026 Outlook

February 3-6 in Las Vegas, NV

Register at www.NADA.org

Erin Kerrigan

Founder & Managing Director

*Co-Presenting with Stephen Dietrich,
Partner, Holland & Knight*



At Kerrigan Advisors, we pride ourselves on our singular focus—working with dealers and their families throughout the US to enhance the value of their enterprise. From growth through exit, our firm supports generations of dealers through the lifecycle of owning and operating their businesses. We hope for the opportunity to work with you as you chart your course in the evolving auto retail landscape.

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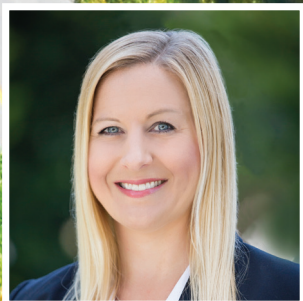
The Premier Sell-Side Advisor and Thought Partner to Auto Dealers Nationwide



ERIN KERRIGAN
Founder & Managing Director



RYAN KERRIGAN
Managing Director



MERCEDES HENDRICKS, CPA
Senior Vice President



GABE ROBLETO
Senior Vice President



CHRIS GEMPTON, CPA
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MARIE BRASHEARS
Vice President



PIERRE DEMPSEY, CFA
Vice President



JUAN LACOUTURE
Senior Associate



MAX CLARK, CPA
Associate



BRIAN SHIN
Analyst

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