

Automotive Industry Trend Analysis (Domestic)

Sales - Merchandising and Staffing Guidelines								
	2008	2009	2010	2011	2012	2013	2014	2015
New Vehicle								
New Vehicle Supply in days	102.0	86.6	97.3	93.7	109.3	105	99	100
Number of units older than 90 days	332.0	307.9	33.0	27.8	37.5	35		
Units per salesperson (New) per month	9.0	8.5	7.8	21.8	10.8	9		
Gross Cars - before F&I	\$ 1,403	\$ 1,211	\$ 1,325	\$ 1,095	\$ 1,100	\$ 1,185	\$ 1,037	\$ 1,305
Gross Trucks - before F&I	\$ 1,723	\$ 1,729	\$ 1,623	\$ 1,192	\$ 1,238	\$ 1,358	\$ 1,251	\$ 1,292
Sales Ratio: new to used	1.3:1	1.10:1	1.28:1	1.48:1	1.6:1	1.5:1	1.8:1	1.3:1
Gross Productivity								
New Vehicle								
Gross profit as a % of sales	5.7%	5.5%	6.2%	5.0%	5.6%	7.2%	6.7%	4.7%
Net profit as a % of sales	-1.3%	0.3%	0.9%	0.4%	0.3%	1.2%	1.9%	1.3%
F&I penetration Rate%								
Finance contract (exc retail lease)	58.7%	63.0%	66.2%	60.6%	68.6%	71.3%	72.5%	82.3%
Finance contract (inc retail lease)	67.6%	63.6%	69.3%	57.0%	72.9%	74.1%	77.0%	80.8%
Insurance	17.6%	21.2%	24.0%	24.8%	23.6%	20.1%	30.9%	35.9%
Extended Service	35.6%	39.7%	43.3%	39.8%	50.8%	43.3%	49.4%	45.0%
Finance Gross per financed veh.	\$ 641	\$ 545	\$ 602	\$ 790	\$ 697	\$ 875	\$ 699	\$ 792
Insurance Gross per insured veh	\$ 489	\$ 504	\$ 401	\$ 541	\$ 477	\$ 410	\$ 503	\$ 573
Ext Service Gross per contract	\$ 901	\$ 753	\$ 861	\$ 822	\$ 821	\$ 907	\$ 833	\$ 842
Expense Control Structure Guidelines								
New Vehicle								
Total expense as a % of vehicle G/P	101.9%	106.0%	N/A	103.1%	93.4%	108.3%	78.3%	101.7%
Compensation as a % of veh G/P								
Salesperson	23.6%	21.1%	22.3%	23.2%	24.1%	21.7%	23.6%	29.6%
Supervision	17.4%	20.1%	20.8%	15.0%	21.5%	18.2%	16.4%	16.4%
F&I comp as % of F&I income	15.8%	22.0%	25.0%	24.1%	23.0%	20.7%	18.2%	18.5%
Personnel Exp as a % of G/P	46.1%	48.7%	43.2%	37.8%	42.3%	48.4%	48.2%	48.6%
Advertising as a % of Veh G/P	17.8%	16.4%	18.1%	18.1%	19.6%	17.5%	24.8%	26.0%
Advertising per retail unit sold	\$ 266	\$ 277	\$ 417	\$ 360	\$ 321	\$ 371	\$ 339	\$ 386
Floor plan int as a % of Veh G/P	14.4%	6.5%	-5.0%	-3.3%	-7.3%	-9.7%	8.2%	0.2%

Performance Measures								
Key Indicator Ratios								
Current Ratio			1.42	1.48	1.11	1.28	1.33	1.14
Debt to Equity Ratio			2.42	2.53	3.10	3.67	3.67	4.24

Sales - Merchandising & Staffing Guidelines								
	2008	2009	2010	2011	2012	2013	2014	2015
Used Vehicle								
Used Vehicle supply (in days)	65.0	53.8	52.9	52.7	45.8	51.2	57.1	54.0
Number of units older than 90 days	109.0	142.1	19.0	19.3	18.5	10.3		
Units per salesperson (N&U) per month	10.0	8.9	10.9	20.3	14.2	33.6	10.6	14.8
Gross Cars - Before F&I	\$ 1,832	\$ 1,558	\$ 1,614	\$ 1,462	\$ 1,526	\$ 1,495	\$ 1,329	\$ 1,355
Gross Trucks - before F&I	\$ 2,200	\$ 2,027	\$ 2,000	\$ 1,575	\$ 1,814	\$ 2,015	\$ 1,722	\$ 1,658
Gross Productivity								
Used Vehicle								
Gross profit as a % of sales	13.1%	12.5%	13.7%	8.9%	9.9%	11.0%	9.9%	9.0%
Net profit as a % of sales	-0.2%	2.7%	4.1%	3.3%	2.6%	3.8%	4.0%	4.1%
F&I Penetration Rate %								
Finance Income (excl retail lease)	64.1%	52.0%	49.9%	53.7%	53.4%	58.6%	64.6%	64.5%
Insurance	22.1%	21.3%	22.3%	24.3%	24.5%	19.9%	30.3%	30.4%
Extended Service	40.9%	37.7%	34.4%	40.1%	43.1%	41.6%	47.0%	49.4%
Finance Gross per financed vehicle	\$ 569	\$ 487	\$ 580	\$ 665	\$ 626	\$ 762	\$ 695	\$ 710
Insurance Gross per insured vehicle	\$ 396	\$ 357	\$ 293	\$ 413	\$ 406	\$ 387	\$ 469	\$ 519
Ext Service Gross per contract	\$ 869	\$ 629	\$ 845	\$ 726	\$ 674	\$ 830	\$ 658	\$ 737
Expense Control Structure Guidelines								
Used Vehicle								
Total Expense as a % of Total G/P	97.6%	85.2%	94.3%	83.9%	92.3%	87.0%	86.4%	83.3%
Compensation as a % of veh G/P								
Salesperson	23.8%	21.2%	23.6%	25.7%	25.1%	24.5%	24.9%	24.4%
Supervision	14.4%	14.4%	15.2%	17.4%	17.9%	14.5%	16.5%	17.2%
F&I comp as % of F&I income	13.6%	17.7%	24.2%	22.2%	22.5%	17.7%	22.6%	20.4%
Personel Exp as a % of G/P	37.9%	40.7%	43.0%	42.9%	38.0%	41.4%	35.4%	33.3%
Advertising as a % of Veh G/P	15.9%	10.0%	12.5%	14.9%	12.7%	11.7%	10.7%	9.8%
Advertising per retail unit sold	\$ 283	\$ 187	\$ 256	\$ 273	\$ 280	\$ 299	\$ 290	\$ 157
Floor plan int as a % of Veh G/P	4.5%	2.1%	1.4%	1.6%	1.4%	1.2%	1.2%	1.4%
Reconditioning - Cars	\$ 773	\$ 623	\$ 592	\$ 552	\$ 561	\$ 500	\$ 594	\$ 645
Reconditioning - Trucks	\$ 818	\$ 660	\$ 719	\$ 584	\$ 656	\$ 754	\$ 722	\$ 740

Performance Measures									
Key Indicator Ratios									
Return on Equity (ROE)				28.4%	42.3%	30.9%	52.4%	52.7%	41.3%
Return on Assets (ROA)				9.3%	11.8%	9.0%	11.6%	10.5%	10.3%

Automotive Industry Trend Analysis (Domestic)

Sales - Merchandising and Staffing	2008	2009	2010	2011	2012	2013	2014	2015
Service Dept.								
Flat Hrs/RO	1.5	1.6	1.6	1.4	1.5	1.4	1.3	1.3
Technician efficiency	83.6%	80.0%	87.0%	88.0%	89.7%	91.7%	87.6%	99.4%
RO's/Day/Svc Advisor - Cust Pay, Warr, Int	17.0	18.5	13.9	12.5	14.0	11.1	12.7	12.4
Technicians per Service Advisor	4.1	4.6	5.5	4.2	4.3	4.1	3.4	3.8
Labor Gross per Tech (per month)	\$ 9,290	\$ 8,170	\$ 8,116	\$ 10,500	\$ 8,952	\$ 8,857	\$ 9,993	\$ 10,345
Labor Gross per Advisor (per month)	\$ 37,317	\$ 34,464	\$ 32,133	\$ 36,803	\$ 36,067	\$ 33,181	\$ 32,057	\$ 37,114
Gross Productivity								
Service Dept.								
G/P as a % of sales								
Customer Pay	71.4%	68.7%	71.0%	71.3%	72.6%	72.6%	71.7%	71.1%
Warranty	72.9%	72.2%	72.1%	73.6%	71.3%	72.2%	72.1%	72.5%
Internal	73.1%	67.0%	67.9%	71.2%	71.3%	69.2%	71.7%	69.8%
Sublet Repairs	7.1%	7.9%	5.9%	9.7%	8.1%	5.6%	6.8%	6.6%
Total Department	68.0%	64.9%	66.3%	63.5%	66.7%	65.4%	65.4%	64.0%
Net Profit as a % of Sales	7.6%	15.1%	15.1%	19.5%	17.4%	15.4%	19.7%	19.1%
Expense Control Structure Guidelines								
Service Dept.								
Total expense as a % of Total GP	89.0%	88.5%	78.6%	76.2%	79.8%	84.2%	70.3%	70.0%
Personnel Exp as a % of G/P	46.3%	45.8%	32.4%	40.9%	41.9%	44.3%	41.6%	35.6%
Adv & Training as a % of G/P*	6.2%	6.0%	6.8%	6.5%	7.2%	6.1%		6.7%
Advertising as a % of G/P **							5.7%	
Training as a % of G/P**							2.2%	
Tools, Supp, Freight as a % of G/P	2.8%	1.7%	1.8%	2.1%	1.5%	1.1%	2.1%	2.8%

* = Info combined prior to 2014 data ** = Info separated in 2014

Fixed Expenses - Percent of Total Gross	2008	2009	2010	2011	2012	2013	2014	2015
Office Staff to Total Dealership	1:8	1:12	1:7	1:12	1:10	1:11	1:10	1:12
Total Expenses as a % of Total Gross	89.6%	86.8%	86.2%	90.4%	92.0%	81.9%	86.1%	87.9%
Payroll Taxes as a % of Total Gross	4.7%	4.5%	4.5%	4.6%	4.8%	4.3%	4.4%	4.4%
Owners Compensation as a % of Sales	1.2%	0.9%	1.0%	0.6%	0.7%	0.6%	1.0%	0.6%
Rent Factor								
Percent of Total Gross	7.4%	7.2%	7.7%	6.9%	7.7%	8.7%	8.3%	10.2%
Gross Per Employee (total deal)							\$ 9,993	\$ 8,925

Sales - Merchandising and Staffing Guidelines	2008	2009	2010	2011	2012	2013	2014	2015
Parts Dept.								
Level of Service	85.3%	84.3%	85.1%	86.2%	87.4%	88.5%		
Stock Order Performance	79.2%	80.6%	81.1%	84.2%	82.4%	83.0%		
Parts \$ sold per Labor \$ sold								
Cust Repair	\$ 0.8	\$ 1.0	\$ 1.0	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
Warranty	\$ 0.9	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.2	\$ 1.3	\$ 1.1
Internal	\$ 0.7	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 0.9	\$ 1.0	\$ 1.0
Dept Gross per Employee (per month)	\$ 18,763	\$ 15,914	\$ 12,493	\$ 15,021	\$ 14,696	\$ 15,689	\$ 15,474	\$ 15,513
Gross Productivity								
Parts Dept.								
G/P as a % of Sales								
Customer Pay	37.5%	37.9%	38.0%	37.0%	37.4%	38.4%	38.4%	38.0%
Warranty	30.1%	29.5%	31.8%	30.5%	33.3%	32.3%	32.9%	33.7%
Internal	29.9%	25.7%	28.2%	24.1%	26.9%	26.6%	26.6%	27.1%
Counter Retail	33.7%	32.5%	35.7%	30.3%	34.3%	34.1%	34.3%	34.4%
Wholesale	20.8%	18.8%	19.0%	16.5%	19.0%	18.0%	16.1%	18.0%
Customer Pay - Body Shop	31.1%	31.8%	34.1%	29.6%	32.3%	32.4%	33.2%	22.0%
Warranty - Body Shop	34.2%	32.3%	36.0%	25.1%	30.8%	22.2%	N/A	N/A
Total Dept GP%	31.7%	32.6%	37.6%	32.2%	32.6%	32.2%	32.3%	32.9%
Net profit as a % of Sales	6.6%	10.1%	10.7%	11.0%	11.4%	15.1%	15.9%	13.4%
Expense Control Structure Guidelines								
Parts Dept.								
Total Exp as a % of Total G/P	66.8%	57.1%	56.7%	57.4%	51.9%	62.5%	56.7%	56.2%
Personnel Exp as a % of G/P	38.1%	34.1%	34.1%	32.5%	32.3%	39.2%	33.6%	33.4%
Advertising & Training as a % of G/P*	2.6%	2.0%	3.9%	3.0%	3.0%	3.2%		4.9%
Advertising as a % of G/P **								4.3%
Training as a % of G/P**								0.8%
Tools, Supp, Freight as a % of G/P	1.3%	1.7%	1.2%	1.8%	1.1%	1.4%	1.5%	1.1%

* = Info combined prior to 2014 data ** = Info separated in 2014

Fixed Expenses - Percent of Total Gross	2008	2009	2010	2011	2012	2013	2014	2015
Absorption %	81.8%	78.5%	81.4%	75.8%	78.4%	85.0%	84.4%	78.9%
Net Earnings								
% of Total Sales	2.4%	3.1%	3.6%	3.2%	3.1%	3.8%	3.1%	3.8%
% of Total Gross	17.5%	22.4%	23.5%	27.9%	28.3%	30.4%	29.7%	29.9%
Personnel Expense as a % of Gross profit	38.4%	43.4%	43.3%	43.1%	44.2%	40.1%	38.1%	38.1%
Office Compensation as a % of Total Gross	6.2%	3.9%	4.3%	4.4%	4.2%	3.3%		4.6%
All Other Income Per Retail Unit Sold Less LIFO & Gains on Fixed							\$ 835	\$ 701

Automotive Industry Trend Analysis (Import)

Sales - Merchandising and Staffing Guidelines								
	2008	2009	2010	2011	2012	2013	2014	2015
New Vehicle								
New Vehicle Supply in days	61.0	60.0	71.9	54.7	59.1	65.3	58.5	52.4
Number of units older than 90 days	98.0	171.6	49.4	23.5	28.3	22.5		
Units per salesperson (New) per month	10.0	10.4	9.5	9.0	10.4	10.7		
Gross Cars - before F&I	\$ 1,082	\$ 1,105	\$ 1,183	\$ 1,359	\$ 1,363	\$ 1,332	\$ 1,173	\$ 1,039
Gross Trucks - before F&I	\$ 1,449	\$ 1,424	\$ 1,313	\$ 1,725	\$ 1,363	\$ 1,596	\$ 1,553	\$ 1,507
Sales Ratio: new to used	1.8:1	1.8:1	2.3:1	1.5:1	1.7:1	2:1	2:1	1.5:1
Gross Productivity								
New Vehicle								
Gross profit as a % of sales	5.0%	6.0%	6.3%	7.1%	7.1%	6.9%	7.1%	6.3%
Net profit as a % of sales	0.4%	0.7%	2.1%	1.2%	1.7%	1.8%	1.2%	2.1%
F&I penetration Rate%								
Finance contract (exc retail lease)	47.6%	64.1%	69.1%	70.5%	72.9%	76.5%	69.2%	64.1%
Finance contract (inc retail lease)	66.1%	66.1%	76.8%	66.8%	69.1%	72.8%	78.3%	72.9%
Insurance	13.3%	8.3%	14.7%	29.1%	24.6%	36.1%	35.2%	28.5%
Extended Service	31.6%	34.5%	42.0%	48.6%	44.6%	54.1%	37.7%	37.7%
Finance Gross per financed veh.	\$ 570	\$ 454	\$ 387	\$ 448	\$ 530	\$ 546	\$ 644	\$ 651
Insurance Gross per insured veh	\$ 366	\$ 381	\$ 361	\$ 309	\$ 330	\$ 232	\$ 513	\$ 456
Ext Service Gross per contract	\$ 685	\$ 716	\$ 618	\$ 719	\$ 715	\$ 726	\$ 659	\$ 640
Expense Control Structure Guidelines								
New Vehicle								
Total expense as a % of vehicle G/P	94.3%	93.0%	95.8%	96.2%	89.0%	92.7%	92.0%	101.1%
Compensation as a % of veh GP								
Salesperson	20.6%	18.1%	18.8%	19.0%	19.8%	20.8%	19.3%	21.2%
Supervision	16.0%	15.5%	17.0%	16.6%	15.9%	16.7%	16.7%	15.6%
F&I comp as % of F&I income	15.3%	21.9%	23.2%	17.3%	27.5%	28.4%	21.6%	21.4%
Personnel Exp as a % of G/P	46.5%	45.3%	41.5%	42.3%	44.4%	51.4%	42.4%	48.2%
Advertising as a % of Veh G/P	16.8%	11.9%	15.3%	15.1%	15.4%	14.6%	16.1%	15.2%
Advertising per retail unit sold	\$ 277	\$ 215	\$ 280	\$ 365	\$ 277	\$ 280	\$ 315	\$ 345
Floor plan int as a % of Veh G/P	8.4%	-0.5%	2.4%	-6.1%	-6.9%	-6.0%	-2.0%	-2.9%

Performance Measures								
Key Indicator Ratios								
Current Ratio			1.52	1.54	1.51	1.19	1.48	1.38
Debt to Equity Ratio			2.42	2.28	1.08	2.70	2.76	2.05

t - Too few data points to arrive at a meaningful average

Sales - Merchandising & Staffing Guidelines								
	2008	2009	2010	2011	2012	2013	2014	2015
Used Vehicle								
Used Vehicle supply (in days)	56.0	59.1	59.1	49.5	53.7	75.3	48.4	46.6
Number of units older than 90 days	99.0	129.9	t	t	25.0	15.7		
Units per salesperson (N&U) per month	11.0	10.2	12.9	12.6	12.5	11.7	15.2	14.3
Gross Cars - Before F&I	\$ 1,793	\$ 1,731	\$ 2,022	\$ 1,829	\$ 1,962	\$ 1,647	\$ 1,547	\$ 1,655
Gross Trucks - before F&I	\$ 1,609	\$ 1,503	\$ 1,625	\$ 1,421	\$ 1,755	\$ 1,572	t	t
Gross Productivity								
Used Vehicle								
Gross profit as a % of sales	8.8%	10.5%	9.5%	10.8%	10.9%	12.3%	10.8%	10.1%
Net profit as a % of sales	0.4%	0.8%	2.7%	3.1%	3.3%	2.7%	2.5%	2.2%
F&I Penetration Rate %								
Finance Income (excl retail lease)	54.5%	49.3%	56.3%	58.3%	51.7%	56.9%	64.4%	64.1%
Insurance	21.3%	11.8%	24.8%	27.6%	21.1%	33.2%	30.4%	33.6%
Extended Service	36.7%	42.3%	47.4%	50.8%	40.6%	46.3%	40.0%	44.5%
Finance Gross per financed vehicle	\$ 562	\$ 616	\$ 506	\$ 521	\$ 631	\$ 568	\$ 592	\$ 646
Insurance Gross per insured vehicle	\$ 338	\$ 318	\$ 287	\$ 274	\$ 333	\$ 295	\$ 441	\$ 399
Ext Service Gross per contract	\$ 793	\$ 838	\$ 741	\$ 868	\$ 901	\$ 962	\$ 699	\$ 830
Expense Control Structure Guidelines								
Used Vehicle								
Total Expense as a % of Total G/P	97.9%	104.4%	88.6%	84.2%	84.3%	87.7%	97.5%	87.6%
Compensation as a % of veh GP								
Salesperson	21.5%	18.6%	17.9%	20.1%	20.1%	20.1%	19.8%	21.6%
Supervision	13.3%	16.6%	19.3%	14.1%	14.7%	15.9%	14.5%	14.0%
F&I comp as % of F&I income	19.2%	19.9%	22.9%	16.8%	26.6%	15.8%	23.6%	17.2%
Personel Exp as a % of G/P	46.9%	39.5%	46.6%	41.3%	35.0%	42.0%	39.3%	32.2%
Advertising as a % of Veh G/P	11.7%	9.7%	10.3%	10.5%	11.6%	9.6%	11.3%	10.6%
Advertising per retail unit sold	\$ 238	\$ 199	\$ 242	\$ 251	\$ 262	\$ 183	\$ 211	\$ 270
Floor plan int as a % of Veh G/P	3.2%	4.7%	2.2%	1.3%	2.0%	1.8%	1.9%	1.4%
Reconditioning - Cars	\$ 780	\$ 957	\$ 1,066	\$ 791	\$ 682	\$ 910	\$ 857	\$ 967
Reconditioning - Trucks	\$ 528	\$ 790	\$ 848	\$ 610	\$ 710	\$ 678	t	t

Performance Measures								
Key Indicator Ratios								
Return on Equity (ROE)			32.5%	32.0%	38.6%	37.2%	43.6%	43.5%
Return on Assets (ROA)			10.1%	10.9%	11.8%	11.0%	14.0%	14.1%

Automotive Industry Trend Analysis (Import)

Sales - Merchandising and Staffing	2008	2009	2010	2011	2012	2013	2014	2015
Service Dept.								
Flat Hrs/RO	1.6	1.6	1.7	1.58	1.83	1.6	1.6	1.5
Technician efficiency	96.5%	99.7%	94.2%	96.8%	98.8%	102.5%	99.9%	100.0%
RO's/Day/Svc Advisor - Cust Pay, Warr, Int	24.0	16.1	14.8	13.5	15.1	11.2	15.8	14.6
Technicians per Service Advisor	4.3	3.7	3.6	4.0	4.1	3.6	3.2	3.6
Labor Gross per Tech (per month)	\$ 10,647	\$ 12,649	\$ 11,993	\$ 11,183	\$ 11,683	\$ 11,169	\$ 14,467	\$ 14,689
Labor Gross per Advisor (per month)	\$ 41,919	\$ 43,487	\$ 36,745	\$ 42,782	\$ 40,802	\$ 36,102	\$ 39,589	\$ 40,326
Gross Productivity								
Service Dept.								
G/P as a % of sales								
Customer Pay	73.1%	74.3%	71.5%	75.1%	75.4%	76.8%	75.9%	73.9%
Warranty	76.7%	79.7%	78.5%	78.0%	78.4%	78.4%	80.5%	79.4%
Internal	73.4%	74.0%	72.0%	72.0%	72.4%	74.1%	75.8%	69.8%
Sublet Repairs	6.9%	20.8%	7.4%	18.7%	14.1%	13.3%	13.4%	14.8%
Total Department	69.6%	71.3%	71.7%	70.3%	69.5%	71.3%	71.5%	69.6%
Net Profit as a % of Sales	14.1%	11.3%	22.2%	18.0%	19.5%	17.2%	19.0%	17.5%
Expense Control Structure Guidelines								
Service Dept.								
Total expense as a % of Total GP	79.7%	85.2%	74.2%	81.7%	82.1%	77.0%	71.7%	73.1%
Personnel Exp as a % of G/P	47.6%	40.9%	35.3%	40.2%	40.2%	42.2%	37.7%	38.5%
Adv & Training as a % of G/P**	4.4%	5.1%	4.3%	3.7%	3.6%	5.1%		3.6%
Advertising as a % of G/P**							2.8%	
Training as a % of G/P**							2.1%	
Tools, Supp, Freight as a % of G/P	1.1%	-0.4%	1.3%	2.0%	0.9%	0.0%	-0.4%	-0.2%

* = Info combined prior to 2014 data ** = Info separated in 2014

Fixed Expenses - Percent of Total Gross	2008	2009	2010	2011	2012	2013	2014	2015
Office Staff to Total Dealership	1:8	1:11	9:1	1:10	1:10	1:9.8	1:14	1:10
Total Expenses as a % of Total Gross	89.0%	87.4%	84.0%	85.7%	84.1%	76.3%	85.7%	86.1%
Payroll Taxes as a % of Total Gross	4.4%	4.5%	4.3%	4.4%	4.4%	4.3%	4.4%	4.2%
Owners Compensation as a % of Sales	0.6%	1.1%	0.5%	0.5%	0.7%	0.5%	0.6%	0.4%
Rent Factor								
Percent of Total Gross	6.4%	9.4%	9.1%	9.9%	8.4%	8.8%	8.0%	9.3%
Gross Per Employee (total deal)							\$ 8,749	\$ 8,787

Sales - Merchandising and Staffing Guidelines	2008	2009	2010	2011	2012	2013	2014	2015
Parts Dept.								
Level of Service	91.4%	84.7%	84.8%	87.7%	90.7%	90.2%		
Stock Order Performance	86.7%	91.2%	91.0%	88.0%	91.4%	91.0%		
<u>Parts \$ sold per Labor \$ sold</u>								
Cust Repair	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.6
Warranty	\$ 1.7	\$ 1.6	\$ 1.0	\$ 1.3	\$ 1.4	\$ 1.2	\$ 1.4	\$ 1.3
Internal	\$ 0.6	\$ 1.0	\$ 0.9	\$ 0.8	\$ 0.8	\$ 1.0	\$ 0.8	\$ 0.7
Dept Gross per Employee (per month)	\$ 14,977	\$ 20,139	\$ 15,742	\$ 20,541	\$ 17,191	\$ 18,877	\$ 16,738	\$ 20,268
Gross Productivity								
Parts Dept.								
<u>G/P as a % of Sales</u>								
Customer Pay	39.8%	38.9%	38.6%	39.4%	39.4%	40.0%	38.5%	38.9%
Warranty	30.0%	34.2%	33.0%	34.4%	31.9%	32.0%	34.0%	37.4%
Internal	31.7%	27.1%	29.1%	30.6%	30.2%	24.9%	30.1%	33.1%
Counter Retail	36.3%	34.9%	35.1%	33.4%	33.4%	31.5%	32.8%	33.5%
Wholesale	21.4%	20.5%	19.9%	17.6%	21.1%	18.4%	18.8%	18.6%
Customer Pay - Body Shop	35.0%	39.3%	41.5%	22.7%	N/A	34.8%	33.4%	N/A
Warranty - Body Shop	36.0%	N/A	36.0%	15.8%	N/A	N/A	N/A	N/A
Total Dept GP%	31.9%	31.6%	32.2%	29.7%	32.5%	31.7%	31.9%	33.3%
Net profit as a % of Sales	7.1%	9.8%	10.3%	10.8%	12.7%	15.4%	12.3%	15.0%
Expense Control Structure Guidelines								
Parts Dept.								
Total Exp as % of Total G/P	70.4%	68.0%	75.2%	59.8%	66.2%	61.4%	59.6%	55.0%
Personnel Exp as a % of G/P	42.1%	34.9%	34.4%	34.3%	33.2%	31.8%	31.6%	29.4%
Advertising & Training as a % of G/P**	3.6%	3.6%	2.7%	1.6%	1.9%	2.8%		1.9%
Advertising as a % of G/P**							2.0%	
Training as a % of G/P**	3.6%	3.6%	2.7%	1.6%	1.9%	2.8%	1.2%	
Tools, Supp, Freight as a % of G/P	2.6%	1.8%	1.4%	1.0%	1.1%	1.3%	1.4%	1.4%

* = Info combined prior to 2014 data ** = Info separated in 2014

Fixed Expenses - Percent of Total Gross	2008	2009	2010	2011	2012	2013	2014	2015
Absorption %	89.5%	81.8%	86.2%	86.4%	81.7%	84.4%	71.6%	84.4%
Net Earnings								
% of Total Sales	2.3%	3.5%	3.1%	3.1%	3.5%	3.3%	3.2%	3.1%
% of Total Gross	18.9%	25.0%	22.4%	23.2%	24.9%	24.7%	24.4%	24.0%
Personnel Expense as a % of Gross profit	44.8%	42.2%	42.6%	41.5%	42.9%	42.9%	42.0%	42.9%
Office Compensation as a % of Total Gross	5.1%	4.9%	4.8%	5.2%	4.4%	5.9%	0.0%	4.5%
All Other Income Per Retail Unit Sold Less UFO & Gains on Fixed							\$ 675	\$ 735

Automotive Industry Trend Analysis (Highline)

Sales - Merchandising and Staffing Guidelines	2008	2009	2010	2011	2012	2013	2014	2015
New Vehicle								
New Vehicle Supply in days	57.0	50.8	61.9	47.0	57.7	62.7	58.1	81.4
Number of units older than 90 days	95.0	174.7	37.0	27.8	26.7	25.3		
Units per salesperson (New) per month	10.0	8.9	9.3	7.9	10.3	8.7		
Gross Cars - before F&I	\$ 2,480	\$ 2,681	\$ 2,589	\$ 2,774	\$ 2,680	\$ 2,258	\$ 2,278	\$ 2,192
Gross Trucks - before F&I	\$ 2,654	\$ 2,932	\$ 3,439	\$ 2,903	\$ 2,722	\$ 2,314	\$ 2,464	\$ 2,713
Sales Ratio: new to used	2.9:1	1:1	1.8:1	1.8:1	2.1:1	2.1:1	2.1:1	2.0:1
Gross Productivity								
New Vehicle								
Gross profit as a % of sales	6.2%	7.1%	8.5%	6.7%	7.6%	6.0%	6.0%	5.9%
Net profit as a % of sales	2.5%	2.6%	2.0%	2.2%	1.9%	2.4%	2.1%	2.6%
F&I penetration Rate%								
Finance contract (exc retail lease)	41.9%	52.4%	54.8%	56.0%	60.7%	61.0%	54.9%	51.2%
Finance contract (inc retail lease)	63.0%	64.6%	74.1%	72.7%	72.5%	68.0%	66.6%	67.1%
Insurance	9.0%	11.1%	8.5%	6.9%	8.0%	9.7%	9.8%	7.9%
Extended Service	13.7%	17.0%	19.5%	16.7%	16.2%	26.4%	21.8%	21.5%
Finance Gross per financed veh.	\$ 905	\$ 812	\$ 628	\$ 866	\$ 729	\$ 962	\$ 1,001	\$ 1,106
Insurance Gross per insured veh	\$ 264	\$ 321	\$ 289	\$ 299	\$ 399	\$ 513	\$ 363	\$ 265
Ext Service Gross per contract	\$ 935	\$ 785	\$ 750	\$ 723	\$ 692	\$ 638	N/A	\$ 859
Expense Control Structure Guidelines								
New Vehicle								
Total expense as a % of vehicle G/P	80.4%	107.7%	80.3%	107.7%	88.1%	86.5%	78.8%	86.6%
Compensation as a % of veh GP								
Salesperson	18.3%	18.3%	19.4%	18.3%	17.7%	22.2%	16.9%	23.7%
Supervision	9.3%	12.6%	14.4%	12.6%	17.0%	19.4%	14.3%	15.8%
F&I comp as % of F&I income	23.0%	23.0%	26.5%	23.0%	22.1%	21.1%	25.2%	18.3%
Personnel Exp as a % of G/P	36.1%	40.7%	38.3%	40.7%	39.9%	43.5%	37.3%	33.0%
Advertising as a % of Veh G/P	12.9%	11.4%	19.0%	11.4%	11.4%	11.8%	15.7%	17.6%
Advertising per retail unit sold	\$ 396	\$ 344	\$ 271	\$ 344	\$ 309	\$ 347	\$ 402	\$ 439
Floor plan int as a % of Veh G/P	6.9%	-0.3%	1.4%	-0.3%	-6.4%	-7.2%	3.1%	6.2%

Performance Measures								
Key Indicator Ratios								
Current Ratio			1.70	1.81	1.44	1.22	1.40	1.35
Debt to Equity Ratio			2.47	2.07	2.74	2.50	2.17	2.09

Sales - Merchandising & Staffing Guidelines	2008	2009	2010	2011	2012	2013	2014	2015
Used Vehicle								
Used Vehicle supply (in days)	58	54	48	47	52.0	47.6	50.6	56.6
Number of units older than 90 days	117	113	34	20	20.0	14.0		
Units per salesperson (N&U) per month	13	10	9	9	16.4	10.8	12.1	24.4
Gross Cars - Before F&I	\$ 2,203	\$ 2,732	\$ 2,297	\$ 2,224	\$ 2,249	\$ 2,647	\$ 2,378	\$ 2,184
Gross Trucks - before F&I	\$ 1,830	\$ 1,957	\$ 2,300	\$ 1,973	\$ 2,057	\$ 2,203	t	t
Gross Productivity								
Used Vehicle								
Gross profit as a % of sales	8.4%	7.9%	7.7%	7.8%	7.2%	8.4%	8.5%	7.1%
Net profit as a % of sales	-0.6%	0.5%	4.3%	1.9%	2.1%	1.5%	1.7%	1.6%
F&I Penetration Rate %								
Finance Income (excl retail lease)	54.3%	48.3%	47.9%	57.1%	58.1%	56.2%	61.9%	57.8%
Insurance	10.5%	6.9%	10.3%	12.7%	13.4%	11.7%	13.8%	12.9%
Extended Service	29.7%	27.5%	28.9%	24.3%	30.6%	27.8%	25.6%	23.5%
Finance Gross per financed vehicle	\$ 660	\$ 718	\$ 577	\$ 608	\$ 652	\$ 801	\$ 671	\$ 740
Insurance Gross per insured vehicle	\$ 350	\$ 869	\$ 531	\$ 531	\$ 410	\$ 504	\$ 529	\$ 431
Ext Service Gross per contract	\$ 788	\$ 840	\$ 728	\$ 924	\$ 780	\$ 828	\$ 821	\$ 858
Expense Control Structure Guidelines								
Used Vehicle								
Total Expense as a % of Total G/P	101.5%	128.1%	88.2%	92.0%	83.1%	86.8%	85.3%	83.0%
Compensation as a % of veh GP								
Salesperson	25.2%	28.7%	27.1%	22.9%	24.0%	21.1%	21.6%	22.7%
Supervision	13.7%	15.2%	19.2%	13.7%	14.0%	14.9%	13.8%	15.6%
F&I comp as % of F&I income	21.2%	19.2%	20.7%	26.1%	22.6%	24.6%	22.7%	15.1%
Personel Exp as a % of G/P	46.9%	48.4%	48.0%	38.3%	42.2%	45.3%	38.7%	33.8%
Advertising as a % of Veh G/P	10.6%	12.0%	10.8%	9.8%	15.6%	8.3%	10.1%	10.4%
Advertising per retail unit sold	\$ 291	\$ 242	\$ 227	\$ 225	\$ 327	\$ 236	\$ 264	\$ 208
Floor plan int as a % of Veh G/P	4.3%	1.1%	1.7%	1.3%	1.2%	0.8%	0.7%	0.7%
Reconditioning - Cars	\$ 748	\$ 894	\$ 1,018	\$ 999	\$ 836	\$ 1,041	\$ 1,312	\$ 1,142
Reconditioning - Trucks	\$ 486	\$ 745	\$ 728	\$ 767	\$ 725	\$ 718	\$ 743	\$ 856

Performance Measures								
Key Indicator Ratios								
Return on Equity (ROE)			35.1%	48.9%	36.0%	46.0%	50.8%	45.8%
Return on Assets (ROA)			10.0%	15.5%	10.3%	15.0%	15.1%	12.1%

t - Too few data points to arrive at a meaningful average

