

Automotive Update
Deloitte Corporate
Finance LLC

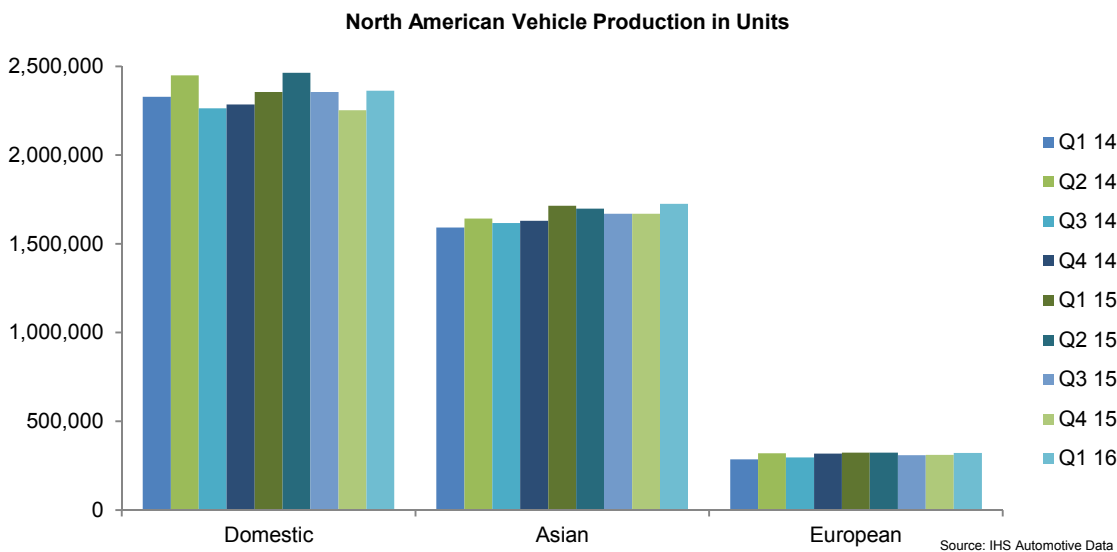
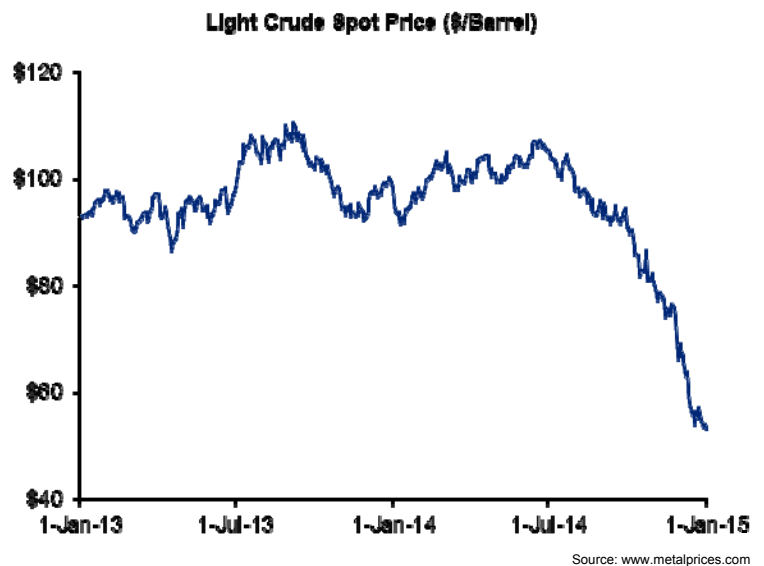
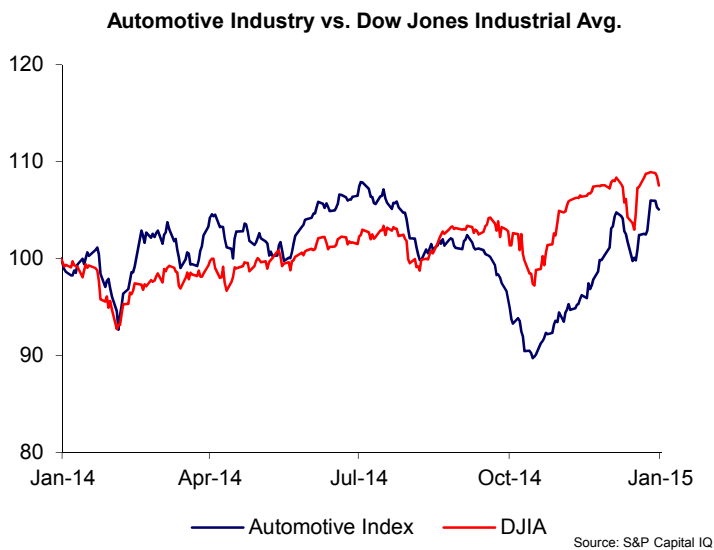


Industry trends

Automotive industry trends

- **Vehicle production continues to remain strong:** According to IHS Automotive, global vehicle production exceeded 17.0 million units in calendar year 2014 and 4.3 million units in Q4, compared to the 4.0 million units in Q4 2013. This represents 5.2% growth year-over-year.
- **Global automotive M&A activity has improved:** Observed global automotive transactions totaled 144 in Q4 2014, up 23.1% when compared to the 117 transactions observed in Q4 2013. Financial buyers have become more active as private equity transactions have increased as a percentage of total transactions (12.0%) through CY2014 when compared to CY2013 (9.8%) and CY2012 (8.4%).
- **Strong stock performance for automotive suppliers levels-off:** According to S&P Capital IQ, through December 31, 2014, the S&P Auto Parts & Equipment Index increased 3.3%, lagging the 11.9% increase for the S&P 1500 Index. Compared to 2013, the S&P Auto Parts & Equipment Index increased 58.1%, significantly outpacing the 26.9% rise for the S&P 1500.

Source: Thomson Financial



Highlighted transactions

Deals announced

12/30/2014 – CHINA – Webasto SE of Germany acquired the entire share capital of Hebei Nanfeng Automobile Equipment Group Co. Ltd, a Hebei-based manufacturer of automobiles and parts.

12/16/2014 – Germany – Ningbo Joyson Electronic Corp. of China, acquired a 75% interest in Quin GmbH, a Rutesheim-based manufacturer of motor vehicle seats and interior trims, for an estimated EUR 88.935 mil (USD 111.308 mil).

12/1/2014 – INDIA – Reydel Automotive Holdings BV of France, a unit of Cerberus Capital Management LP, acquired Interior operation of Visteon Corp, a Michigan-based manufacturer and wholesaler of automotive parts.

11/3/2014 – US – Wellspring Capital Management LLC acquired Qualitor Inc, a Southfield-based manufacturer and supplier of motor vehicle parts and replacement parts, from Thayer Capital Partners, an affiliate of HCI Equity Partners, in a leveraged buyout transaction. Terms of the transaction were not disclosed.

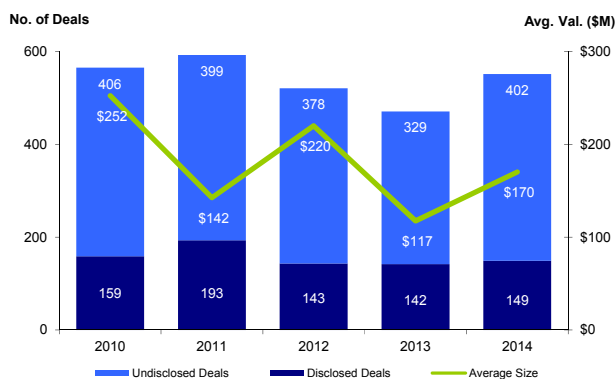
10/9/2014 – US – An investor group, comprised of Clearlake Capital Group LP, a unit of Reservoir Capital Group LLC, and Sage Automotive Interiors Inc. (Sage) management, acquired Sage, a Greenville-based manufacturer and wholesaler of automotive body cloth and headliners, from The Gores Group LLC (Gores), in a secondary buyout transaction. Terms were not disclosed. Previously, Gores acquired Sage in a leveraged buyout transaction.

10/1/2014 – US – Shiloh Industries Inc, through a wholly-owned subsidiary, acquired Radar Technologies Inc, a Warren-based manufacturer of metal stampings and machined parts, for USD 57.9 mil. The consideration consisted of USD 44.2 mil in cash and the assumption of up to USD 13.7 mil in liabilities.

10/1/2014 – UK – Graco Inc. of USA acquired entire share capital of Alco Valves Ltd, a Brighouse-based manufacturer and wholesaler of valve products and accessories, for GBP 72 mil (USD 116.496 mil) in cash.

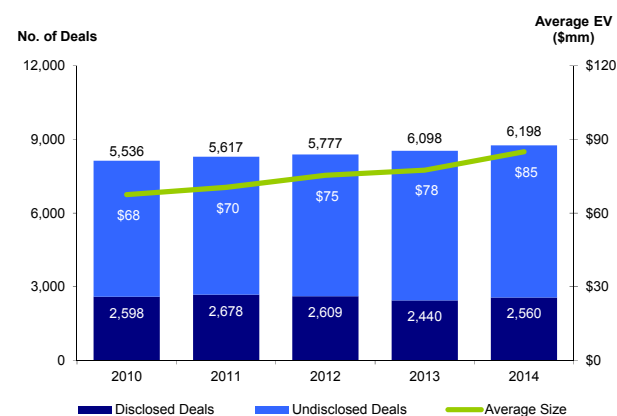
Source: Thomson Financial

Global Automotive Manufacturing Industry M&A Announced Deals



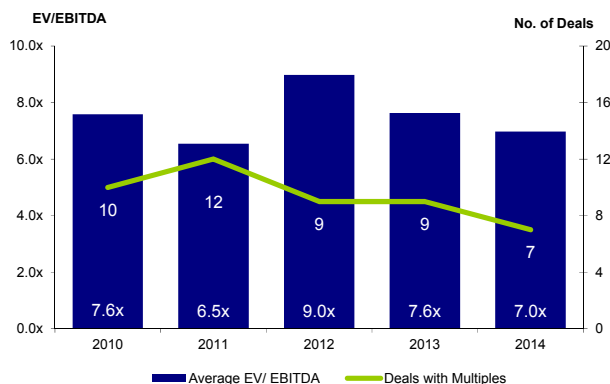
Source: Thomson Financial

U.S. Middle Market M&A Announced Deals



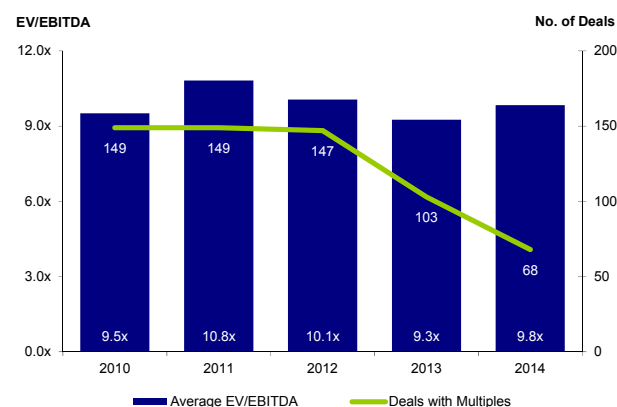
Source: Thomson Financial

Global Automotive Manufacturing Industry M&A Announced Deals



Source: Thomson Financial

U.S. Middle Market M&A Announced Deals



Source: Thomson Financial

Market snapshot

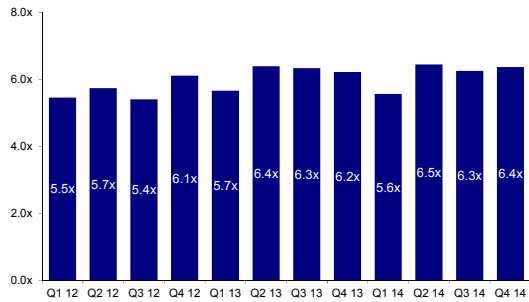
\$U.S. in millions

	Reported Date	Market Cap	Enterprise Value	Enterprise Value to:		EBITDA Margin	Reported P/E	Stock Performance	
				Sales	EBITDA			Quarter	LTM
Auto Manufacturers									
Bayerische Motoren Werke Aktiengesellschaft	09/30/14	\$71,547	\$156,207	2.1x	10.5x	20.4%	9.7x	0.1%	(7.4%)
Daimler AG	12/31/14	\$89,311	\$103,709	0.8x	4.7x	15.9%	10.6x	8.9%	(3.6%)
Fiat Chrysler Automobiles N.V.	09/30/14	\$14,931	\$36,616	0.3x	4.0x	7.8%	11.0x	20.5%	41.9%
Ford Motor Co.	12/31/14	\$59,655	\$61,410	0.5x	5.5x	8.3%	19.0x	4.8%	0.5%
General Motors Company	12/31/14	\$56,150	\$59,606	0.4x	6.6x	6.0%	20.0x	9.3%	(14.6%)
Honda Motor Co., Ltd.	12/31/14	\$53,043	\$101,608	1.0x	8.1x	12.2%	10.7x	(15.0%)	(28.5%)
Hyundai Motor Company	09/30/14	\$32,402	\$56,153	0.8x	6.2x	13.0%	5.7x	(14.0%)	(30.9%)
Mazda Motor Corporation	12/31/14	\$14,608	\$17,291	0.7x	7.5x	9.4%	9.2x	(2.5%)	(5.5%)
Nissan Motor Co. Ltd.	12/31/14	\$36,988	\$88,123	1.0x	10.0x	10.0%	9.8x	(9.5%)	4.9%
Peugeot S.A.	12/31/14	\$9,529	\$5,478	0.1x	1.8x	4.7%	NM	(3.5%)	(4.8%)
Renault Société Anonym	06/30/14	\$19,946	\$19,283	0.3x	5.1x	6.8%	11.3x	1.2%	(9.0%)
SAIC Motor Corporation Limited	09/30/14	\$38,168	\$25,076	0.3x	6.7x	3.7%	8.6x	17.5%	48.2%
Suzuki Motor Corporation	12/31/14	\$17,046	\$12,925	0.5x	4.9x	10.5%	19.5x	(8.3%)	13.0%
Toyota Motor Corporation	12/31/14	\$197,207	\$323,250	1.5x	9.9x	15.5%	11.8x	7.1%	3.3%
Volkswagen AG	09/30/14	\$106,329	\$106,455	0.5x	3.9x	12.3%	8.0x	7.7%	(20.5%)
Average Auto Manufacturers				0.7x	6.4x	10.4%	11.8x	1.6%	-0.9%
North American Component Suppliers									
American Axle & Manufacturing Holdings Inc.	12/31/14	\$1,711	\$3,467	0.9x	7.4x	12.6%	12.2x	34.7%	10.5%
Autoliv, Inc.	12/31/14	\$9,607	\$9,838	1.1x	9.2x	11.6%	20.9x	15.4%	15.6%
BorgWarner Inc.	12/31/14	\$12,494	\$13,250	1.6x	9.5x	16.8%	19.0x	4.4%	(1.7%)
Dana Holding Corporation	12/31/14	\$3,655	\$4,413	0.7x	6.3x	10.7%	10.5x	13.4%	10.8%
Delphi Automotive PLC	12/31/14	\$21,531	\$23,727	1.4x	9.2x	15.1%	16.2x	18.6%	20.9%
Lear Corp.	12/31/14	\$7,773	\$8,652	0.5x	6.4x	7.6%	11.7x	13.5%	21.1%
Magna International Inc.	09/30/14	\$22,541	\$22,503	0.6x	6.6x	9.4%	12.9x	14.3%	32.6%
Martinrea International Inc.	09/30/14	\$760	\$1,376	0.4x	6.2x	7.1%	106.3x	(23.2%)	22.0%
Tower International, Inc.	12/31/14	\$530	\$932	0.5x	5.1x	8.8%	17.1x	1.4%	19.4%
Visteon Corporation	12/31/14	\$4,734	\$5,218	0.7x	8.1x	8.6%	102.0x	9.9%	30.5%
Average North American Component Suppliers				0.8x	7.4x	10.8%	32.9x	10.3%	18.2%
Global Component Suppliers									
Aisin Seiki Co., Ltd.	12/31/14	\$10,262	\$10,878	0.4x	4.2x	10.8%	16.4x	0.8%	(10.5%)
Compagnie Plastic Omnium SA	06/30/14	\$4,067	\$4,767	0.7x	6.5x	10.3%	14.3x	14.5%	(2.1%)
Continental Aktiengesellschaft	09/30/14	\$42,591	\$49,490	1.2x	8.0x	14.5%	15.7x	12.3%	(3.1%)
Denso Corp.	12/31/14	\$37,623	\$33,734	1.0x	7.3x	13.1%	17.5x	2.4%	(10.6%)
Faurecia S.A.	12/31/14	\$4,635	\$6,578	0.3x	5.3x	5.4%	23.0x	17.1%	(1.9%)
Hella KGaA Hueck & Co.	11/30/14	\$4,774	\$5,100	0.7x	6.3x	11.9%	14.5x	NA	NA
Hyundai Mobis Co.,Ltd.	09/30/14	\$20,657	\$15,095	0.4x	4.4x	10.2%	6.2x	(11.0%)	(22.2%)
LEONI AG	09/30/14	\$1,953	\$2,543	0.5x	6.6x	7.5%	13.0x	9.6%	(20.1%)
NTN Corp.	12/31/14	\$2,388	\$5,120	0.9x	7.5x	11.9%	13.6x	(0.5%)	(1.0%)
Valeo SA	12/31/14	\$9,642	\$10,832	0.7x	7.0x	10.1%	14.3x	12.8%	13.2%
Average Global Component Suppliers				0.7x	6.3x	10.6%	14.9x	6.4%	(6.5%)
Automotive Retailers									
America's Car-Mart Inc.	10/31/14	\$460	\$568	1.3x	13.3x	9.5%	20.7x	34.8%	26.4%
Asbury Automotive Group, Inc.	12/31/14	\$2,260	\$3,801	0.7x	12.8x	5.3%	20.3x	17.9%	41.3%
AutoNation Inc.	12/31/14	\$6,835	\$12,025	0.7x	13.1x	5.0%	16.9x	20.1%	21.6%
Bilia AB	09/30/14	\$764	\$800	0.3x	7.0x	4.3%	14.0x	12.9%	19.0%
CarMax Inc.	11/30/14	\$14,043	\$22,708	1.6x	NM	7.4%	26.3x	43.3%	41.6%
Group 1 Automotive Inc.	12/31/14	\$2,178	\$4,654	0.5x	12.1x	4.0%	23.4x	23.3%	26.2%
Lithia Motors Inc.	12/31/14	\$2,276	\$4,067	0.8x	NM	5.1%	16.7x	14.5%	24.9%
Pendragon PLC	12/31/14	\$727	\$962	0.2x	4.5x	3.4%	9.3x	(5.4%)	(10.7%)
Penske Automotive Group, Inc.	12/31/14	\$4,427	\$8,477	0.5x	14.8x	3.4%	14.5x	20.9%	4.1%
Sonic Automotive Inc.	12/31/14	\$1,384	\$3,441	0.4x	11.5x	3.4%	14.3x	10.3%	10.5%
Average Automotive Retailers				0.7x	11.1x	5.1%	17.7x	19.3%	20.5%

Source: Capital IQ

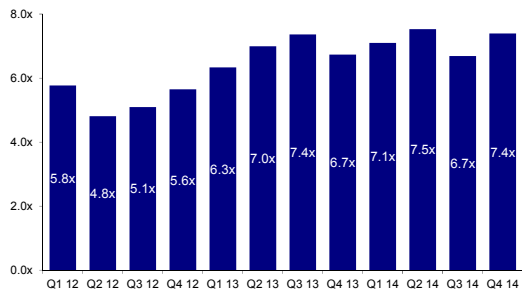
Market snapshot

Auto Manufacturers Trading Multiples
Enterprise Value/EBITDA



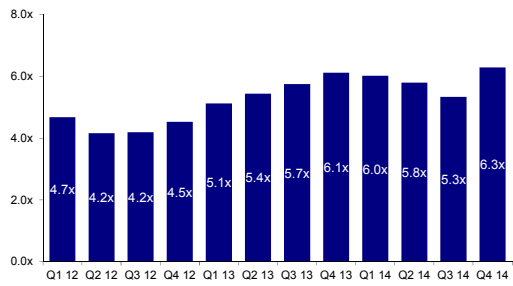
Source: Capital IQ

North American Component Suppliers Trading Multiples
Enterprise Value/EBITDA



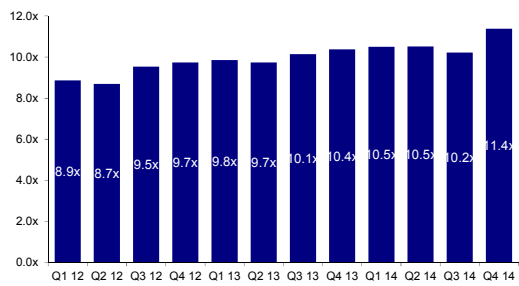
Source: Capital IQ

Global Component Suppliers Trading Multiples
Enterprise Value/EBITDA



Source: Capital IQ

Automotive Retailers Trading Multiples
Enterprise Value/EBITDA



Source: Capital IQ

Transaction highlight



Tweddle Group, Inc.

has received an equity investment from



The Gores Group, LLC

The undersigned acted as exclusive financial advisor to Tweddle Group, Inc.



Deloitte Corporate Finance LLC

Deloitte Corporate Finance LLC (“DCF”) acted as the exclusive financial advisor to Tweddle Group, Inc. (“Tweddle”) on its equity investment from The Gores Group, LLC (“Gores”). Founded in 1954, Tweddle is a leading provider of technology and publishing-related services to automotive original equipment manufacturers (“OEMs”) and their suppliers. The organization authors, prints and delivers owner’s and service information through a complex integrated process that involves coordination between Tweddle and thousands of OEM employees across numerous departments. Tweddle plans to leverage its management team and Gores’ capabilities to expand into new geographies and cutting edge technologies and acquire additional OEM customers.

“DCF’s long-term committing to Tweddle and our goals enabled us to achieve an outstanding outcome. The DCF team’s understanding of our complex business model and ability to highlight the strengths of our leading market position were instrumental in enabling us to find an ideal financial partner. Gores’ investment positions the Company well for continued growth and success,” said Andrew Tweddle, CEO and owner of


About Tweddle Group


With offices in the United States, Belgium, Italy, the U.K., and China, Tweddle Group is a leading provider of value-added, technology enabled information and publishing solutions for automotive OEMs and their suppliers. Tweddle’s unique combination of services encompasses content development, management, and delivery of products that support OEM service and owner information initiatives. OEMs such as BMW, Chrysler, Ford, Nissan and Toyota rely on Tweddle to deliver innovative solutions designed to increase customer satisfaction and enhance the overall ownership experience.

About The Gores Group

The Gores Group, founded in 1987 by Alec Gores, is a global investment firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm’s operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. Over its 25 year history, The Gores Group has become a leading investor having demonstrated a reliable track record of creating value in its portfolio companies alongside management. Headquartered in Los Angeles, The Gores Group maintains offices in Boulder, CO, and London.

Additional recent transactions



Volkswagen AG
has acquired
Bochum, Germany Research and Development Center of

BlackBerry Limited

The undersigned acted as exclusive advisor to BlackBerry Limited



Deloitte Corporate Finance LLC



IQNavigator, Inc.
a portfolio company of


Golder, Thoma, Cressey, Rauner, Inc.
has sold its MSP division to



MSX International, Inc.

The undersigned acted as exclusive financial advisor to IQNavigator, Inc.




Deloitte Corporate Finance LLC



Tweddle Group, Inc.
has completed the divestiture of

Tweddle Connect
to

Nuance Communications

The undersigned acted as financial advisor to Tweddle Group, Inc.



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Transactions presented may include transactions for which DCF professionals provided services while employed at McColl Partners LLC.

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For additional information or to find out more about how DCF can assist the deal initiation and execution process, please contact one of our DCF Managing Directors:

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