

TRANSPORTATION TECHNOLOGY MARKET UPDATE

FEBRUARY 2024

INTRODUCTION

IN THIS REPORT

1. Transportation Sector State of the Market

2. Modernizing the Service Lane

3. Sector M&A and Financing Dynamics

We are pleased to present our latest Transportation Sector Technology Market Update

- Our team recently attended the 2024 NADA Show, which was buzzing with activity as focus remains on the continued digitization of the car buying and owning journey
- Meanwhile, the U.S. auto sales market remains choppy, with improved new vehicle supply counterbalanced by demand pressures from higher vehicle prices and interest rates
 - The debate over the pace of the powertrain transition rages on, with EV adoption notably slowing and OEMs struggling to properly pace EV-related investments
- In this update, in addition to our review of general sector trends, we take a deeper dive into the trends and technologies impacting the auto aftermarket services ecosystem
- Challenged vehicle demand and aging of the car parc has put a spotlight on fixed operations as a profit center, with dealers and independent repair shops increasingly turning to technology to optimize their operations
 - Consumers today expect a digital experience for everything, including the ability to diagnose their vehicle's repair needs and to schedule and pay for services online
 - Dealers can better retain and monetize their customers for the entirety of the vehicle ownership lifecycle by modernizing their aftermarket service models
 - For service providers, software tools can improve the precision and speed of repair processes and AI tools can streamline supply chain management for auto parts
- While 2023 sector transaction volume was down year-over-year, large software and data consolidators continued to enhance existing capabilities and fill product offering gaps
 - We are optimistic for an uptick in overall deal activity in 2024 as the sector continues to modernize and as owners and investors realize the benefits of cross-selling capabilities
 - We anticipate cash-rich strategic acquirors may continue to have an advantage over financial buyers given synergies and current interest rates

We hope this update provides you with helpful insights across the market. Our Transportation Technology team looks forward to connecting with you during 2024.



Jeff Derman

Partner

+1 917.648.2176
jeff.derman@solomonpartners.com



Jonathan Berger

Director

+1 917.634.6154
jonathan.berger@solomonpartners.com

SOLOMON PARTNERS TECHNOLOGY GROUP

TECHNOLOGY COVERAGE

Data, Analytics & Information Services

Vertical Market Software

Tech-Enabled Services



SPECTRUM EQUITY
has made a growth investment in
BENCHMARK MINERAL INTELLIGENCE

MEDIA Radar
acquires
VIVVIX

Wilshire
acquires
Lyxor U.S.

SYSTEM1
sold
Total Security
to
Just Develop It

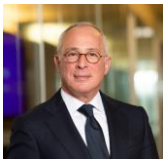
ONERA
sold to
toolsgroup

KÖRBER
sold minority stake to
KKR

panalgo
sold to
Evaluate
MMIT

CC Capital
MOTIVE PARTNERS
acquires
Wilshire

AKKR
has sold
TrueCommerce
to
WCAS



Marc Cooper
CEO



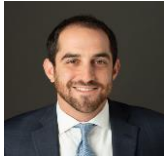
Craig Muir
Partner,
Group Head



Jeff Derman
Partner



Joe Watson
Managing Director



Jonathan Berger
Director



Max Schramm
Director



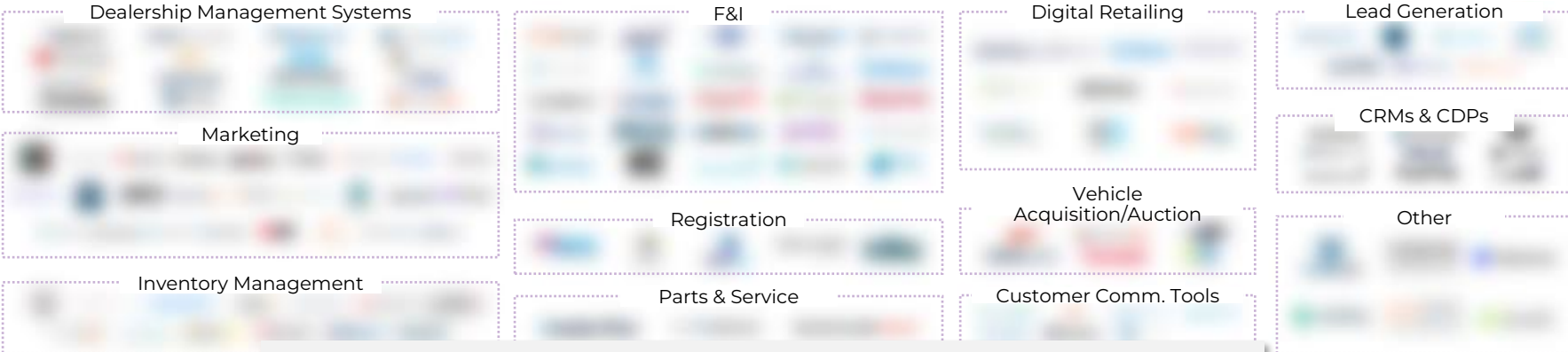
Brendan Kirk
Vice President



Anna Broadbent
Associate

MAPPING THE TRANSPORTATION TECH MARKET

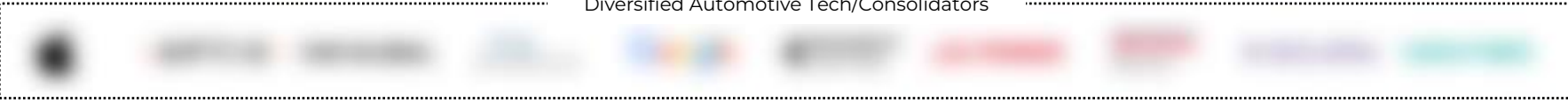
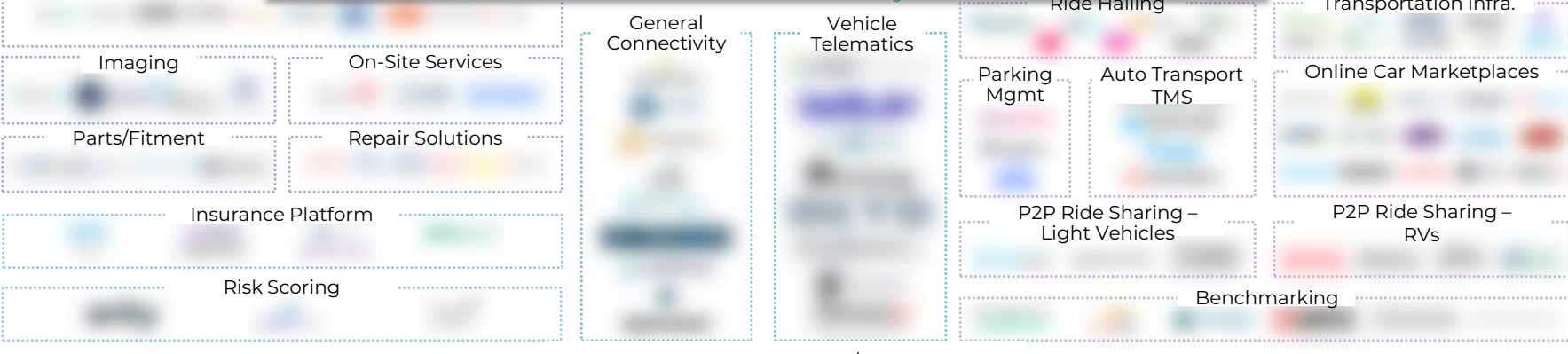
Dealership Solutions



Fleet Management



Insurance Aftermarket



FOR FURTHER DETAILS, PLEASE CONTACT JEFF DERMAN OR JON BERGER
 JEFF.DERMAN@SOLOMONPARTNERS.COM
 JONATHAN.BERGER@SOLOMONPARTNERS.COM

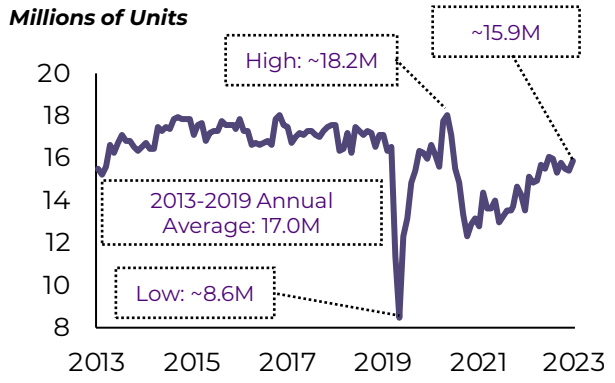
TRANSPORTATION SECTOR
STATE OF THE MARKET

STATE OF PASSENGER VEHICLE SECTOR

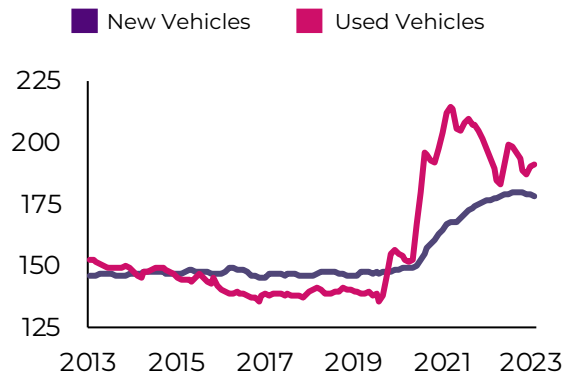
- After COVID-driven shortages, the automotive market is now in a self-corrective phase, with lingering supply shortages improving, but demand muted due to affordability challenges
 - With higher interest rates and significant vehicle price inflation, over 50%^(a) of buyers have been priced out of the new vehicle market...
 - ...causing many consumers to hold onto their current vehicles for longer, contributing to passenger car average age hitting a record 13.6 years
 - With fewer recent-vintage vehicles hitting the used market, used prices remain high
- Higher average vehicle age, combined with ever-increasing (non DIY-friendly) vehicle complexity, will continue to put the focus on efficiencies in the parts and repair portion of the automotive ecosystem

VEHICLE SALES TRENDS

Light Vehicle SAAR Data ^(b)

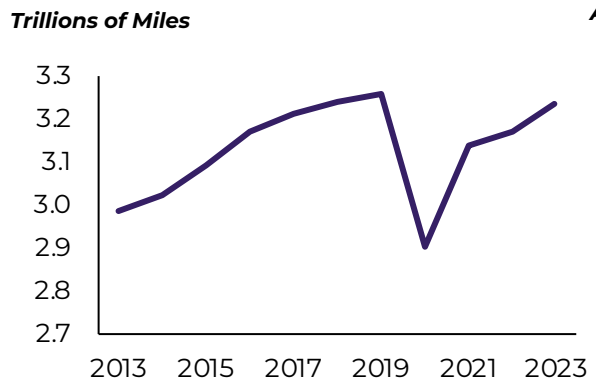


Consumer Price Index for New and Used Vehicles ^{(c) (d)}

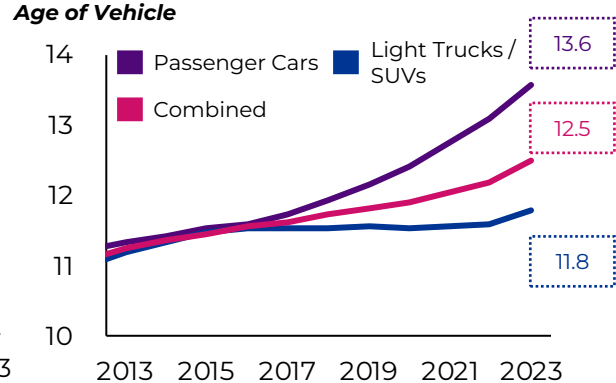


VEHICLE USE TRENDS

Total Vehicle Miles Traveled ^(e)



Average Age by Vehicle Type ^(f)



Note: Footnotes are available in the Appendix.

AUTOMOTIVE END-MARKET TRENDS TO WATCH: A CRUCIAL MOMENT FOR THE INDUSTRY AT LARGE

VEHICLE PRICES ARE DROPPING AND THE INDUSTRY IS BENEFITTING FROM IMPROVING SUPPLY LEVELS...

...BUT HIGH CONSUMER LEVERAGE AND EXPENSIVE BORROWING COSTS PRESSURE SALES

DECEMBER 2023

↓ **2.4% (a)**

Decrease in Average New-Vehicle Retail Transaction Price YoY

Marks the fourth straight month that car prices fell annually

DECEMBER 2023

↑ **12% (a)**

Increase in New Vehicle Sales in 2023 vs. 2022

Driven by supply-chain relief and strong fleet activity

NOVEMBER 2023

5.7% (b)

YoY Change of Total Consumer Credit

Outstanding consumer credit has steadily grown over the last two years to hit all-time record levels

DECEMBER 2023

7.4% (c)

Average car loan interest rate for new car loans in December 2023, the highest level in years

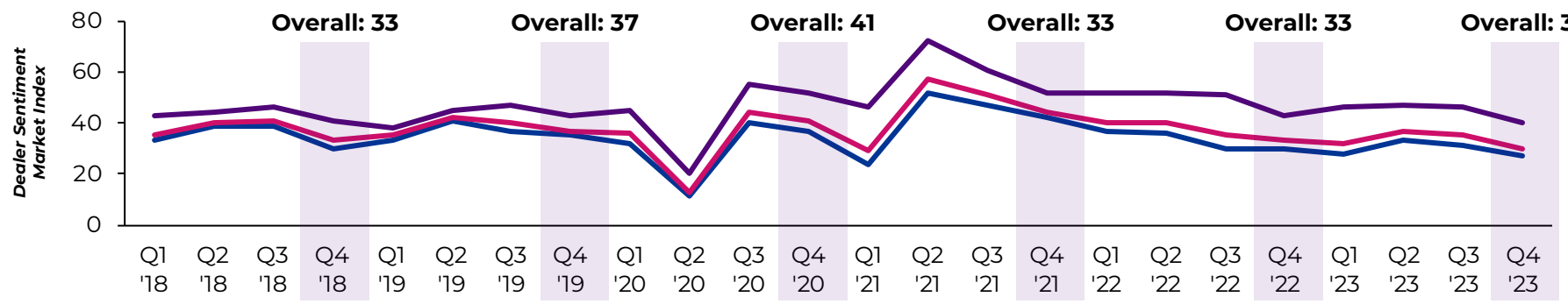
The auto industry enjoyed a strong rebound in sales in 2023, but the market seems headed for **slower growth in 2024**

Macro concerns are keeping a subset of less financially flexible buyers on the sidelines, resulting in **margin compression**

DEALERS ARE PREPARING FOR A WEAKER MARKET IN 2024 (d)

Question: What do you expect the market for vehicles in your area to look like 3 months from now?

Franchised Individual Overall

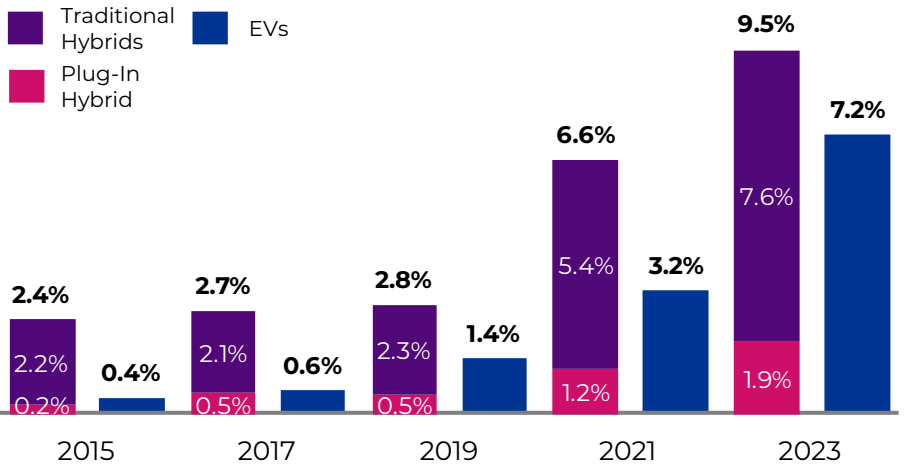


CONSUMERS SHIFTING TO HYBRIDS AS EV INTEREST HITS A SPEED BUMP

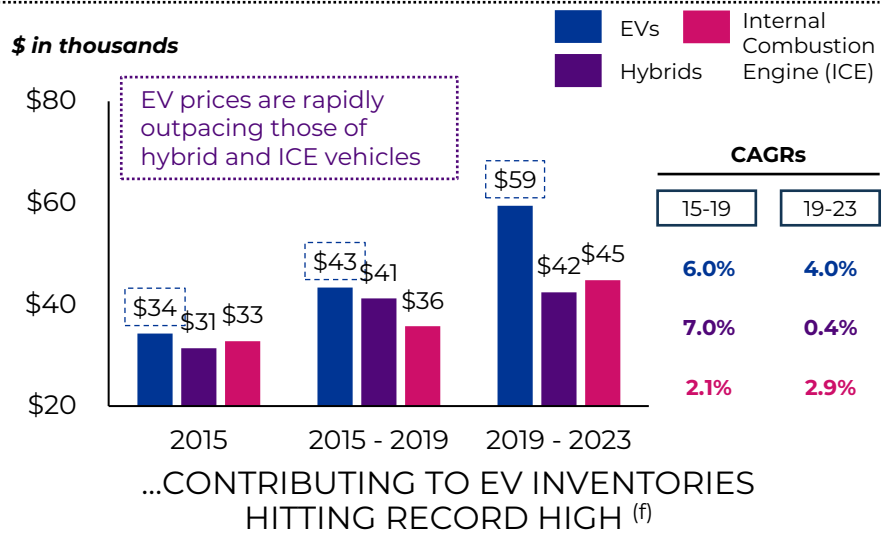
INFRASTRUCTURE ISSUES STALLING EV TAKEOFF...

- 47%** of consumers are unlikely to buy an EV as their next car due to lack of charging infrastructure and high cost ^(a)
- 21%** of EV drivers arrive at a charging station to find it is defective ^(b)
- 4,622** non-Tesla DC fast ports currently installed, as compared to the **182,000** needed by 2030 ^(c)

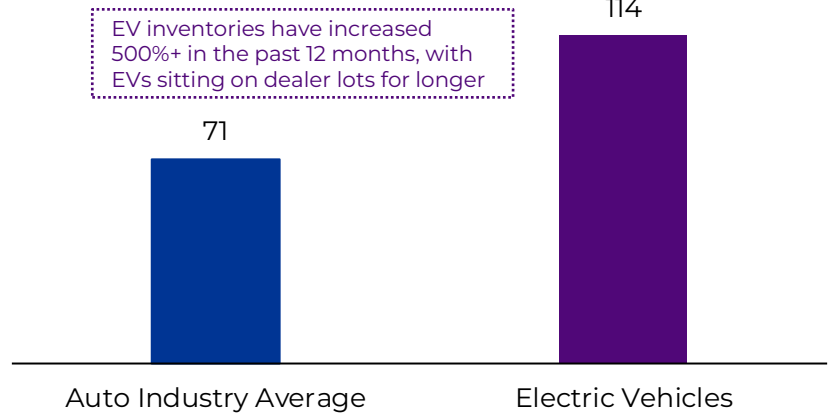
...HYBRIDS ARE COMMANDING MORE MARKET SHARE OF AUTOMOTIVE SALES... ^(e)



... AND AS EV PRICES RISE... ^(d)



Days' Supply



IMPLICATIONS

- OEMs are slashing their EV production output for 2024
- Auto dealers are urging the Biden administration to ease EV mandates requiring two-thirds of new vehicles sold in the U.S. to be electric by 2032

MARKET CLOSELY MONITORING AMAZON'S AUTO SALES EFFORTS



PARTNERSHIP WITH HYUNDAI

- Amazon and Hyundai announced a partnership enabling customers to browse, finance and complete the purchase of Hyundai vehicles on Amazon starting in 2024
- Shoppers will be able to complete every part of the car-buying process through Amazon's website
 - Delivery or pickup will be handled by local dealerships
- First partnered in 2021 through online Hyundai showroom where viewers could "build a car and locate inventory"
- Current partnership includes Hyundai's use of Amazon Web Services and integration of Alexa technology in Hyundai's cars starting in 2025
 - Dealers will also be provided with performance data

SELECTED DEALER REACTIONS (a)

"Hyundai dealers are always looking for ways to improve the customer experience...and there has been a lack of meaningful innovation [in digital auto retailing] from our customers' viewpoint."
- **Owner of Burns Hyundai and Burns Buick-GMC**

"We know we've got to meet our customers where they are, and much of that time that's on their phone or laptop...the breakthrough here is this is Amazon. We're now partnering with one of the world's leading digital retailers."
- **Owner of Hyundai Santa Monica**

POTENTIAL CHALLENGES



Converting Customers: Typical Amazon transaction is less than \$50, with only ~11% of customers reporting spending \$1,000+ on a single item ^(b)



Dealerships: Dealers may be unwilling to work with Amazon due to loss of revenue from inability to include add-ons during the purchasing process



Trade-Ins: Trade-in procedure is still under discussion due to lack of a standardized trade valuation process



Financing: Uncertainty surrounding who will provide financing and how the process will work



Negotiations: Dealers will set vehicle price, but consumers will lose the ability to haggle or negotiate once the price is listed

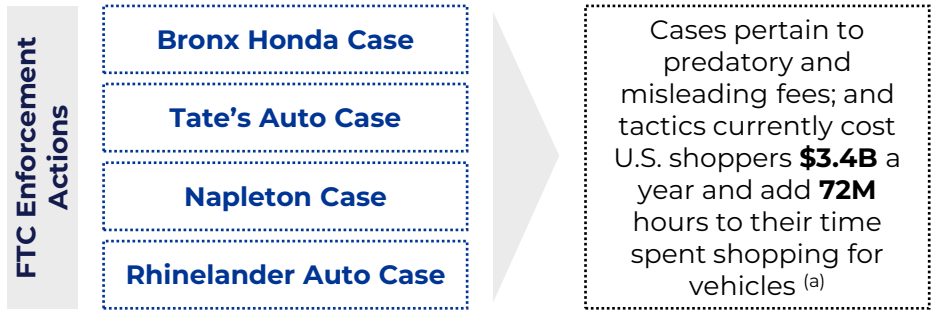


Regulations: Varying state regulations on advertising and warranty agreements can complicate Amazon's efforts

FTC ANNOUNCES COMBATTING AUTO RETAIL SCAMS RULE “CARS” (BUT THE EFFECTIVE DATE IS A MOVING TARGET)

NEW REGULATION WILL IMPACT THE CLASSIFIED AUTO RETAIL MARKETPLACES, LEAVING MANY DEALERS SCRAMBLING TO ADJUST

CATALYSTS FOR CHANGE



GROUND RULES FOR DEALERS

- 1 Prohibits misrepresentations about material information such as price, financing or add-ons
- 2 Requires dealers to clearly disclose the “drive off the lot” price
- 3 Dealers cannot charge consumers for add-ons that don't provide a benefit to them
- 4 Consumers must provide express, informed consent prior to being charged

SOLUTIONS TO HELP DEALERS REMAIN COMPLIANT



Automated Website Scans

Helps dealerships effectively find and remediate violations of the CARS rule and prevent any further occurrences



Consumer Complaint Management System

Dealerships can ensure customer complaints are addressed promptly and appropriately, especially as transactions begin to move online



Remote Deal Jacket Auditing

Reviews documents related to vehicle sales, mitigating risks associated with potential fraud and increasing consumer trust by ensuring transparency in operations



Online Compliance Training

Cost-effective and flexible method to retrain employees for comprehensive understanding of the CARS rule

MODERNIZING THE SERVICE LANE

AUTO SERVICE PROVIDERS NEED TO ADAPT TO A DIGITAL WORLD

DEALERS AND INDEPENDENT SHOPS ARE USING TECHNOLOGY TO IMPROVE EFFICIENCY AND OPTIMIZE LONG-TERM PROFITABILITY



Fixed operations are becoming an increasing priority for dealers...

Fixed ops, which consist of repair services and parts departments, generate higher-margin, repeat business and therefore boost profitability for dealers

40%+
of a dealer's total gross profit is contributed by fixed operations ^(a)

50%
increase in service contracts sold by dealers in 2023 vs. 2021 ^(b)



...driving a shift in dealers' focus from unit sales to enhancing the overall customer vehicle ownership experience, enabled by advanced software tools

Dealers are adopting a more holistic approach towards the vehicle ownership lifecycle and are viewing themselves as digitized customer service businesses, not just retailers

28%
increase in service profitability within 12 months for dealers that have employed digital solutions in their fixed operations experience ^(b)



However, consumer trust in dealers as service providers is declining...

Dealers are no longer the preferred service provider, with consumers instead turning towards easily accessible third-party independent repair shops

35% → 30%
2021 2023
Percentage of service visits performed by dealer service lanes ^(b)

7 out of 10
customers are more likely to go to a third-party independent shop vs. a dealer ^(b)



...and consumers today expect a digital aftermarket experience, but dealers have been slow to adapt

Many dealers do not yet provide an online option for consumers to shop for parts, thereby creating momentum for third-party retailer sites, DTC websites and digital marketplaces (e.g., Amazon and CarParts.com)

40%
of auto aftermarket parts sales are now via e-commerce channels ^(c)

\$69B
current global e-commerce automotive aftermarket market ^(d)



Engaging the emerging do-it-yourself (DIY) consumer segment via a strong online presence could drive parts sales for dealers

For DIY consumers, a well-designed DTC strategy can simplify the process of purchasing the correct parts and provide educational support on how to install them

78%
of consumers have completed at least one auto maintenance project themselves in the last three years ^(e)

~50%
of Gen Z and Millennial consumers would take on DIY projects costing \$499 or less ^(e)



Powertrain changes and the increasing complexity of vehicles are also posing new challenges to auto dealers





Dealers are attempting to transition their fixed operations to support new technologies by adding infrastructure and training technicians

54%
of dealers need more electric powertrain-trained staff for EV servicing ^(b)

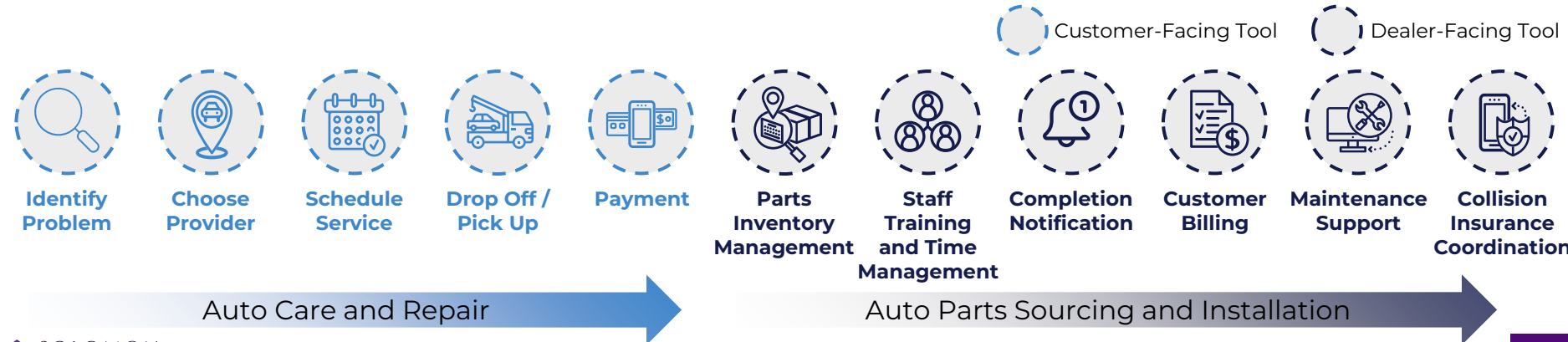
58%
of dealers need more infrastructure for EV servicing, such as specialized service bays and equipment ^(b)

DIGITAL TOOLS ENHANCE THE CUSTOMER REPAIR SERVICE EXPERIENCE

DEALERS CAN MAINTAIN A RELATIONSHIP WITH THE CUSTOMER THROUGHOUT THE ENTIRETY OF THE VEHICLE OWNERSHIP LIFECYCLE...

 <h3>Digital Platforms and Mobile Integration</h3> <ul style="list-style-type: none"> Caters to shifting consumer preference for a digital-first aftermarket experience Digital solutions can provide accessible, real-time service updates, allow users to interact with providers online and make digital payments 	 <h3>Vehicle Health Monitoring</h3> <ul style="list-style-type: none"> Vehicles can self-diagnose vehicle maintenance needs and alert the driver and dealer Vehicles collect and aggregate large amounts of vehicle data to more precisely identify vehicle issues, thereby reducing downtime and streamlining the repair process 	 <h3>Data & Analytics</h3> <ul style="list-style-type: none"> Data-driven insights, such as electronic parts catalogs (EPCs) and connected diagnostic tools, can help service technicians identify optimal repair solutions Leverages data to determine where and when to source parts and tools for repairs, reducing excess parts inventory while speeding service turnaround times 	 <h3>AI and Predictive Analytics</h3> <ul style="list-style-type: none"> Automates day-to-day workflows and processes such as coordinating service technicians' schedules and managing parts inventory Streamlines billing and document management Personalizes communications with customers to activate additional, appropriate service visits
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

...BY LEVERAGING DIGITAL TOOLS THAT GREATLY ENHANCE THE AUTO REPAIR EXPERIENCE



KEY AUTOMOTIVE AFTERMARKET SOFTWARE TOOL TYPES

CATEGORY	SOLUTIONS PROVIDED	REPRESENTATIVE PROVIDERS
Parts Inventory Management	<ul style="list-style-type: none"> • Improve efficiency by enabling dealers and shops to more easily manage and track inventory levels, maintain a digitally organized catalog for products, monitor pricing for parts, locate auto parts suppliers in one aggregated lookup and automate order processing and item counts • Enhance dealers' OE parts sales operations by providing online tools to drive parts sales to independent repair shops 	
Diagnostic and Maintenance Tools	<ul style="list-style-type: none"> • Provides actionable vehicle insights to drivers via on-board visual diagnostic tools, allowing users to identify mechanical faults and general wear & tear and enabling timely intervention • Decision support to service technicians via tools that help match the specific requirements of a vehicle with the appropriate replacement components 	
Auto Repair Workflow Management	<ul style="list-style-type: none"> • Elevate and streamline repair services with workflow management tools that handle service requests electronically, quickly generate service orders and assign technicians • Enhance the customer experience by proactively offering digital vehicle inspections, providing real-time estimated repair quotes and offering automated updates on repair orders, while integrating CRM features to track how to better meet individual customer needs 	
Insurtech and Claims Management	<ul style="list-style-type: none"> • Accelerate and simplify auto repair via automated scheduling with collision repair shops, live virtual damage assessments and AI-powered photo estimating software that quickly makes repair and replacement decisions • Create a digital path to contactless claims with solutions that digitize the intake process, improve data quality and require less manual intervention 	
Mobile Vehicle Services	<ul style="list-style-type: none"> • Convenient on-demand, on-site auto care that brings the mechanic to the customer • App-based ordering for a range of services that are digitally booked and securely paid for electronically; customers can also digitally track the arrival of technicians and provide feedback • Mobile workforce management for service providers who can assign tasks, communicate with technicians, and monitor progress via mobile applications 	

EVs ARE CREATING BOTH NEW CHALLENGES AND NEW OPPORTUNITIES FOR THE AFTERMARKET

TODAY: EV IMPACT ON THE AFTERMARKET



Reduced servicing and maintenance requirements

- EVs experience **less wear and tear** of moving parts, driving a lower aftermarket replacement rate
- Over **150 types of moving components are eliminated** in EVs vs. ICE vehicles ^(a)
- As EVs become more commonplace, **ICE-specific parts will experience decreasing demand**; however, the impact will not be felt at scale for years



Service providers are playing catch-up

- EV service technicians need to **retrain** to stay knowledgeable of the new generation of cars
- EV owners are facing frustrations with **longer wait times** for service visits for DTC OEMs (e.g., Tesla, Rivian, Lucid.) as the manufacturers' limited infrastructures cannot keep up with aftersales demand

TOMORROW: NEW AFTERMARKET OPPORTUNITIES



Potential to offset shrinking demand for ICE parts

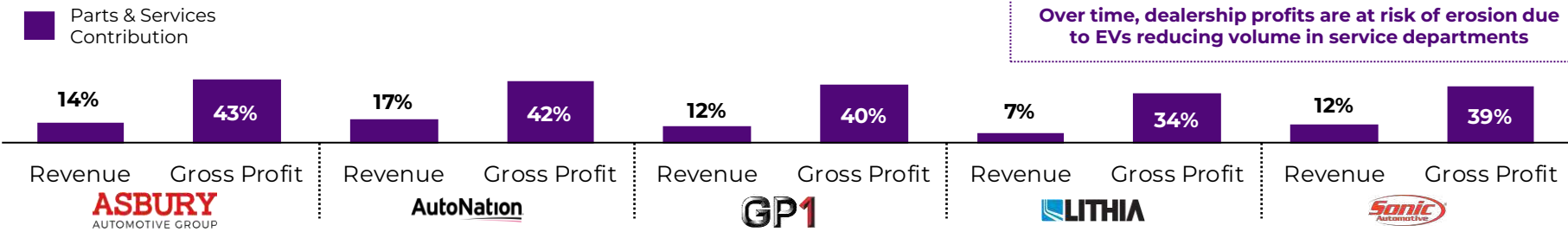
- New moving parts that are specific to EVs could create aftermarket demand for over **40 additional component categories** ^(a)
- These different components include auxiliary batteries, charging ports, centralized electronic control systems, thermal management systems, DC-to-DC converters and powertrain battery packs, among other parts



Service providers are preparing for an increase in EV services

- Among dealers that service EVs today, only **32%** are trained to work on EVs ^(b)
- 67%** of dealers have added relevant infrastructure to support servicing EVs, although there is consensus agreement that more infrastructure is needed ^(b)

PARTS & SERVICES REMAINS A SIGNIFICANT PORTION OF DEALERSHIP PROFITS ^(c)



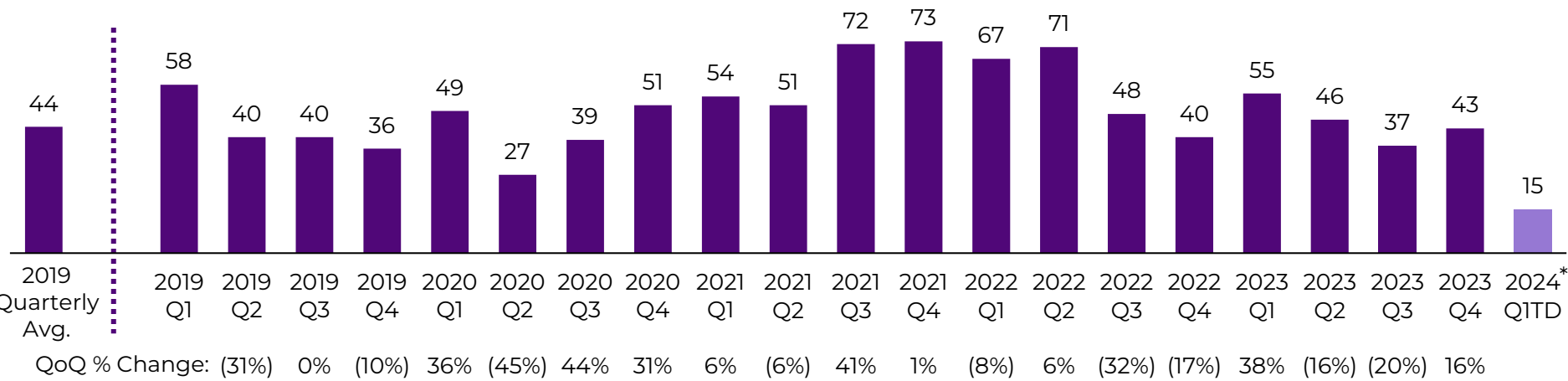
Over time, dealership profits are at risk of erosion due to EVs reducing volume in service departments

M&A AND FINANCING DYNAMICS

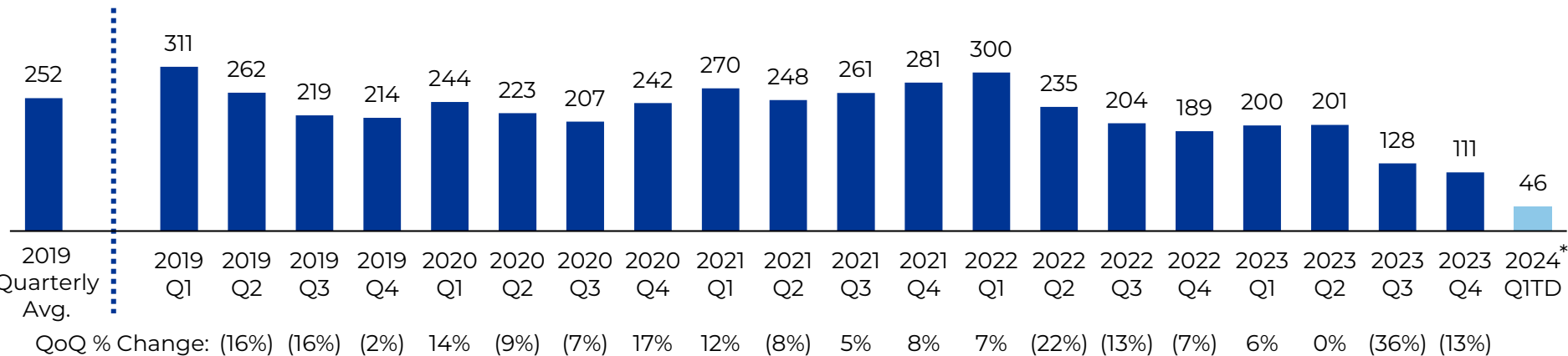
TRANSPORTATION TECH M&A AND FINANCING ACTIVITY

TRANSPORTATION TECH M&A DEAL ACTIVITY IN 2023 WAS NEAR PRE-PANDEMIC LEVELS; FUNDRAISING LAGS BEHIND

M&A DEAL ACTIVITY (NUMBER OF TRANSACTIONS)



FUNDRAISING DEAL ACTIVITY (NUMBER OF TRANSACTIONS)



Sources: Pitchbook, press releases and other publicly available information. Financing represents VC deals and excludes secondary transactions.

Values based on Solomon's proprietary screen for transportation technology transactions.

* 2024 Q1 metrics as of January 31, 2024.

TRANSPORTATION TECH VALUATION AND OPERATIONAL BENCHMARKING

VALUATION METRICS

OPERATIONAL METRICS

Auto Marketplaces

1.6x
2024E Revenue

12.9x
2024E EBITDA

13.6%
2023E-2025E Revenue CAGR

20.1%
2024E EBITDA Margin

Auctions

2.4x
2024E Revenue

15.2x
2024E EBITDA

11.8%
2023E-2025E Revenue CAGR

18.7%
2024E EBITDA Margin

Transportation Infrastructure

2.7x
2024E Revenue

8.9x
2024E EBITDA

11.1%
2023E-2025E Revenue CAGR

22.3%
2024E EBITDA Margin

Fleet Solutions

3.0x
2024E Revenue

10.6x
2024E EBITDA

9.9%
2023E-2025E Revenue CAGR

23.9%
2024E EBITDA Margin

Data & Analytics

5.6x
2024E Revenue

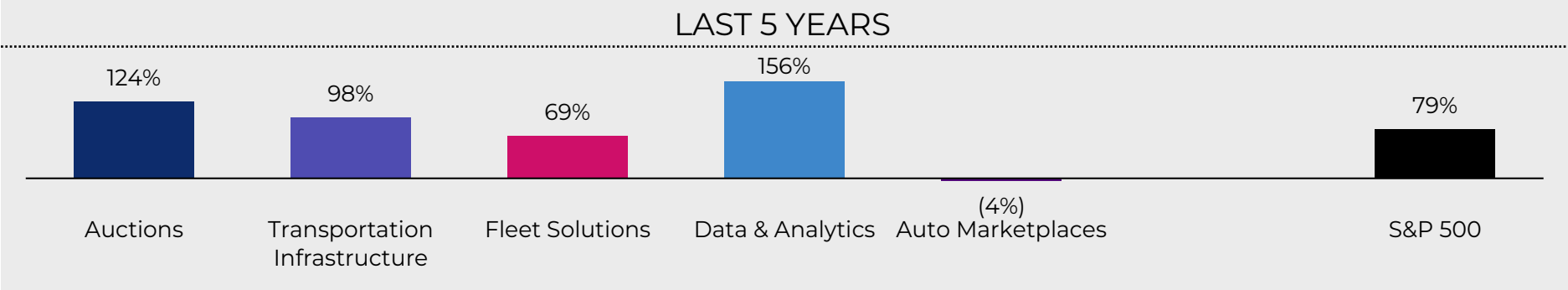
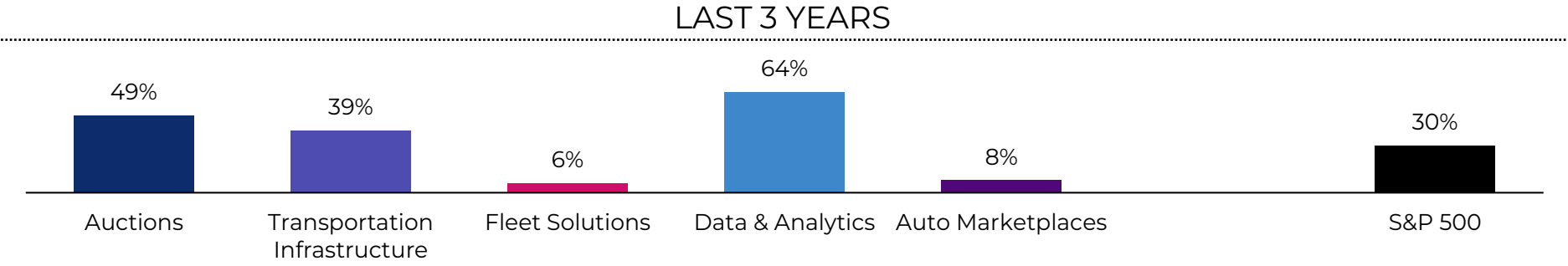
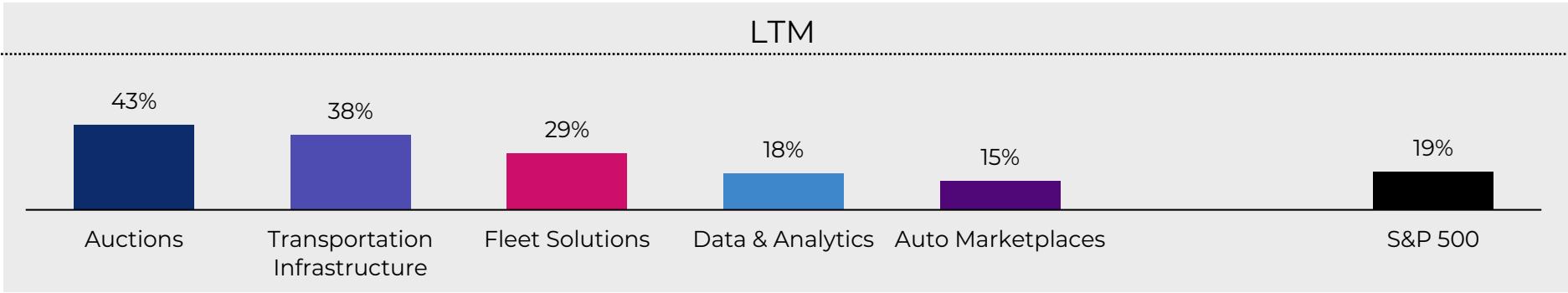
15.6x
2024E EBITDA

9.4%
2023E-2025E Revenue CAGR

40.4%
2024E EBITDA Margin

HISTORICAL SHARE PRICE PERFORMANCE

MANY TRANSPORTATION TECH COMPANIES CONTINUED TO OUTPERFORM THE S&P 500 IN 2023



CARGURUS ACQUIRES CAROFFER



TRANSACTION OVERVIEW

- On November 7, 2023, CarGurus announced it acquired the remaining minority equity interests (49%) in CarOffer for \$75M, valuing CarOffer at ~\$153M
- CarOffer is a streamlined web-based platform specializing in wholesale automotive trade, managing dealer-to-dealer and consumer-to-dealer transactions
- CarGurus acquired a 51% stake in CarOffer in 2021 with the ability to purchase the remaining equity interest over the next three years
- CarGurus' decision to expedite their equity purchase reflects their goal of capitalizing on rising opportunities to create a transaction platform for every stage of the automotive lifecycle

DEAL COMMENTARY




"Our work with CarOffer has unlocked meaningful opportunities to better serve our customers by integrating the scale and reach of our retail platform with CarOffer's digital wholesale capabilities."

Jason Trevisan
CEO, CarGurus

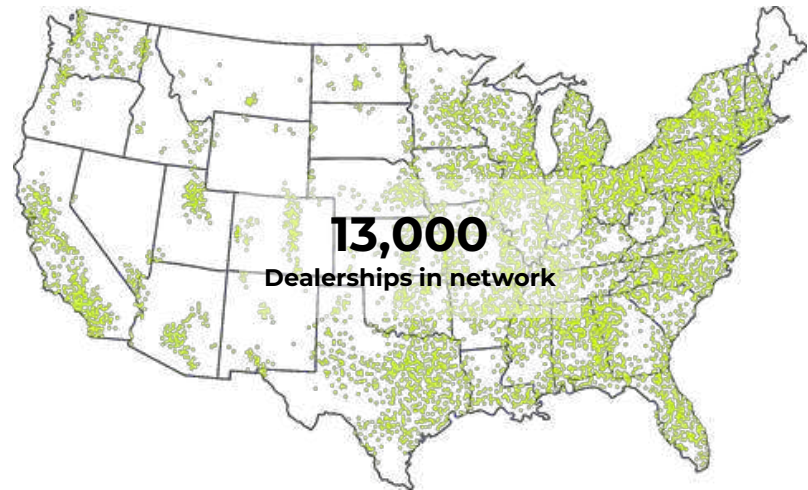
"With this transaction complete, we believe we are well-positioned to accelerate our momentum in delivering solutions that streamline and enhance the dealer-to-dealer and consumer-to-dealer transaction experience."

Zach Hallowell
CEO, CarOffer

CAROFFER'S SOLUTIONS






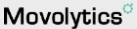














-  **Buy Inventory:** Enables dealerships to access a nationwide inventory for purchasing, with the advantage of real-time bidding and buying
-  **Sell Inventory:** Provides dealerships with an automated trading platform to efficiently sell their vehicle inventory at competitive prices
-  **Trade Inventory:** Designed for dealerships to trade vehicles within a network, optimizing their inventory mix

CAROFFER'S GEOGRAPHIC REACH






















SELECT 2023 M&A TRANSACTIONS

(Amounts in Millions)

DATE	INVESTOR	TARGET	TARGET DESCRIPTION	EV	EV / REVENUE	EV / EBITDA
Dec-23	 automanager		Platform designed to offer on-demand safety recall status lookups	ND	ND	ND
Dec-23	 CitNOW GROUP		Provider of lifecycle management, production planning, and CRMs for the automotive industry	ND	ND	ND
Dec-23	 ABAX		Provider of fleet management and tracking services	ND	ND	ND
Dec-23	 OPENLANE		Operator of physical and online vehicle auction marketplaces	\$96	ND	ND
Nov-23	 OneMain Financial.		Provider of online account management, autopay setup, and direct debit payment options for automotive financing	\$115	ND	ND
Nov-23	 CarGurus		Provider of digital marketplaces for dealers to buy, sell, and trade with automation	\$153 ^(a)	ND	ND
Nov-23	 CARS COMMERCE		Provider of websites, media services, and CRMs to automotive dealerships	\$76	ND	ND
Oct-23	 KPA		Provider of compliance software to dealerships	ND	ND	ND
Oct-23	 HAWK		Operator of ERP software intended for automotive repair shops, wholesalers, and retailers of automotive parts	\$5	3.4x	8.0x
Oct-23	 POWER FLEET		Provider of fleet and mobile asset-management solutions	\$290	1.0x	7.4x

SELECT 2023 FUNDRAISING TRANSACTIONS

DATE	INVESTOR	TARGET	TARGET DESCRIPTION	AMOUNT RAISED (\$MM)
Dec-23	Undisclosed	 mileauto	Provider of pay-per-mile insurance services, charging customers based on the actual miles they drive	ND
Dec-23	 YALETOWN	 INVERTED AI	Developer of AI simulations to enhance the development of autonomous vehicles and smart city systems	\$4
Nov-23	 MAZDA	 Secondmind	Developer of AI optimization solutions that reduce design simulation time and calibration overhead to improve energy efficiency throughout the vehicle lifecycle	ND
Nov-23	 SAIC	 RECOGNI	Developer of AI-powered vision recognition module for autonomous vehicles	ND
Nov-23	 NTT	 MAY Mobility	Developer of an autonomous technology intended to transform cities through safe, accessible self-driving transportation	\$105
Oct-23	 NEOM	 pony.ai	Developer of an autonomous driving technology intended to facilitate the manufacturing of automated vehicles	\$100
Oct-23	 1984.VC	 REVV	Provider of AI-powered automotive repair diagnostics software	\$2
Oct-23	 DRAWDOWN FUND	 HaydenAI	Developer of autonomous traffic management platform designed to improve urban mobility and quality of life for communities	\$53
Oct-23	 Lightspeed	 NIRVANA	Provider of AI-powered insights and continuous risk monitoring to improve fleet safety and reduce costs	\$57
Oct-23	 GAC GROUP	 DiDi	Provider of app-based transportation services, on-demand delivery services, and autonomous driving solutions	\$149

APPENDIX

FOOTNOTES

Page 5

- a) Cox Automotive.
- b) FRED Light Weight Vehicle Sales: Autos and Light Trucks. Data updated as of December 2023.
- c) FRED Consumer Price Index for All Urban Consumers: Used Cars and Trucks in U.S. City Average. Chart is indexed to average prices from 1982 to 1984. Data updated as of December 2023.
- d) FRED Consumer Price Index for All Urban Consumers: New Vehicles in U.S. City Average. Chart is indexed to average prices from 1982 to 1984. Data updated as of December 2023.
- e) FRED Vehicle Miles Traveled. Data updated as of November 2023.
- f) S&P Global. Data updated as of January 2024.

Page 6

- a) Cox Automotive.
- b) Federal Reserve.
- c) Bureau of Economic Analysis.
- d) Cox Automotive. Dealer Sentiment is based on 1,036 U.S auto dealer respondents, on a scale from 0-100.

Page 7

- a) The Associated Press-NORC Center for Public Affairs Research and the Energy Policy Institute at the University of Chicago.
- b) J.D. Power.
- c) National Renewable Energy Laboratory. Data is updated as of Q2 2023.
- d) Edmunds. 2023 data is updated as of November 30, 2023.
- e) Argonne National Laboratory. Data is updated as of December 2023.
- f) Cox Automotive. Inventory excludes Tesla, Rivian or other companies that do not have a dealer body holding inventory.

Page 8

- a) Automotive News.
- b) Consumer Intelligence Research Partners.

Page 9

- a) FTC.

Page 11

- a) Haig Partners.
- b) Cox Automotive.
- c) LEK Partners.
- d) Global Market Insights.
- e) Mintel.

Page 14

- a) LEK Partners.
- b) Cox Automotive.
- c) Sources: Pitchbook, press releases and other publicly available information. Financials shown in chart represent Revenue and Gross Profit for Q3 2023. Other business services consist of New Vehicle, Used Vehicle, and F&I & Other.

Page 20

- a) Purchase of the remaining minority equity interests.

DISCLAIMER

This document is a marketing presentation. It has been prepared by personnel of Solomon Partners or its affiliates and not by Natixis' research department. It is not investment research or a research recommendation and is not intended to constitute a sufficient basis upon which to make an investment decision. This material is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. Natixis may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said personnel, which may be different from, or inconsistent with, the observations and views of Natixis analysts or other Natixis sales and/or trading personnel, or the proprietary positions of Natixis. Observations and views of the writer may change at any time without notice.

This presentation may contain forward-looking statements and comments relating to the objectives and strategy of Solomon Partners. Any such projections inherently depend on assumptions, project considerations, objectives and expectations linked to future events, transactions, products and services as well as on suppositions regarding future performance and synergies.

Certain information in this presentation relating to parties other than Solomon Partners or taken from external sources has not been subject to independent verification, and Solomon Partners makes no warranty as to the accuracy, fairness or completeness of the information or opinions in this presentation. Neither Solomon Partners nor its representatives shall be liable for any errors or omissions or for any harm resulting from the use of this presentation, the content of this presentation, or any document or information referred to in this presentation.

Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Each individual or entity who receives this document or participates in any future transaction shall be responsible for obtaining all such advice as it thinks appropriate on such matters and shall be responsible for making its own independent investigation and appraisal of the risks, benefits and suitability of the transactions as to itself. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. No person shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document or any other written or oral communications transmitted to the recipient in relation hereto.

Solomon Partners and/or its affiliates, officers, directors and employees, including persons involved in the preparation or issuance of this material, may, from time to time, have long or short positions in, and buy or sell, the securities or derivatives mentioned in this material.

The information contained herein may be based in part on hypothetical assumptions and for certain models, past performance. These assumptions have certain inherent limitations, and will be affected by any changes in the structure or assets for this transaction. This material is confidential and any redistribution is prohibited. Solomon Partners is not responsible for any unauthorized redistribution.





SOLOMON PARTNERS

