

WHAT YOU'LL FIND INSIDE

Why the Automotive Aftermarket Is Attractive Today

Structural demand drivers, aging vehicles, repair complexity, and favorable industry dynamics.

How Services, Fleet & Parts Are Converging

The forces reshaping the aftermarket and redefining where value is created.

Where Value Is Migrating

From local operators to scaled platforms, from transactions to recurring workflows, and from inventory to data and operating systems.

What Buyers Are Looking For

The characteristics, capabilities, and control points attracting investor and strategic capital.

Key M&A Trends & Consolidation Opportunities

Fragmentation, platform formation, active acquirers, and areas of continued deal activity.

Risks, Outlook & Future Winners

The challenges facing the industry and the operators best positioned to win over the next decade.

Automotive Services, Fleet Maintenance & Aftermarket Parts

The U.S. automotive aftermarket is evolving from a fragmented collection of local operators into an increasingly consolidated, technology-enabled ecosystem. Aging vehicles, rising repair complexity, technician scarcity, fleet outsourcing, and data-enabled service models are accelerating consolidation across services, fleet, and parts distribution. This report examines the structural forces reshaping the industry, the areas where value is migrating, and the implications for operators, investors, and acquirers.

Note: forward-looking statements contained herein are based on third-party sources and current conditions. Actual results may differ, and this report does not constitute investment advice.

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Executive Summary

The U.S. automotive services, aftermarket parts, and fleet maintenance landscape remains structurally attractive, but value is shifting toward scaled platforms that control workflow.

MARKET CONVERGING TOWARD PLATFORMS

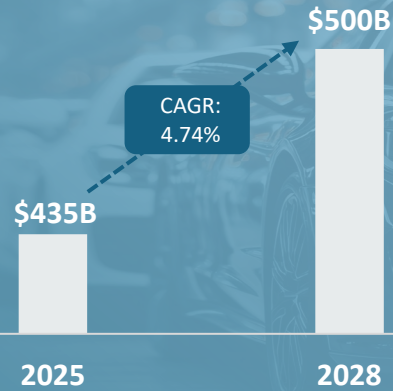
The U.S. automotive light-duty aftermarket entered 2026 as a \$435B industry spanning three connected markets, parts, repair and maintenance services, and fleet maintenance. Each segment derives demand from the same underlying drivers: vehicle age, miles driven, repair complexity, and ownership duration.

Value is migrating toward scaled platforms that control labor, diagnostics, parts flow, density, and workflow data. Capability inflation, technician scarcity, and data-enabled service routing are reshaping who controls the service relationship.

Capital is flowing accordingly. EV/EBITDA multiples have trended 9-14x, with tech-enabled and capability-led assets clearing at the top end; multiples for smaller or regional operators will vary based on size, recurring revenue mix, and capability profile. PE-backed platforms continue consolidating independents, and the platform formation window remains wide open.

MARKET SIZE SNAPSHOT

U.S. light car and truck aftermarket size projected to top \$500B by 2028



KEY TAKEAWAYS

1	Durable demand foundation	Aging vehicles, affordability pressure, VMT recovery, and non-discretionary repair demand support recurring aftermarket activity
2	Complexity accelerates consolidation	Technician shortages, ADAS / diagnostics, parts complexity, and fleet uptime demands widen the gap between scaled platforms and local operators
3	Value migrates to workflow ownership	The most valuable assets increasingly control labor, diagnostics, parts flow, density, and data-enabled customer routing
4	Buyers are building platforms	Strategics and sponsors are pursuing density, capability, recurring revenue, procurement leverage, and technology enablement
5	Owners have a timing opportunity	Premium valuations increasingly accrue to operators that can prove capacity, systems, customer durability, and integration readiness

THE FIVE CONTROL POINTS THAT DEFINE PLATFORM VALUE

1	Technician Capacity	Labor access and productivity
2	Diagnostic Capability	ADAS, scans, calibrations
3	Parts Availability	Fill rates and fitment
4	Regional Density	Routing and fleet coverage
5	Workflow Data	Telematics, KPIs, retention

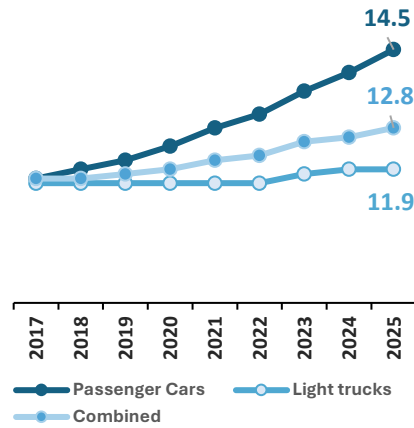
Durable demand supports long-term platform formation, but the valuation premium is increasingly reserved for operators that can demonstrate control over scarce labor, complex repair capability, parts flow, customer density, and workflow data.

Sources: [Auto Care Association](#) / [MEMA](#) / [S&P Global Market Intelligence](#); [MOTOR](#) / [S&P Global Mobility](#); [PitchBook](#).

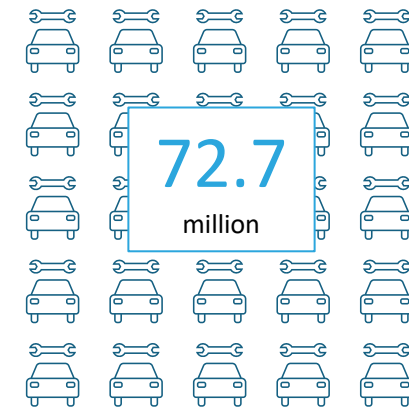
The Structural Case: Why the Aftermarket Is Attractive Now

Demand durability + operating complexity + consolidation capital are converging

Average age of light vehicles on the road in the U.S.



Vehicles on the road in the U.S. with open recalls.



The aftermarket is moving from local execution businesses to scaled operating platforms

THREE FORCES ARE CONVERGING



DEMAND TAILWINDS

- Older vehicles
- Repair inflation
- Warranty expirations
- Affordability constraints

Recurring repair demand gives buyers confidence underwriting aftermarket durability.



OPERATING COMPLEXITY

- ADAS / diagnostics
- Software-driven vehicles
- Technician scarcity
- Parts fulfillment

Complexity raises the systems burden and widens the gap between scaled and standalone operators.



CAPITAL AVAILABILITY

- Strategic consolidators
- PE platform formation
- Continued fragmentation
- Add-on runway

Active buyers are pursuing density, capability, procurement leverage and workflow ownership.

The macro backdrop is not just a demand story; it is a platform-formation story. Consolidation can centralize procurement, standardize systems, improve routing, and deepen customer retention.

Sources: S&P Global Mobility; Auto Care Association / MEMA; Aftermarket Matters; Automotive Fleet; AAPEX, BizzyCar.

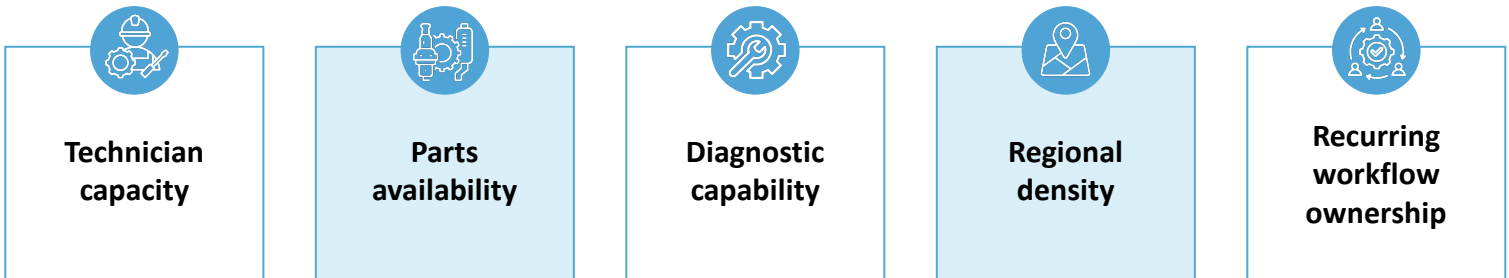
The Cycle Has Shifted Toward Complexity

The aftermarket remains resilient, but the investment story has shifted to operating complexity, channel change, cost pressure, and technology-driven value migration.

CURRENT-CYCLE TAKEAWAY

What is changing	What the data shows	M&A implication
Installed-base demand	Aging vehicles, VMT recovery, and affordability pressure support repair intensity	Buyers underwrite durable, non-discretionary demand
Capability shift	Complex work requires training, diagnostics, ADAS tooling, and process discipline	Premium value accrues to operators with capacity and capability
Fleet uptime imperative	Downtime carries hard-dollar ROI; fleets increasingly outsource uptime workflows	Outsourced and mobile maintenance become strategic control points
Workflow ownership	Telematics, service events, and inventory systems are converging	Recurring workflow control improves quality of earnings

THE ACTIONABLE OPPORTUNITY IS BUYING CONTROL POINTS








Complexity is shifting buyer focus from broad market exposure to assets that control throughput, capability, and customer workflow

Sources: [Auto Care Association](#) / [MEMA](#); [S&P Global Mobility](#); [ATA](#); [Berg Insight](#); [Aftermarket Matters](#); [PitchBook](#); [S&P Capital IQ](#).

Buyers Are Underwriting Control Points

The buyer universe is broad, but each buyer type is pursuing a different mechanism for workflow control, density, and quality of earnings.

WHO IS BUYING AND WHAT THEY ARE REALLY UNDERWRITING

 Strategic consolidators	Density + procurement leverage	Regional coverage, routing, purchasing, brand presence
 Private equity platforms	Fragmented add-on runway	Repeatable KPI systems and integration playbooks
 Fleet service platforms	Uptime capabilities	SLA performance, mobile support, recurring fleet revenue
 Parts distributors	Installer access + route density	Fill rates, fitment data, vendor terms, relationships
 Technology-enabled operators	Workflow data and routing	Retention, embedded customer relationships, visibility

What buyers want

Acquire density, capability, recurring relationships, data visibility, and margin control.

What owners should do

Use the market window to solve succession, labor constraints, technology investment, and scale needs.

The highest-value assets give buyers an executable path to control: density, scarce labor, diagnostics, parts flow, and data-enabled workflow ownership

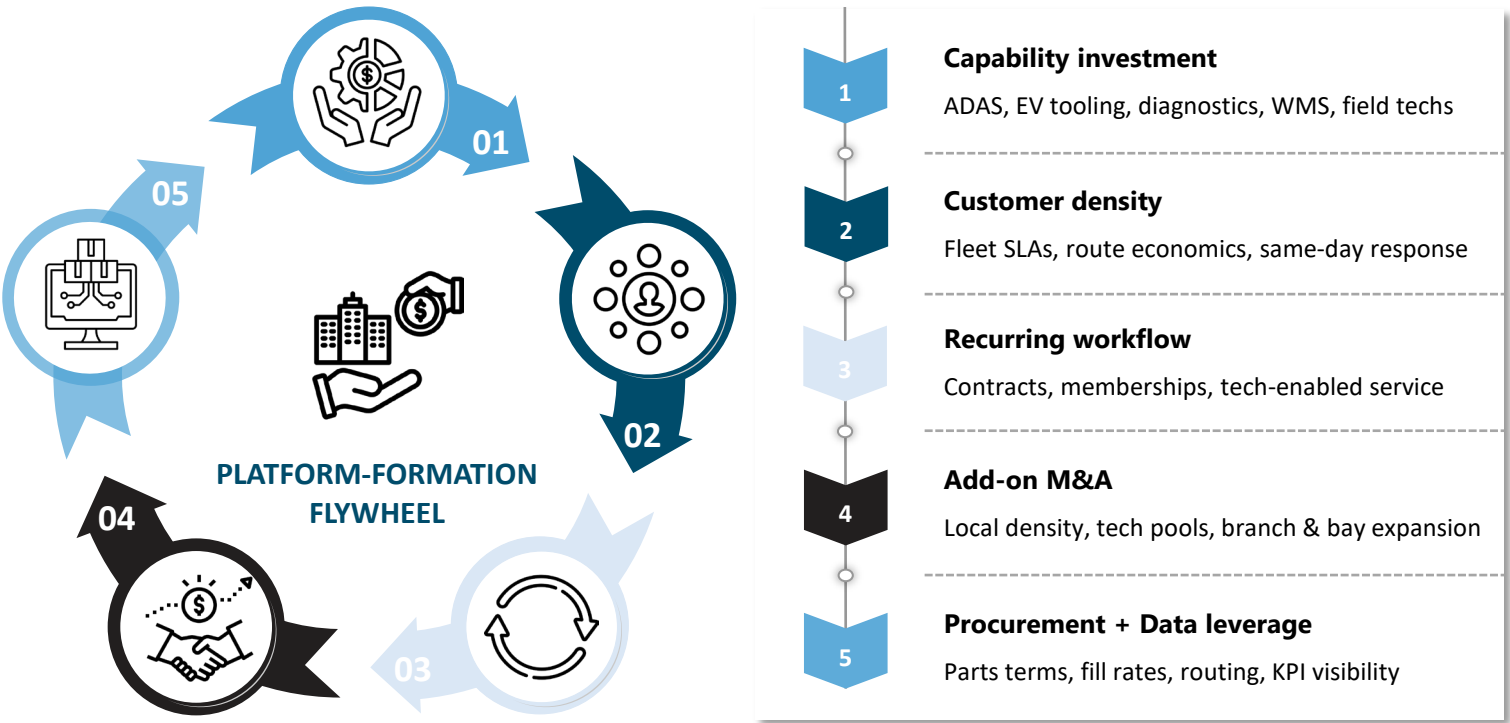
Scale and M&A Are Reinforcing Each Other

The platform formation window is open as succession, fragmentation, capability requirements, and recurring-revenue premiums converge.



Scale creates the capability base; M&A creates the density and recurring workflow needed to compound it

<15%	Combined share held by top 5 service chains; fragmentation runway remains wide	91.5%	Motor carriers run ≤10 trucks; regional fleet universe remains fragmented	6 in 10	Repair shops cite technician shortage as a high or moderate operating impact
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70%	Repair shops say one tech cannot service ADAS across 30+ brands	11%	Repair shops under 10 techs have formally trained ADAS staff	9-14x	EV/EBITDA paid for platform operators with recurring workflows
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WHY THE CYCLE IS ACCELERATING: Rising vehicle complexity, technician shortages, succession pressure, and higher capital requirements are widening the gap between scaled acquirers and independent operators.

The next cycle is won by capturing share, not chasing growth. Buyers will pay for platforms + that compound capability, density, and recurring revenue

Sources: Auto Care Association / MEMA; S&P Global Mobility; ATA; Berg Insight; KPMG Corporate Finance; Aftermarket Matters; Greenwich Capital Group; PitchBook; S&P Capital IQ.

Value Is Migrating to Operating Systems

Across the ecosystem, value is moving toward scale-enabled systems that coordinate labor, parts, diagnostics, data, and customer routing. The aftermarket is becoming a workflow-control business, not simply a repair or parts channel.



VALUE MIGRATION MAP: FROM LOCAL EXECUTION TO WORKFLOW CONTROL

FROM	TO	WHY IT MATTERS
Local execution	Scaled operating systems	Multi-site platforms standardize KPIs, labor planning, pricing, procurement, and customer acquisition
In-house fleet bays	Outsourced & mobile service	Fleets increasingly buy uptime, network density, SLA performance, and responsive mobile support
Parts ownership	Inventory intelligence	WMS, fitment data, fill-rate discipline, and AI demand planning improve margin and service cycle time
Pay-per-service	Recurring contracts	Fleet SLAs, memberships, service plans, and software-enabled workflows improve revenue visibility
Manual diagnostics	Connected triage	Telematics and diagnostics data increasingly decide where work is routed and who controls the relationship

CROSS-CUTTING THEMES ACCELERATING THE MIGRATION



Aging Fleet as Structural Tailwind

Vehicle age, VIO growth, and repair intensity continue to expand the aftermarket demand pool



Fragmentation Drives Consolidation

Regional independents and WDs remain fragmented, creating a durable platform-formation runway



Control of Data & Workflow

Vehicle, diagnostics, inventory, routing, and customer data increasingly determine where margin accrues

Strategic buyers will pay more for repeatable control over workflow, throughput, and customer retention than for undifferentiated revenue growth

Three Markets Are Converging Around Workflow Control

The service event is becoming the point where labor, parts availability, fleet uptime, and data visibility converge.

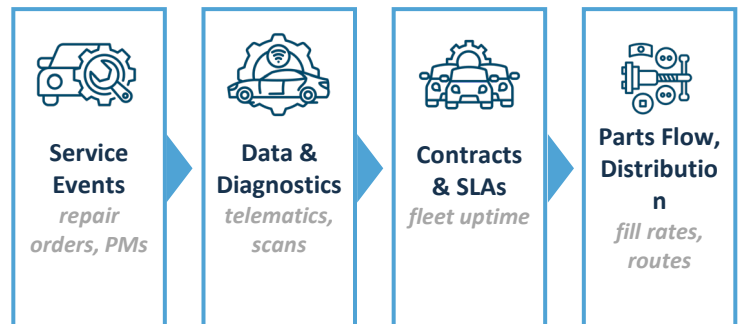
SEGMENT COMPARISON: DISTINCT ECONOMICS, SHARED WORKFLOW DEPENDENCIES

Market	What it is becoming	Current Constraint	Platform Advantage
Automotive Services	Capability- and labor-constrained service channel	Technician availability, diagnostics access, ADAS readiness, parts availability, bay throughput	Multi-site operators can standardize training, scheduling, procurement, pricing, documentation, and KPI visibility
Fleet Maintenance	Networked uptime, compliance, and service orchestration product	Downtime, parts delays, labor scarcity, vendor-network gaps, inconsistent preventive maintenance	Dense networks and mobile capacity reduce lost utilization, improve SLA performance, and create recurring relationships
Aftermarket Parts	Fulfillment, fitment-data, and procurement-scale market	SKU complexity, fitment accuracy, working capital, same-day delivery, fill-rate discipline	Scaled distributors control pricing, vendor terms, installer relationships, inventory intelligence, and route density

CHANNEL ECONOMICS SNAPSHOT

Segment	Margin/Growth	Key Sensitivity
PARTS	GM ~30-40%; ~3-5% CAGR	Working-capital / inventory
SERVICES	GM ~55-65%; ~5-7% CAGR	Labor / technician scarcity
FLEET MGMT	SaaS-style margins; ~9-12% CAGR	OEM data / integration

WHERE THE MARKETS NOW INTERSECT



The ecosystem is becoming more connected as repair orders, fleet uptime events, diagnostic signals, and parts availability increasingly determine who owns the relationship

The highest-value assets do not merely participate in the aftermarket; they control a recurring workflow, whether a repair order, fleet uptime event, or parts fulfillment relationship

Sources: [Auto Care Association](#); [MEMA](#); [KPMG Corporate Finance](#); [ATA](#); [Berg Insight](#).

Parts Distribution Is the Control Point

Pricing power is increasingly captured by distributors that combine procurement scale, fitment intelligence, inventory availability, and installer relationships.

The Parts Market Rewards Control of Complexity

Availability, fitment, fill rates, and installer access are the new value levers.

\$238.8B

Est. U.S. aftermarket parts and components size 2026

~75%

Parts dollars flowing through DIFM ("Do It For Me") installers

THE FOUR-LINK PARTS VALUE CHAIN

1

MANUFACTURING

OEM-tied + independent suppliers; SKU complexity and global sourcing

2

DISTRIBUTION

Warehouse distributors, program groups and major retailers control flow

3

RETAIL & E-COMM

DIY counter sales, online marketplaces and digital ordering

4

INSTALLATION / DIFM

Professional installers capture most value and influence demand

WHERE PRICING POWER LIVES



Fitment data

Reduces returns and installer friction



Fill rates

Right part, right time, right route



Installer access

Embedded repair workflow relationships

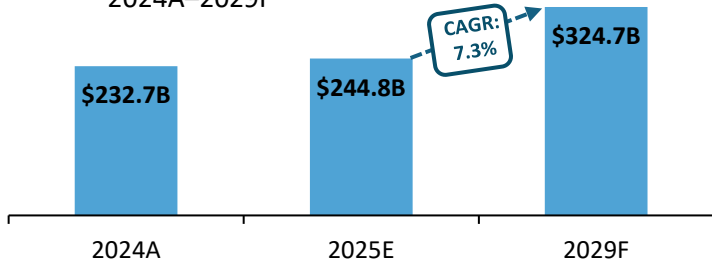
Auctionable parts assets control data, availability and delivery density, not just shelf inventory

Margin Is Migrating Toward Data-Enabled Fulfillment

Distribution growth, e-commerce transparency, just-in-case inventory and tariff pressure are funneling margin toward scaled platforms.

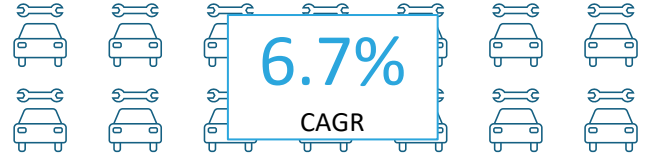
DISTRIBUTION POOL IS COMPOUNDING

Global aftermarket wholesale & distribution, 2024A–2029F



E-COMMERCE OUTPACES PHYSICAL

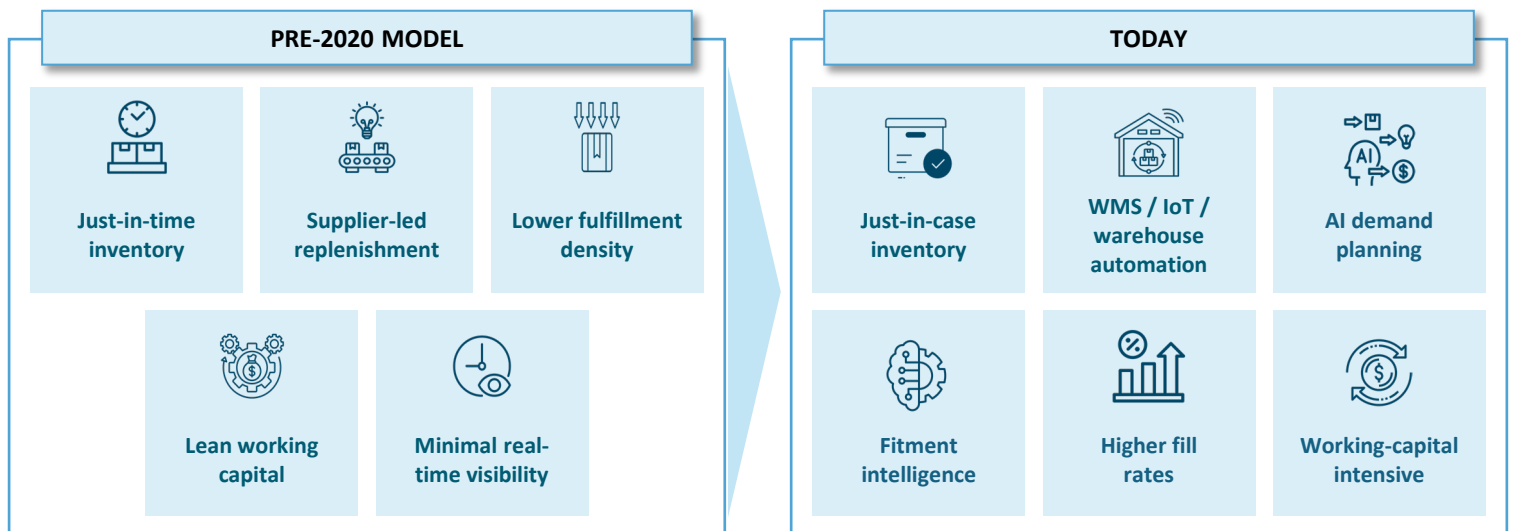
Projected annualized growth of e-commerce automotive parts sales including Amazon, eBay Motors and Walmart from 2020-2030



PRESSURE POINTS THAT FAVOR SCALED PLATFORMS

Pressure point	Impact on smaller operators	Scaled-platform advantage
Tariff / input-cost volatility	Higher landed costs and unpredictable margins	Purchasing power, sourcing flexibility and private-label optionality
Supply-chain disruption	Stockouts, lead times and lost installer relationships	Multi-node inventory, vendor diversification and route density
E-commerce disruption	Price transparency erodes weak digital ordering	Omnichannel ordering, fitment data and B2B portal integration
Labor & technology gaps	Manual warehouse processes and slow orders	WMS automation, scanning, KPI discipline and integration playbooks

MARGIN & INVENTORY DYNAMICS - WHAT FLIPPED, WHAT IT MEANS



Competitive advantage in parts has moved decisively from inventory scale to fulfillment intelligence. The auctionable assets are warehouse distributors with proprietary fitment data, AI-enabled demand planning, and 24-hour delivery density.

Sources: Auto Care Association; MEMA; KPMG Corporate Finance

Buyers Underwrite Fulfillment Intelligence

The most attractive parts platforms combine proprietary fitment data, delivery density, installer relationships, and working-capital discipline.

FOUR DISTRIBUTORS THAT MATTER



NAPA / GPC

Largest aftermarket distribution platform; commercial DIFM focus



AutoZone

Store density and commercial program scale



O'Reilly

Dual-channel DIY + DIFM; same-day network leader



Advance Auto Parts

Turnaround and DIFM strategy still in progress

WHERE BUYERS UNDERWRITE VALUE



Fitment data

Lower returns and error rates



Fill rates

Right part, right time



Route density

Same-day economics



Installer access

Embedded repair workflow



WMS / AI planning

Inventory turns and availability



Working capital discipline

Margin and cash conversion

M&A READ-THROUGH

Auctionable assets

Warehouse distributors or scaled platforms with installer demand pull, fitment data, and rapid-delivery footprints

Diligence focus

Gross margin bridge, fill-rate KPIs, inventory aging, vendor terms, private label exposure, delivery density, and systems integration

Platform playbook

Centralize procurement, improve WMS / analytics, expand DIFM relationships, and use tuck-ins to densify routes

The winners are warehouse distributors with proprietary fitment data, 24-hour delivery footprints, disciplined working capital and embedded installer relationships, the platforms commanding premium outcomes

Service Share Is Moving, But Capacity Is Scarce

Post-warranty work supports independents and chains, but the scarce asset is trained, tooled, well-routed capacity.

The Bottleneck Is No Longer Demand

It is trained capacity, diagnostic readiness, parts reliability, and repeatable throughput

\$211.1B

Est. U.S. automotive service market size 2026

55%

Spend captured by independent garages

276M+

Dealer repair orders written in 2025

CHANNEL ROLE MAP

Channel	Role today	Strategic implication
Independent repair (~55%)	Broadest reach for older and out-of-warranty vehicles	Large fragmentation pool, but capability gaps are widening
Dealer fixed ops (~30%)	Warranty, recall, OEM diagnostics and EV / software work	Still powerful despite customer-pay migration
Chains / franchises (~10%)	Convenience, repeat maintenance and brand-led throughput	Scale can take share through systems and utilization
Mobile / specialty (~5%)	Depot service, ADAS, tires, light maintenance and calibration	Uptime and convenience can justify premium pricing


CAPACITY CONSTRAINTS THAT DECIDE WHO CAPTURES SHARE




Technician availability
Labor supply caps growth even when demand is durable



Diagnostic capability
ADAS, secured gateways and OEM procedures raise investment needs



Parts reliability
Fill rates and fitment accuracy determine cycle time



Bay throughput
Utilization, scheduling and workflow discipline separate scaled operators

Buyers are seeking service platforms that convert channel migration into measurable capacity, throughput, customer retention and repair quality

Sources: [Auto Care Association](#) / [MEMA](#); [NADA Data](#); [AAPEX](#); [Aftermarket Matters](#); [Mordor Intelligence](#).

Trained Capacity Is the New Bottleneck

Complexity and labor scarcity are shifting share toward operators that can train, equip, route, and retain technicians



WHAT IS CHANGING



Vehicle Complexity & ADAS

Software-defined vehicles, ADAS calibration, high-voltage EV work, secured gateways and OEM documentation all require more specialized labor, equipment and process control



Technician Scarcity & Wages

The trained workforce is not keeping pace with vehicle complexity. Scarcity creates margin pressure, but also gives scaled platforms a path to premium labor monetization

Heat Map

Service	Deal Activity	Growth (CAGR)	Fragmentation Runway
Tire & Auto Centers	HOT	COOL	HOT
Collision Repair / MSO	HOT	COOL	HOT
Quick Lube / Oil Change	COOL	WARM	WARM
Car Wash	HOT	WARM	HOT
Glass & ADAS Calibration	WARM	HOT	WARM
Mobile & On-Demand Services	COOL	HOT	HOT
Independent General Repair	HOT	WARM	HOT
EV-Specific Service	COOL	HOT	WARM
Specialty / Performance	COOL	WARM	HOT

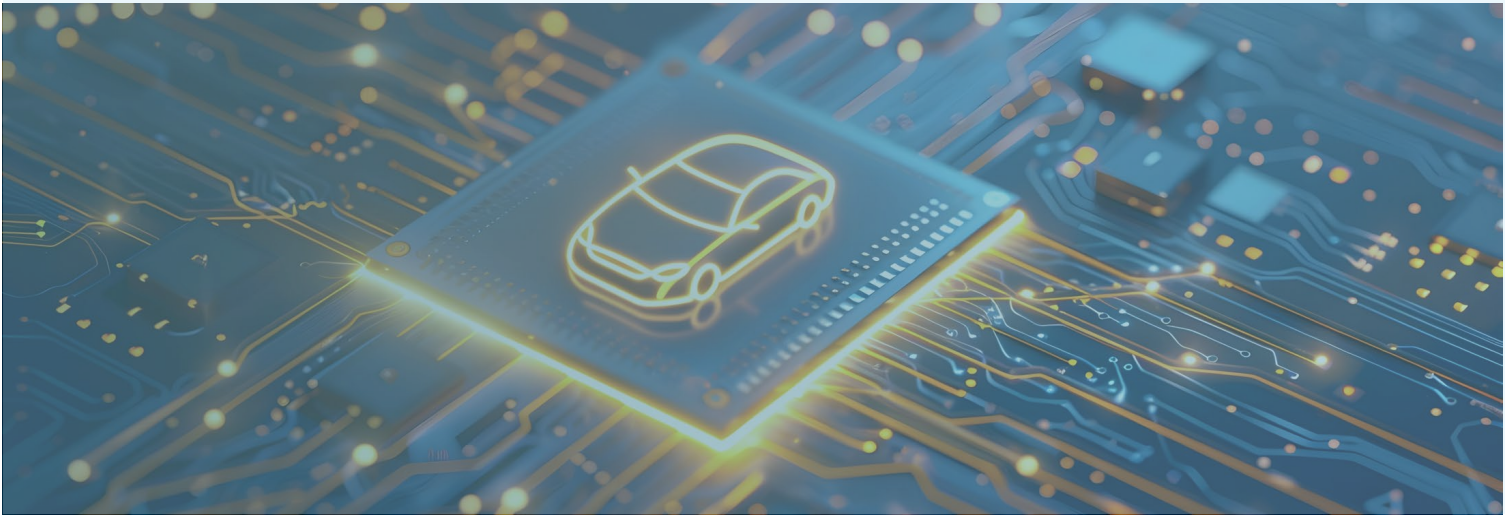
Bay economics are where sponsors are buying throughput: labor availability, diagnostics, parts readiness and scheduling discipline determine margin capture

Capacity is becoming a platform variable: operators that can recruit, train, route and monetize technician labor are positioned to capture share

Sources: [Aftermarket Matters](#), [AAPEX](#), [BAIRD](#), [MOTOR](#).

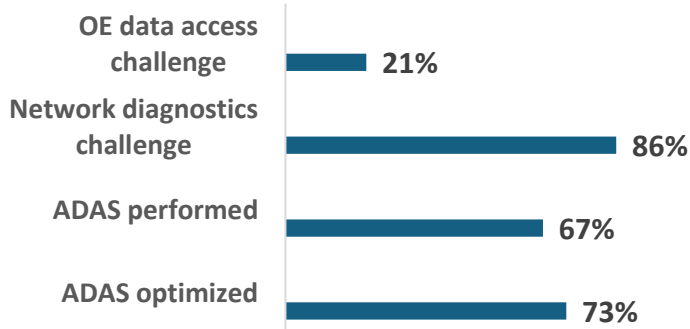
Repair Complexity Creates the Capability Premium

ADAS, secured gateways, encrypted systems, hybrid / EV components and insurer documentation are raising the cost of being competent.



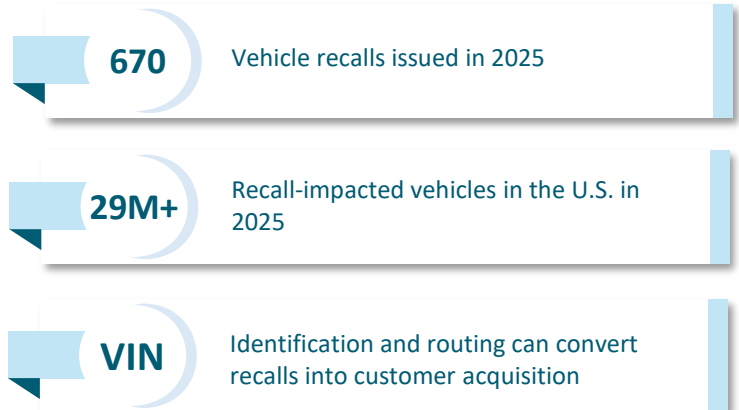
DIAGNOSTIC AND ADAS COMPLEXITY METRICS

The adoption / optimization gap is widening
Percent of surveyed technicians / shops citing or reporting each item



RECALL PULL-THROUGH

Recall activity is also a service-routing event



WHY BUYERS PAY MORE

Technician Productivity

Complex vehicles require trained labor, repeatable processes and escalation paths that small operators may struggle to fund

Process Control

ADAS calibration, scan documentation, insurer-ready proof of repair and technical capability into monetizable workflow

Calibration Capture

Acquirers value calibration capture, documentation discipline, equipment readiness and repeatable repair quality

OWNER READ-THROUGH: Recall and diagnostic workflows can become customer-acquisition events when operators capture VINs, document repairs and retain recurring service relationships

Complexity creates a capability premium. Buyers will favor assets that prove technician productivity, scan / calibration capture, documentation discipline and repeatable repair quality

Sources: Auto Care Association / MEMA; NADA Data; AAPEX; Aftermarket Matters; NHTSA.

Fleet Maintenance Is Becoming an Uptime Product

Fleets increasingly buy uptime, compliance, predictable cost, and network reliability, not maintenance alone

Maintenance Is No Longer Just a Repair Invoice

The platform opportunity is service orchestration

\$11.3B

U.S. fleet management market, 2025E

14.9M

Trucks registered in 2023

329.9B

Truck miles traveled in 2023

41.0%

Outsourced service-provider share of fleet maintenance & services market size

91.5%

Active motor carriers with ≤10 trucks

WHY UPTIME CHANGES THE THESIS

Fragmented customer base

Small carriers and regional fleets create a broad outsourcing runway

Complex operating burden

Compliance, PM schedules, parts availability, and labor coverage are harder to manage internally

Platform opportunity

Dense networks, mobile repair, parts access, telematics triage, and vendor coordination convert capacity into recurring relationships

OPERATOR MIX CREATES MULTIPLE ENTRY POINTS



Logistics & freight

highest-growth; LCV demand



Private fleets

largest owner base; multi-year contracts



Leasing & rental

specialized TCO accountability



Government / municipal

in-house today; procurement rising

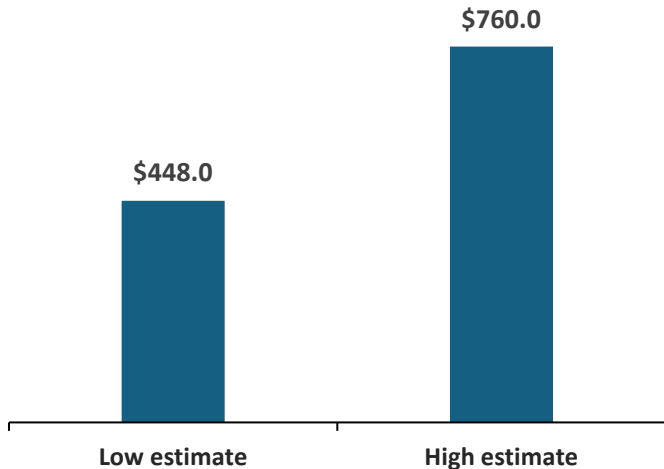
The fleet opportunity is not just repairing volume; it is the outsourced service network that keeps assets productive and customers embedded

Downtime Converts Maintenance into ROI

When trucks sit idle, cost extends beyond the repair invoice to revenue loss, missed SLAs, driver disruption, compliance risk, and back-office rework

DAILY DOWNTIME COST CREATES A CLEAR ROI THRESHOLD

(in \$/vehicle/day)



8.7

Unplanned downtime days per vehicle annually

3.5

Lost working days from a 1% utilization decline

WHAT PLATFORMS CAN DO DIFFERENTLY

Downtime cause	Operating impact	Platform response
Parts delays	Vehicles sit idle while components are located, shipped, substituted, or backordered	Pre-positioning, fitment accuracy, supplier leverage, route density, and fill-rate discipline
Labor shortages	Diagnosis and repair completion slow even when demand is present	Dense service network, technician scheduling, mobile capacity, and escalation protocols
Poor PM compliance	Preventable issues become emergency events with higher direct and indirect costs	Predictive scheduling, telematics triggers, PM adherence reporting, and fleet dashboards

WHY THIS CREATES ROI

At \$448–\$760 per vehicle per day, even modest reductions in downtime can support premium service models when they improve asset utilization, SLA performance, and driver availability.

The M&A frontier in fleet maintenance is the platform that can combine physical service density with data-enabled workflow control

Sources: [ATA Economics & Industry Data](#); [Automotive Fleet](#); [Berg Insight](#); [Penske](#).

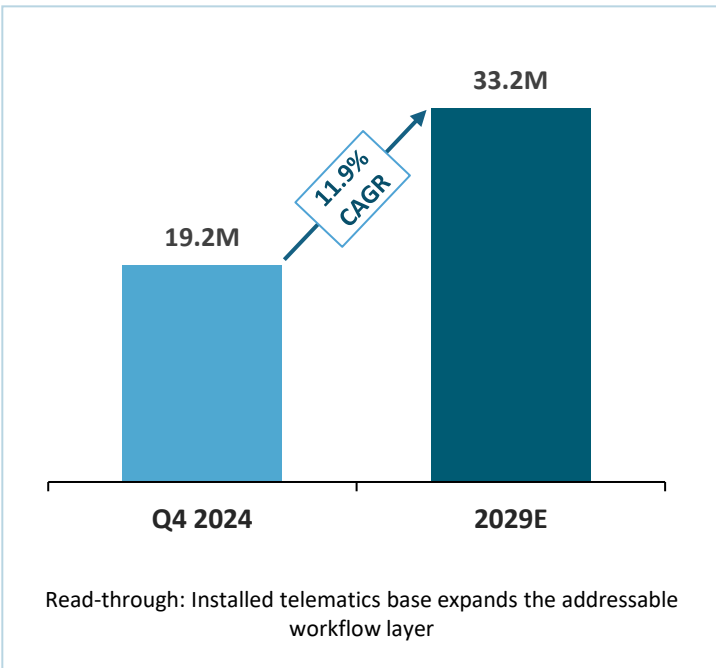
Telematics Pulls Maintenance Into the Workflow Layer

Connected fleets turn maintenance from a reactive repair event into a data-enabled workflow spanning diagnostics, scheduling, routing, parts readiness, and retention.



The front door to maintenance is becoming the diagnostic signal

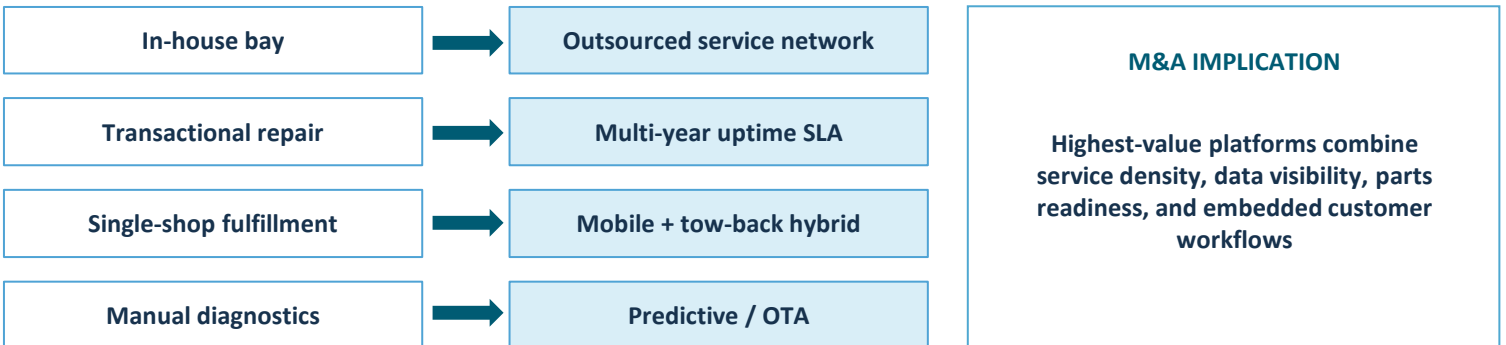
NORTH AMERICAN FLEET MANAGEMENT SYSTEMS



HOW TELEMATICS CHANGES MAINTENANCE

Remote diagnostics	Fault codes and usage data identify issues before repair orders are opened
PM scheduling	Utilization, mileage, hours, and condition data drive more precise servicing
Vendor routing	Data informs where work should be routed based on location, capacity, and SLA need
Parts readiness	Diagnostic signals help pre-position parts before assets arrive for service
Retention	Embedded workflows strengthen recurring relationships and improve earnings quality

WHERE THE FLEET PLATFORM LAYER IS FORMING



Telematics increases the value of platforms that can connect asset data, parts availability, service routing, and uptime performance into one repeatable workflow

Sources: ATA Economics & Industry Data; Automotive Fleet; Berg Insight; Penske.

Four Dynamics That Determine Where Repair Activity Actually Lands

Dealer fixed-ops backbone, recall pull-through, mobile capacity, and warranty lifecycle decide who gets the work.

WHY THIS MATTERS

These dynamics, not the headline TAM, decide where service capacity, throughput, and channel share actually land



Warranty Dynamics

Dealer service is built on warranty work and high-complexity software / EV / ADAS. NADA: 16,990 franchised dealers wrote 276M+ ROs and \$164B+ service & parts in 2025.

But warranty has an expiration cliff. The 2015-2019 cohort is rolling off OEM warranty into the 6-14 yr aftermarket sweet spot, service channel +0.6pp from dealers in 2024; dealers - 1.4pp since 2017.



Recalls Are Customer Acquisition Channels, Not Just Volume Events

30M+ vehicles were recalled in 2025 across ~1,000 separate actions, each representing a contact event with a vehicle owner who can be routed to the service channel. Platforms with open-recall VIN identification capability and mobile delivery convert recall pull-through into programmatic recurring demand, not one-time throughput.

80%+ of recall work qualifies as light repair, making it ideal for mobile / off-site delivery and high-throughput service models, not just dealer bays.



Mobile Service

Mobile is the fastest-growing service channel - ~6%+ CAGR. Driveway oil change, mobile tire installs, on-site ADAS calibration, depot fleet repair.

Lower CapEx, no real-estate footprint, higher convenience premium. Element pegs daily downtime cost at \$448-\$760 per fleet vehicle and expects a 20% to 25% increase in downtime over current repair timelines - a hard ROI case for fleets buying mobile uptime instead of dealer wait time.



Dealer Fixed-ops

Fixed-ops is the profit center of the dealership (\$164B+ in service & parts off 276M+ repair orders in 2025), and absorption (service GP ÷ fixed costs) is the metric that defines store health.

The strategic battle is increasingly over who controls post-sale diagnostics, service routing, and customer lifetime monetization. Right-to-repair legislation is the counterweight. Whoever controls diagnostic data controls the service relationship and lifetime monetization of the vehicle.

IMPLICATIONS FOR BUYERS & OPERATORS

1 **Identify** - open-recall VINs and post-warranty cohorts by geography

2 **Serve** - with mobile + depot + scheduling capacity

3 **Process** - warranty + recall claims at platform scale to convert latent demand into recurring revenue



Sources: [NADA Data](#); [Auto Care Association](#) / [MEMA](#) / [S&P Global](#); [Automotive Fleet](#); [NHTSA \(recall data\)](#)

Representative Players Span Multiple Control Points

Scale clusters are emerging across parts distribution, service formats, fleet management, telematics, specialty repair, and collision / DRP networks

AFTERMARKET ECOSYSTEM MAP: PLAYER TYPES AND CONTROL POINTS

Parts Distribution & Retail

PARTS AND FULFILLMENT LAYER

Representative Players / Types

- NAPA / GPC, AutoZone, O'Reilly, Advance Auto Parts
- Warehouse distributors, program groups, e-commerce

What They Control

- Procurement, availability, fitment data, vendor terms
- Installer relationships, fill rates, route density

Automotive Services

REPAIR EXECUTION LAYER

Representative Players / Types

- Tire & auto centers, quick lube, general repair chains
- Collision MSOs, glass / ADAS specialists, mobile service

What They Control

- Bays and technicians, throughput, service quality
- Repeat maintenance, calibration capture, customer trust

Fleet Maintenance & Management

UPTIME AND WORKFLOW ORCHESTRATION LAYER

Representative Players / Types

- Fleet management companies, leasing / rental service networks
- Mobile repair providers, depot service, telematics platforms

What They Control

- Uptime, vendor routing, maintenance data, PM schedules
- Contracts, mobile coverage, SLA performance

Insurance / DRP Networks

COLLISION ROUTING AND REIMBURSEMENT LAYER

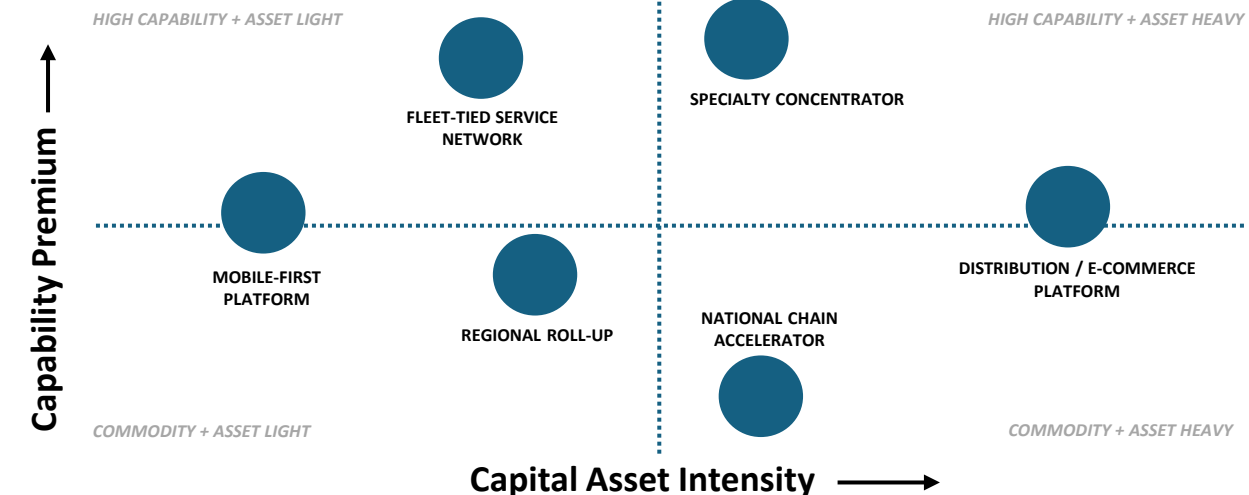
Representative Players / Types

- Carriers, DRP-oriented collision networks, claims platforms
- OEM-certified collision programs and documentation tools

What They Control

- Repair routing, reimbursement economics, documentation
- Cycle-time standards, claims workflow, compliance burden

PLATFORM ARCHETYPE MAP



Core Message

Platforms become more valuable when they control more than one node of the workflow: service capacity, parts availability, customer data, vendor routing, and recurring demand

Buyers are less interested in isolated category participation and more interested in assets that create defensible control over labor, parts flow, repair routing, uptime, and data-enabled customer relationships

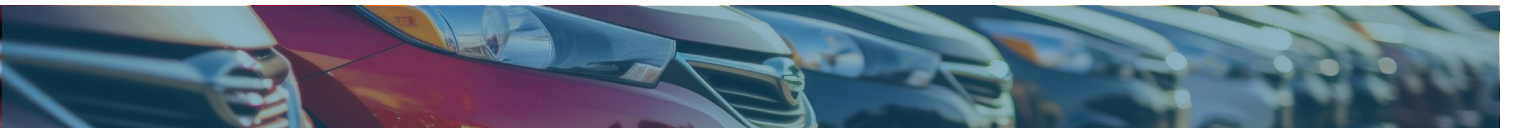
Aftermarket Ecosystem by Scale Tier

Fragmented landscape with identifiable scale clusters across parts, services, fleet, and multi-segment platforms

SEGMENT	NATIONAL / LARGE SCALE	REGIONAL / MID-MARKET	SPECIALTY / NICHE
PARTS	 		
	 		
	 		
SERVICES	 		 
	 		 
	 		
FLEET	 	 	
	 	 	
	 		
MULTI			
			
			

Multi = parts + services + fleet crossover platforms

Logos are representative, not exhaustive



Consolidation Remains Active

Strategic and financial buyers are using transactions to build density, capability, procurement leverage, and technology-enabled workflows

30+

North American automotive parts and services and fleet management transactions YTD April 2026

11.9x

Public aftermarket EV/EBITDA 1Q 2026

1.9x

Public aftermarket EV/Revenue 1Q 2026

WHAT BUYERS ARE USING M&A TO ACQUIRE

M&A Theme	Buyer Rationale
Regional density	Improves route efficiency, brand presence, fleet coverage, procurement leverage, and same-day service economics
Capability gaps	Adds ADAS, diagnostics, EV / hybrid readiness, documentation workflow, and technician training infrastructure
Recurring revenue	Expands fleet contracts, memberships, service plans, maintenance SLAs, and software-enabled workflows
Technology enablement	Enhances FMS, WMS, DMS / POS, fitment data, customer routing, KPI visibility, and integration readiness
Margin resilience & pricing power	Strengthens procurement leverage, pricing discipline, labor productivity, fill rates, and the ability to pass through inflationary or tariff-driven cost increases

MARKET READ-THROUGH

Consolidation drivers remain intact

Transaction activity remains supported by durable demand and fragmented value, while sponsor monetization cycles from 2020-2022 vintage investments may provide an additional tailwind for deal activity. Premium value remains concentrated in assets that can prove density, workflow ownership, capability depth, and integration discipline.



VALUATION INTERPRETATION

Stable public aftermarket valuation levels reinforce investor confidence in the sector's durability, but the spread between premium platforms and undifferentiated operators is likely to widen as buyers underwrite capability, data, and integration risk more explicitly

The market is not rewarding undifferentiated scale equally. Premium value accrues to platforms with regional density, data visibility, repeatable operating systems, and a clear capability moat

Sources: Greenwich Capital Group; Capstone Partners; KPMG Corporate Finance.

M&A Landscape: Deal Activity & Active Platforms

Deal activity across the aftermarket shows clear cyclical activity across segments, with fleet rebounding, services moderating from peak levels, and parts experiencing the sharpest decline. Despite short-term fluctuations, structural demand drivers, aging vehicles, logistics growth, and rising complexity continue to support long-term investment attractiveness across the ecosystem

Fleet Management

Fleet deal activity rose from 8 (2022) to 15 (2025), reflecting institutional recognition that telematics-enabled platforms carry SaaS-style retention and margin profiles. Active sponsors: Harvest Partners, GTCR, Kelso & Company, Vista Equity. Strategic consolidators include Ryder, Holman, and Element.



Automotive Services

Services remains the most active segment, declining from 231 deals (2022) to 151 (2025) but sustaining volume driven by fragmentation, succession, and PE roll-up strategies. Fragmentation is deep, succession is real, and bay-density platforms with recurring workflows continue to clear premium multiples. Most active platforms: Driven Brands (Odyssey/Roark), Mavis Tire (ACON/BRS), Mister Car Wash (Leonard Green).



Automotive Parts

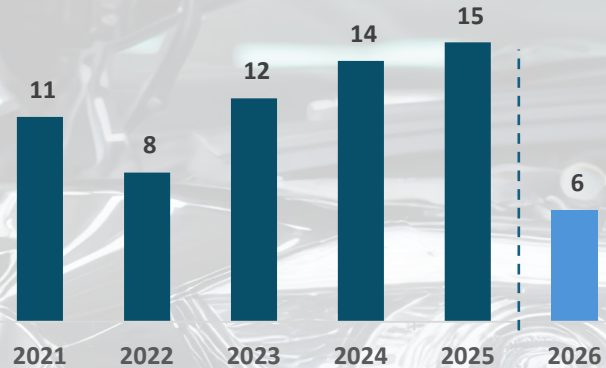
Parts deal activity declined from ~65 (2022) to ~20 (2025) as tariff uncertainty, supply chain disruption, and EV mix concerns created a more cautious market. Capital has bifurcated: margin pressure at the commodity end, premium multiples for distribution platforms with fitment intelligence and delivery density. Strategic M&A targets e-commerce capability and WMS/AI integration. Strategic benchmarks: AutoZone, O'Reilly, Advance. Consolidation model: LKQ, DSG.



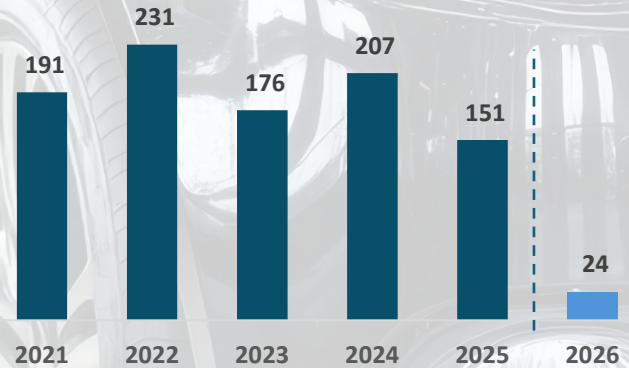
North American Transaction Activity

Transaction counts reflect reported deal activity; actual volume may be higher given limited disclosure in the middle market.

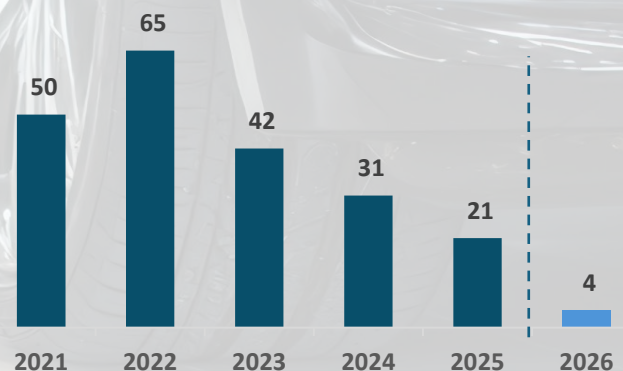
Fleet Management



Automotive Services



Automotive Parts



Note: 2026 reflects YTD April 2026.

Selected Deal Activity

Representative transactions highlighting consolidation themes across fleet, services, and parts segments

Fleet Management



Transaction Type: M&A
Transaction Announce Date: 03/25/2025
Transaction Value: N/D (combined entity valued at \$1.5B+)

- **Target Overview:** Premier maintenance authorization platform enabling fleets and repair shops to digitize repair-order approvals and outsourced maintenance
- **Rationale for Deal:** Creates an end-to-end fleet maintenance platform that reduces downtime, speeds repair authorization, and unlocks maintenance data insights



Transaction Type: M&A
Transaction Announce Date: 08/14/2024
Transaction Value: \$110M

- **Target Overview:** Fleet and mobility optimization platform supporting dispatching, routing, demand prediction, and rebalancing across 20+ countries
- **Rationale for Deal:** Accelerates Element's digital roadmap with advanced optimization software that improves fleet utilization, operational efficiency, and mobility offerings

Automotive Services



Transaction Type: M&A
Transaction Announce Date: 10/29/2025
Transaction Value: \$1.3B

- **Target Overview:** Leading U.S. Southeast collision repair platform with 258 locations and a strong operating track record in a fragmented repair market
- **Rationale for Deal:** Expands Boyd's North American footprint by 25%, deepens regional density, and supports cost synergies and long-term consolidation



Transaction Type: M&A
Transaction Announce Date: 02/20/2025
Transaction Value: \$625M

- **Target Overview:** Operator of nearly 200 quick-lube and preventive-maintenance stores across 17 states, primarily under the Oil Changers brand
- **Rationale for Deal:** Accelerates retail network growth, expands geographic reach in strategic markets, and adds scale to support sales growth, fleet sales expansion, and operating leverage

Automotive Parts



Transaction Type: M&A
Transaction Announce Date: 05/01/2024
Transaction Value: \$80.1M

- **Target Overview:** Distributor of automotive, industrial, and safety supplies to dealership and collision-repair customers, including shop supplies, tools, paints, chemicals, abrasives, and related consumables
- **Rationale for Deal:** Strengthens Lawson's Kent Automotive platform with expanded dealership and collision-repair product breadth, and VMI capabilities



Transaction Type: M&A
Transaction Announce Date: 02/28/2026
Transaction Value: N/D

- **Target Overview:** Pittsburgh-based distributor of automotive paint, body, and equipment supplies serving the collision repair industry
- **Rationale for Deal:** Expands National Oak's PBE distribution presence and deepens its collision-repair customer reach through a trusted regional supplier platform

Fragmentation Creates the Consolidation Runway

The ecosystem remains fragmented across services, fleet operators, and regional parts channels — while capability requirements continue to rise.

Fragmentation Is Most Actionable When Complexity Rises

FRAGMENTED DEMAND AND SUPPLY POOLS

<15%

Combined share held by top-five service chains

91.5%

Active U.S. motor carriers with ≤ 10 trucks

90.3%

Carriers with fewer than 100 trucks

WHAT PLATFORMS CONSOLIDATE

1

Labor & Training

technician access and capability development

2

Parts Flow

fill rates, fitment data and procurement

3

Regional Density

routing, fleet coverage and utilization

4

Workflow Data

diagnostics, telematics, KPIs and routing

5

Recurring Demand

fleet SLAs, service plans and repair cycles

CONSOLIDATION LOGIC

Fragmented local execution

Scaled operating systems

Premium buyer interest

Consolidation is most actionable where fragmented operators face rising capability requirements that scaled platforms can centralize faster than smaller operators can absorb

TAKEAWAY

For buyers, the thesis is platform formation around durable demand and scarce control points. For owners, the timing is attractive because strategic and financial acquirers are actively seeking operators that solve labor, parts, uptime, and data gaps

Bottom line: category participation matters less than owning the workflow that determines where the service event, parts order, or fleet uptime decision goes next

What Buyers Will Underwrite

Premium multiples will accrue to assets that can prove recurring demand, operating discipline, integration readiness, and control-point ownership.



PLATFORM QUALITY SCORECARD

<p>1</p> <p>Technician Capacity</p> <p>Recruiting, retention, training and utilization data</p>	<p>2</p> <p>Diagnostic Capability</p> <p>Scan / calibration capture, ADAS readiness and OEM procedures</p>	<p>3</p> <p>Parts Availability</p> <p>Fill rates, fitment accuracy, vendor terms and inventory controls</p>	<p>4</p> <p>Regional Density</p> <p>Routing, fleet coverage, branch density and customer access</p>	<p>5</p> <p>Workflow Data</p> <p>FMS / WMS / POS visibility, retention and recurring touchpoints</p>
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UNIVERSAL MUST-HAVES VS. RED FLAGS

<p>MUST-HAVES</p> <ul style="list-style-type: none"> ✓ QoE-grade financials with clean monthly data ✓ Normalized EBITDA and defensible add-backs ✓ Recurring / repeatable revenue mix and retention ✓ Working-capital, debt-free and cash-free clarity ✓ Documented density story with named targets 	<p>RED FLAGS THAT COMPRESS MULTIPLES</p> <ul style="list-style-type: none"> × Deferred CapEx or tooling gaps × OEM data / warranty dependency × Technician pipeline weakness × Integration risk or KPI blind spots × Unclear price / parts-cost pass-through
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Public Automotive Aftermarket Multiples

<p>15.1x</p> <p>Parts Distributors & Retailers Avg. EV / EBITDA 1Q 2026</p>	<p>13.7x</p> <p>Service Providers Avg. EV / EBITDA 1Q 2026</p>	<p>15.3x</p> <p>Tech-Enabled Platforms Avg. EV / EBITDA 1Q 2026</p>	<p>11.1x</p> <p>Collision & Repair Avg. EV / EBITDA 1Q 2026</p>
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Note: Public company multiples are provided as a valuation reference. Private middle-market transaction multiples will vary based on factors including business size, revenue quality, customer concentration, and integration readiness.

The best assets are not risk-free; they are risk-aware. Premium platforms can quantify, manage, and price exposures better than standalone operators.

The Next Cycle Rewards Workflow Control

Durable demand remains the backdrop, but the next cycle will be won by operators that control capacity, data, parts, and customer workflow.



SERVICE EVENT



FLEET UPTIME



PARTS FULFILLMENT

WHERE THE SECTOR GOES NEXT

SERVICES

Channel migration continues, but technician capacity and ADAS / EV capability determine share capture.

FLEET

Outsourcing accelerates as fleets seek uptime, SLA compliance and telematics-enabled workflows.

PARTS

DIFM share grows; distributors with fulfillment intelligence and route density gain advantage.

WARRANTY / RECALL / MOBILE

Recall-driven volume and mobile / fixed-ops growth create additional routing and retention opportunities.

FOUR THINGS THAT MATTER

1

Demand Is Durable

Aging vehicles, affordability constraints and required maintenance support recurring need

2

Complexity Is Rising

ADAS, EV, diagnostics, software and parts availability raise the operating burden

3

Control Points Are Scarce

Technician capacity, parts flow, data visibility and regional density separate winners

4

M&A Window Is Open

Fragmentation and succession create room for platforms to compound capability and density

BASE / BULL / BEAR READ-THROUGH

BASE

Market expands toward >\$500B by 2028; PE-led consolidation continues

BULL

Right-to-repair expands access; outsourcing and FMS adoption accelerate

BEAR

Tariffs, OEM data control or insurance pressure compress weaker operators

The next 24–36 months should favor capability-led platforms that can convert durable demand into workflow control, recurring revenue, and premium buyer interest.



OUR TAKE

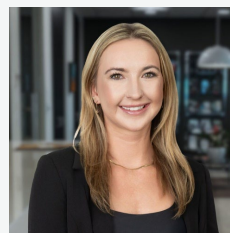
HOW WE CAN HELP

Navigating M&A in the automotive aftermarket and fleet sectors requires deep industry knowledge and strategic insight. Our team at Forbes Partners has extensive experience in this space, helping clients achieve their financial and strategic goals through well-executed transactions.

Whether you're looking to sell, acquire, or raise capital, we can guide you through the process and help you achieve optimal results.

Regardless of the approach you take, it's important to plan well in advance of when you plan to exit so your business is as healthy as possible and best positioned to obtain the best terms.

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Caitlin advises on mergers and acquisitions, capital raises, company valuations, and strategic transactions, with extensive experience advising on transactions in the automotive and mobility sectors. Caitlin is known for working closely with founders, management teams, and investors, quickly developing a deep understanding of business strategy, financial performance, and growth opportunities to position companies for optimal outcomes.

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