

## **Advancing Our Insights into the Collision Repair Marketplace**

There are mixed opinions and a general lack of consensus within the United States collision repair and automotive aftermarket industries regarding the size and segmentation of multiple-location collision repair operators or MLOs. In an effort to begin to gain consensus around an accepted approach to the tracking and trending of this information, we have researched and analyzed collision repair organizations that process \$20 million or more in vehicle repair revenue annually.

While we realize there are many collision repair businesses of significant size processing under \$20 million throughout the United States at this time, we are beginning by identifying and tracking periodically the \$20 million and larger segment of the independent and dealership collision repairers. Over time these types of organizations have been classified and identified in a variety of ways. For the purpose of communicating and establishing a foundation for our research results, these repair organizations will be referred to as the \$20M multiple-location operators, or \$20M MLOs.

The baseline for this analysis is the generally-accepted estimate of 45,000 collision repairers processing approximately \$30 billion of insurance and customer-paid collision repair revenue annually. This includes what the National Automotive Dealers Association, NADA, represents as approximately 8,383 dealer repairers processing \$9.8 billion in collision repair revenue. The balance of \$20.2 billion in vehicle repair revenue is processed by approximately 37,000 independent repairers.

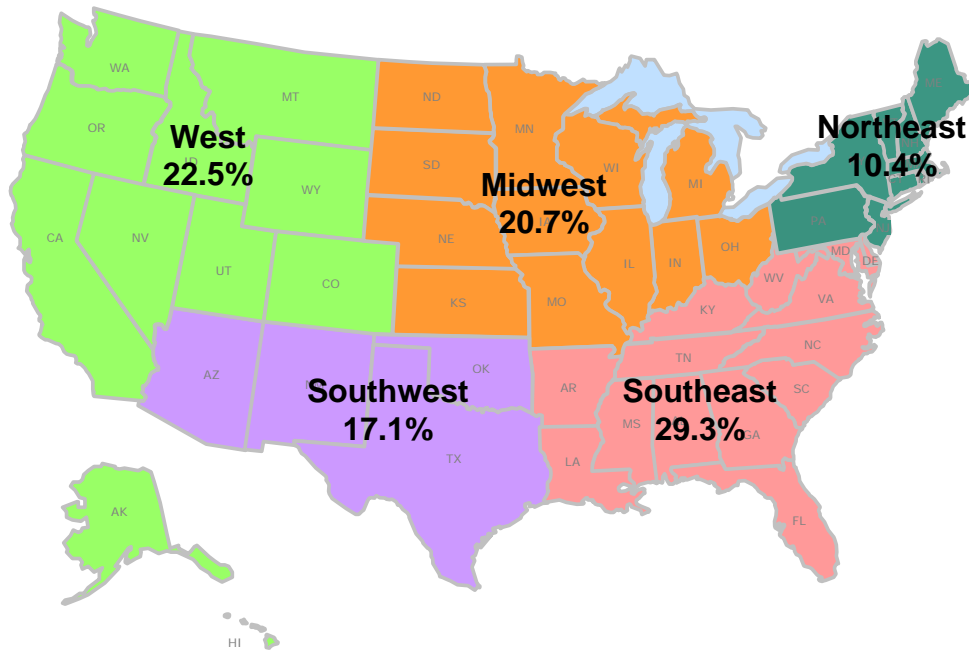
Our research results focus on multiple-location operators' repair revenue, number of locations, and markets served nationally and regionally for both dealership and independent collision repair \$20M MLOs.

Based on the minimum of \$20 million in repairs processed annually, there were 57 independent and dealership collision repair \$20M MLOs identified nationally processing \$2.73 billion of collision repair revenue through 959 locations. These \$20M MLOs represent 2.1% of the estimated 45,000 collision repair facilities nationally, and they process 9.1% of the \$30 billion in insurance and customer-pay collision repair revenue.

The following is a current snapshot of this changing environment.

<b>U.S. Collision Repair Market</b>	
Dollars in Millions	
Total Collision Repair Revenue	\$30,000
Total Collision Repair Locations	45,000
Total Number of \$20M MLOs	57
Total Number of \$20M MLO Locations	959
Total \$20M MLO Revenue	\$2,728
\$20M MLO Share of Total Collision Repair Revenue	9.1%
\$20M MLO Share of Total Collision Repair Locations	2.1%

The regional representation of \$20M MLOs is highest in the Southeast at 29.3% with the lowest representation in the Northeast at 10.4%. The Northeast market continues to be dominated by smaller, independent repair organizations. As the competitive landscape continues to evolve and the larger organizations expand, the Northeast market area \$20M MLO trend, should it increase, will represent a strategic shift by those repairers.



The \$20M MLOs clearly have an advantage in terms of revenue generation. Smaller MLO and non-MLO repairers average \$619,241 in repairs processed per location while \$20M MLOs average \$2.8 million per location, over four times more.

<b>U.S. Collision Repairer Market</b>			
<b>Dollars in Millions</b>			
	<b>Total</b>	<b>Independent</b>	<b>Dealer</b>
All Collision Repair Revenue	\$30,000	\$20,200	\$9,800
All Collision Repair Locations	45,000	36,617	8,383
Average Revenue per Location	\$0.67	\$0.55	\$1.17
Number of \$20M MLOs	57	31	26
\$20M MLO Revenue	\$2,728	\$1,475	\$1,253
Number of \$20M MLO Locations	959	559	400
Average \$20M MLO Revenue per Location	\$2.8	\$2.6	\$3.1
\$20M MLO Share of All Collision Repair Revenue	9.1%	7.3%	12.8%
\$20M MLO Share of All Collision Repair Locations	2.1%	1.5%	4.8%

Smaller and non-MLO repairers, those with total collision repair revenue below \$20 million annually, vary widely in claims processed per location. Independent \$20M MLO average repair revenue per location significantly surpasses that of their smaller and non-MLO counterparts at \$2.6 million versus \$519,000, over five times more average revenue per location. \$20M MLO dealer repairer performance also exceeds their smaller and non-MLO counterparts at a repairs-processed average of \$3.1 million per location versus \$1.1 million average per location for smaller and non-MLO dealer repairers, or nearly three times more.

The top ten collision repair \$20M MLOs are represented by four independent and six dealer groups. These ten organizations account for 50.4% of all \$20M MLO locations and 47.4% of all \$20M MLO revenue. Geographically, they are most highly represented in the Southeast at 33.3% and are least represented in the Northeast at 7.8%.

<b>Top 10 \$20M Multiple-Location Operators</b>		
<b>Dollars in Millions</b>		
<b>Rank</b>	<b>\$20M MLO</b>	<b>Type</b>
1	Caliber Collision Centers	Independent
2	ABRA	Independent
3	AutoNation	Dealer
4	Sterling Auto Body	Independent/Insurance
5	Van Tuyl / AIG	Dealer
6	Sonic	Dealer
7	Group 1	Dealer
8	Boyd Group (Gerber)	Independent
9	United Auto Group	Dealer
10	Asbury	Dealer
<b>Number of Locations</b>		
Top 10 \$20M MLOs		483
% of All Collision Repair Locations		1.1%
% All \$20M MLO Locations		50.4%
<b>Revenue</b>		
Top 10 \$20M MLOs		\$1,292
% of All Collision Repair Revenue		4.3%
% All \$20M MLO Revenue		47.4%
<b>Average Revenue per Location</b>		
Top 10 \$20M MLOs		\$ 2.7
All Collision Repair Average		\$ 0.7
All \$20M MLO Average		\$ 2.8

**NOTE:** Certain dealership collision repair organizations do not include parts revenue as a part of total revenue.

Comparing the top ten \$20M MLOs from the independent and dealer groups, the independents have almost 37% more locations producing 8.9% more revenue than dealer repair organizations. However, the dealer repairers manage \$3.0 million in average revenue per location versus \$2.4 million per location for independent organizations.

**Top 10 \$20M Multiple-Location Operators by Type**  
Dollars in Millions

Rank	Independent	Dealer
1	Caliber Collision Centers	AutoNation
2	ABRA	Van Tuyl / AIG
3	Sterling Auto Body	Sonic
4	Boyd Group (Gerber)	Group 1
5	Service King	United Auto Group
6	True2Form	Asbury
7	Cars	Carl Sewell Group
8	Collision Revision	Bill Heard
9	Cook's Collision	Lithia
10	Kadel's	Darcars
<b>Number of Locations</b>		
Top 10 \$20M MLOs	388	284
% of All Collision Repairers	0.9%	0.6%
% of All Independent/Dealer	1.1%	3.4%
% All \$20M MLOs	40.5%	29.6%
<b>Revenue</b>		
Top 10 \$20M MLOs	\$927	\$851
% of All Collision Repairers	3.1%	2.8%
% of All Independent/Dealer	6.3%	6.8%
% All \$20M MLOs	34.0%	31.2%
<b>Average Revenue per Location</b>		
Top 10 \$20M MLOs	\$ 2.4	\$ 3.0
All Collision Repair	\$ 0.7	\$ 0.7
All Independent/Dealer	\$ 0.5	\$ 1.2
All \$20M MLOs	\$ 2.6	\$ 3.1

**NOTE:** Certain dealership collision repair organizations do not include parts revenue as a part of total revenue.

This information will be updated periodically, tracking and trending any changes to repairer organizations and to the collision repair revenue they are processing.

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