

**For Immediate Release****November 24, 2016****A 2015 Profile of the Evolving North American Collision Repair Marketplace**

Our 10<sup>th</sup> anniversary annual research report, *A 2015 Profile of the Evolving North American Collision Repair Marketplace*, is now available. Following is an executive overview highlighting our data and findings from the report.

It has been quite a ride to watch what has transpired during the past decade, not only within the collision repair industry, but throughout the entire auto physical damage ecosystem. The consolidation, convergence, and the structural changes we are witnessing within businesses, industry segments and markets, as we know them today, are now significant market factors to consider as part of our future planning. The high velocity and breadth and depth of change, coupled with the seemingly relentless introduction of innovative and disruptive products, services and business models, has required us to maintain an intense vigilance, to stay constantly informed, and to learn and understand as we consider, adopt, avoid, or leverage these transformative or disintermediating forces in order to remain relevant and competitive.

**U.S. Collision Repair Industry**

As the basis for our research, we track and analyze four U.S. segments:

- Four top independent consolidators
- ≥\$20 million multiple-location independent and dealer operators, MLOs
- Franchise and banner groups
- And since 2012, the \$10-\$19 million MLOs

Since 2006, the total revenue within these four segments has grown from \$3.8 billion to \$10.2 billion in market share, an 11.6 percent compounded annual growth rate.

The top ten ranking of all ≥\$20M segment repairers including independents, dealers and franchisors can be seen in the following chart. Under the All Repairers column, we see there are four independent consolidators, three independent franchise organizations and three dealer groups. Within this category, the four independent consolidators represent a significant 70 percent of the revenue processed in 2015.

# THE ROMANS GROUP LLC

Business, Market, Strategy Development

The four consolidators by themselves represent 11.3 percent of the total industry size for 2015. We estimate that by 2020, they could almost double their market share and represent just over 20 percent of industry market size. When combined, the four segments we track and analyze could represent almost 45 percent of the collision repair industry by 2020. The following chart reflects the ranking of the Top 10 multiple-location operators and networks for 2015.

U.S. Top 10 MLO/MLN Repairers - 2015		
All Repairers	Independents	Dealers
Caliber	Caliber	Auto Nation
Service King	Service King	Hendricks
ABRA Corporate & Franchise	ABRA Corporate & Franchise	Berkshire-VT
Boyd/Gerber	Boyd/Gerber	Penske
Maaco	Maaco	Group 1
CARSTAR	CARSTAR	Asbury
Auto Nation	Fix Auto	Sonic
Hendricks	Cook's Collision	Carl Sewell
Berkshire - VT	Classic Collision	Faulkner
Fix Auto	Joe Hudson	Sterling McCall

## Canadian Collision Repair Market

The Canadian market continues to consolidate with the franchise and banner segment now representing a significant 52.0 percent share of the CAD \$2.9 billion private insurance auto market. When including the ≥\$10 million MLOs in Canada, the combined larger segment has a significant 71.8 percent of all the private passenger insurer and consumer-paid market. Under the All Repairers column, we see four banner and franchise groups leading the Top 10 ranking followed by five independents and one dealer MLO.

# THE ROMANS GROUP LLC

Business, Market, Strategy Development

Canada Top-Ranked Repairers - 2015		
All Repairers	Franchisors & Banners	Independents & Dealers
Collision Solutions Network	Collision Solutions Network	Assured Automotive
CARSTAR	CARSTAR	Boyd
Fix Auto	Fix Auto	Craftsman
CarrXpert	CarrXpert	Auto Canada
Assured	Maaco	Kaizen
Boyd		Speedy
Craftsman		Kirmac
Auto Canada		Gabriel
Kaizen		Herbers
Speedy		Birchwood

Although the U.S. has seen an increase in consolidation within the multiple-location operator segments, Canada remains significantly more consolidated in the revenue generated by the combined franchise and banner and  $\geq$ \$10 million MLOs. In Canada, this combined segment group represents a 71.8 percent market share versus the combined 29.8 percent share for the same U.S. segments.

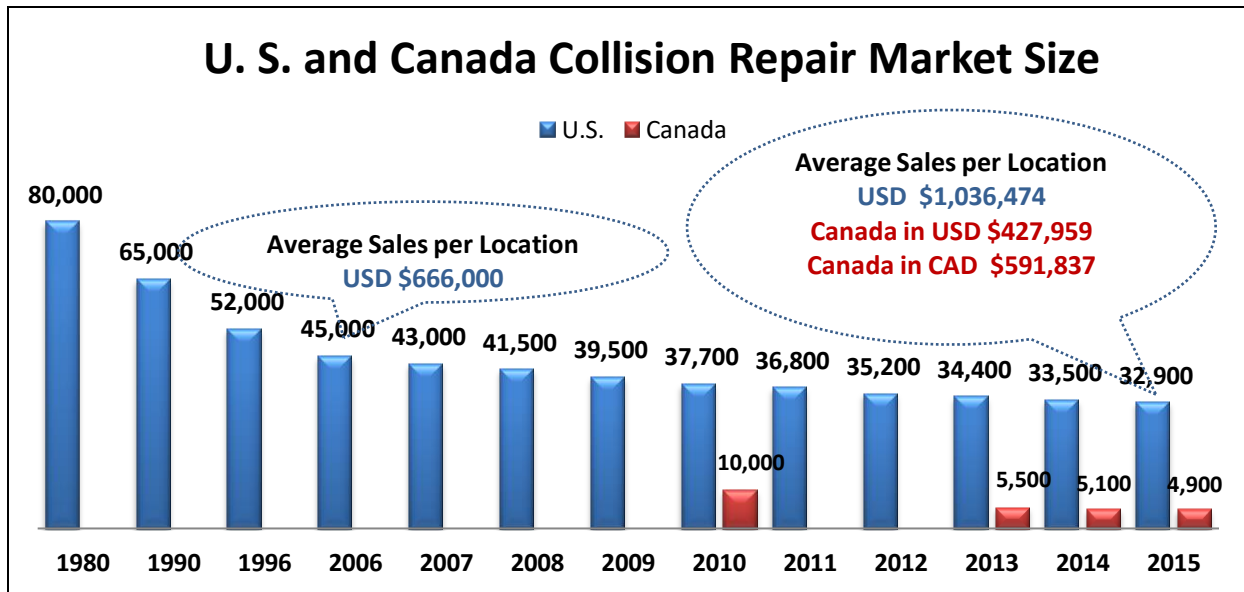
The combined 2015 revenue for the U.S and Canada  $\geq$ \$20 million MLO and franchise networks was \$11.8 billion versus \$10.8 billion in 2014. This represents 32.2 percent of total industry revenue for the U.S. and Canada. Within the U.S. market, the  $\geq$ \$20 million independent and dealer MLO segment is the largest while the franchise and banner network MLOs remain the dominate business model in Canada.

# THE ROMANS GROUP LLC

Business, Market, Strategy Development

U.S. & Canada – 2015 Top 10 Revenue Consolidated		
Repairers	Location	Type
Caliber Collision	US	Independent
Service King	US	Independent
Boyd/Gerber	US – CAN	Independent
ABRA	US	Independent & Franchise
CARSTAR	US – CAN	Franchise
Maaco	US – CAN	Franchise
Fix Network	US – CAN	Franchise
Collision Solutions Network	CAN	Banner
Auto Nation	US	Dealer
Hendricks	US	Dealer

Both countries saw a continued downtrend for the number of collision repair facilities, although this downturn has slowed in recent years. In 2006 there were approximately 45,000 U.S. collision repairers averaging \$666,000 in revenue annually versus about 32,900 locations in 2015 averaging \$1,036,474 in annual revenue. Canada's repair location population has seen a reduction of more than 50 percent since 2012, with 4,900 locations averaging about \$427,959 in 2015.



When comparing the market size and share for the property and casualty insurance and auto repair segments for the U.S. and Canada, we continue to see two very different and divergent markets. The U.S. collision repair market size is 15 times the size of the Canadian market. Canada’s Top 10 private insurers have a 78.7 percent premium market share, up from their 77.1 percent share in 2014, as compared to the U.S. insurers’ share of 71.1 percent. Both countries saw a continued downtrend in the number of collision repair facilities, although the decline has slowed somewhat since 2010.

Although the U.S. has seen an increase in its consolidation within the MLO segments, Canada remains significantly more consolidated in the revenue generated by MLOs at 71.8 percent share versus 29.8 percent for the U.S. market. This represents increases versus 2014 of 1.9 and 3.3 percent for the U.S. and Canada respectively. The combined ≥\$10M MLO, franchise and banner revenue of \$11.8 billion is now just under one-third of the combined total market revenue. The combined market size of \$36.4 billion is an increase of 3.9 percent versus 2014.

Our annual research report, *A 2015 Profile of the Evolving North American Collision Repair Marketplace*, is now available. The report is the result of our ongoing proprietary research, analysis and collaboration with specific market experts and leadership throughout various auto physical damage segments. It presents the complete results of our work for 2015 in over 40 charts and graphs in 47 pages and includes historical trends and a future view.

The report can be purchased by contacting The Romans Group LLC at 847.382.6208 or Mary Jane Kurowski at [maryjane@romans-group.com](mailto:maryjane@romans-group.com)