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## Checking on the MSO market

During consultant Vince Romans' annual presentation at the "MSO Symposium" on the state of consolidation within the industry (**CRASH 11/8/21**), he noted there are now 19 private equity firms or other investor groups backing 14 multi-shop operations. Those MSOs have combined annual revenues of about \$13 billion. That represents about 34% of the industry's total revenues of \$38.6 billion in 2021, according to Romans' data.

"That's not going to stop," Romans said. "I get calls from private equity firms every week, looking to know about this industry, looking to know where they should invest. And that will continue."

When the additional MSOs with \$10 million or more in annual revenues last year are added in, multi-shop operators accounted for about 43.6% market share, he said, meaning more than half (about 56%) of total industry revenues are still captured "by individual or smaller operators." But that is going to flip in the coming years, Romans predicted. As he does most years (**CRASH 11/8/21**), he shared his two 5-year forecasts, a "more likely" scenario in which MSOs control 55% of the total collision repair market revenue in 2026, and a "more aggressive" forecast ("based on dynamics that we don't have a lot of control over") showing MSOs capturing more than two-thirds (67.7%) of the market.

How is Romans' track record when forecasting the consolidation that will occur? Back in mid-2017, Romans predicted MSOs "most likely" would have 44.3% market share in 2021, within a percentage point of what he shows them having last year, though his more aggressive forecast in 2017 showed MSOs having just shy of 50% market share in 2021.