

Automotive Suppliers

INDUSTRY UPDATE
February 2025

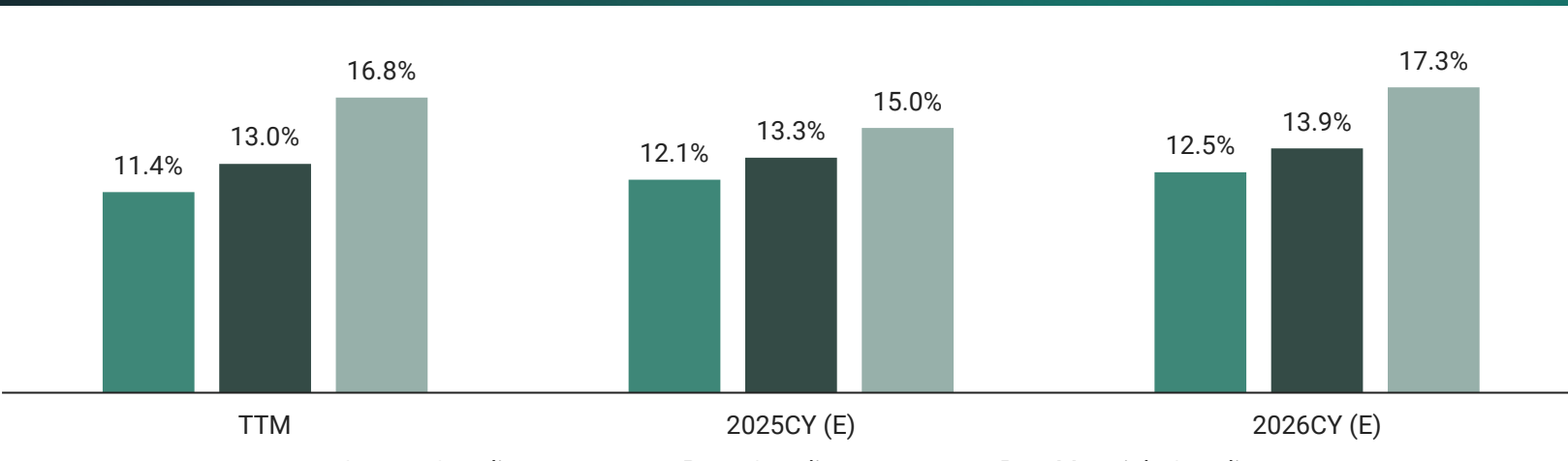
The automotive supplier industry in 2024 faced significant disruption from geopolitical risks, labor shortages, and regulatory shifts, but strategic adaptations have emerged to tackle these challenges. Suppliers navigated weakened demand and rising operational costs, driven by the global shift towards EV production and declining ICE profitability, with many OEMs adopting a "shift and pause" strategy to balance EV innovation and market readiness. Despite these pressures, suppliers pursued M&A activity, focusing on geographic expansion, new technologies, and process

automation, as seen in notable acquisitions like Aurelius Private Equity's integration of Dayco Propulsion Solutions into a unified platform. Amid these changes, the easing of supply chain constraints allowed suppliers to shift focus to demand dynamics, with strategic pricing adjustments and incentives becoming critical to attract inflation-conscious consumers and stabilize inventories. Looking ahead, suppliers are increasingly prioritizing flexible multi-energy platforms, cost-efficiency, and investments in cutting-edge technologies, positioning themselves for resilience and long-term growth in a transforming automotive landscape.

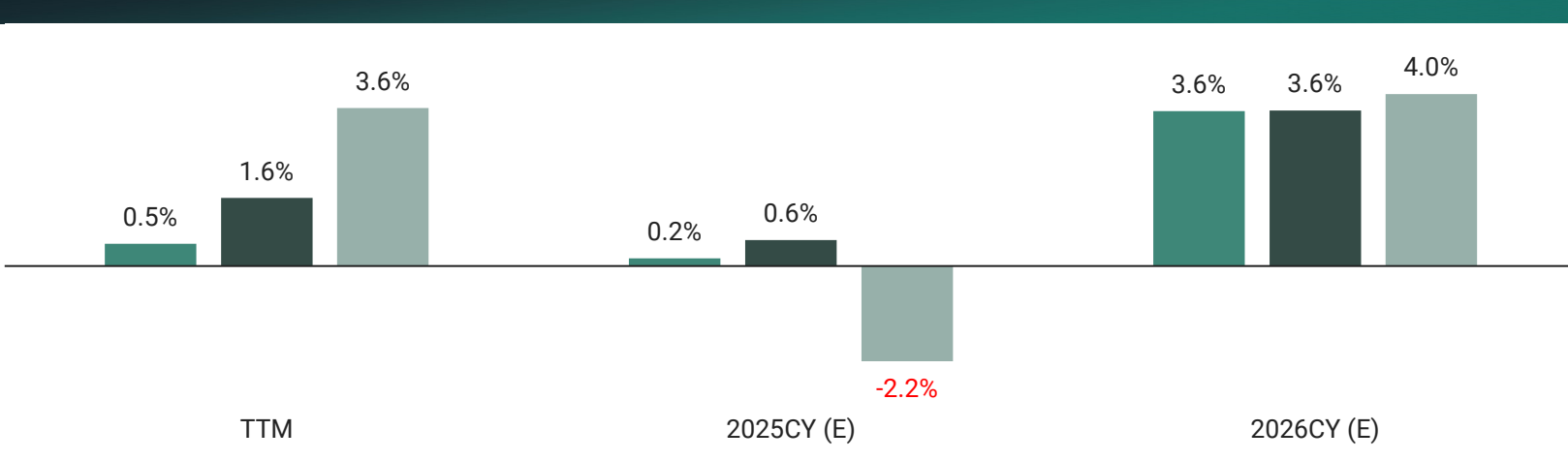
HEADLINE TRANSACTIONS

TARGET	ACQUIRER	ACQUISITION SYNOPSIS
		In December 2024, US based Gentex Corporation (NasdaqGS:GNTX) completed its acquisition of German based VOXX International Corporation (NasdaqGS:VOXX) , a business that manufactures and distributes automotive electronics, consumer electronics, and biometric products. The deal is estimated to be valued at \$200 million. With the acquisition of VOXX, Gentex will gain a stronger foothold in European markets.
		In September 2024, US based APC Parent LLC completed its acquisition of Toledo Molding & Die, Inc. (Division of Grammer AG) for \$40 million. The target manufactures highly-engineered molded thermoplastic components and assemblies such as interior cockpit modules, and air and fluid management products. The acquisition of Toledo Molding & Die enhances APC's product portfolio and operational capabilities in thermoplastic automotive components, strengthening its competitive position.
		In May 2024, US based Aurelius Private Equity completed its acquisition of Dayco Propulsion Solutions (a subsidiary of Dayco Group) through its mid-market buyout fund for an undisclosed amount. The target is a key provider of power transmission systems for commercial, off-highway, and lightweight vehicle manufacturers. The acquisition of Dayco Propulsion Solutions demonstrates Aurelius' strategic expansion in North America and unlocks potential growth opportunities in hybrid systems leadership.

EBITDA MARGINS

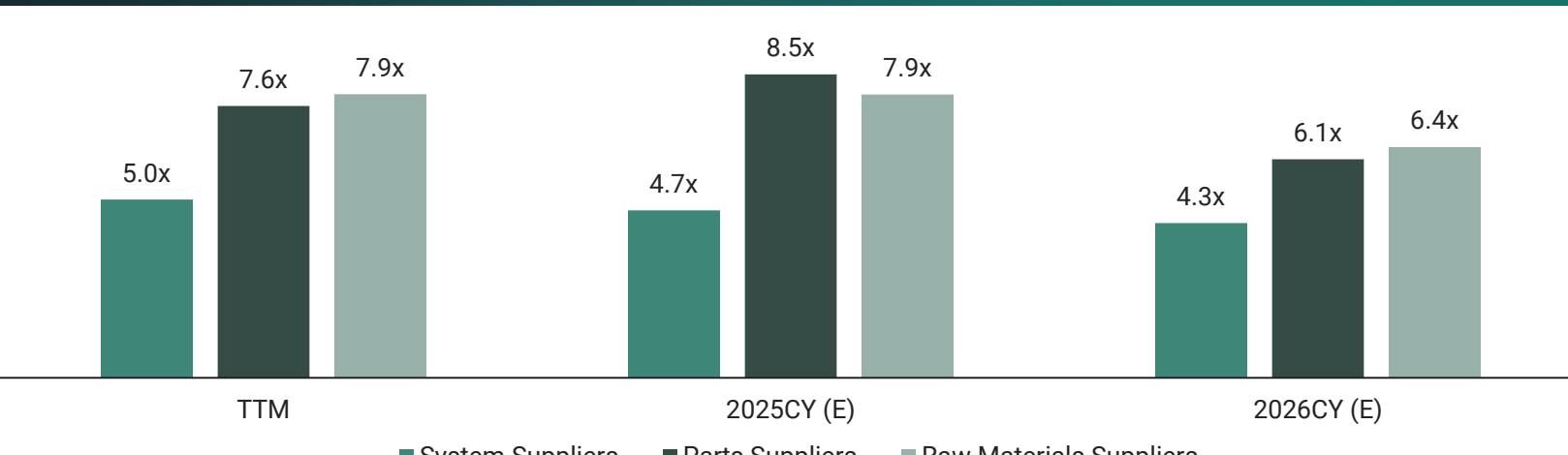


REVENUE GROWTH

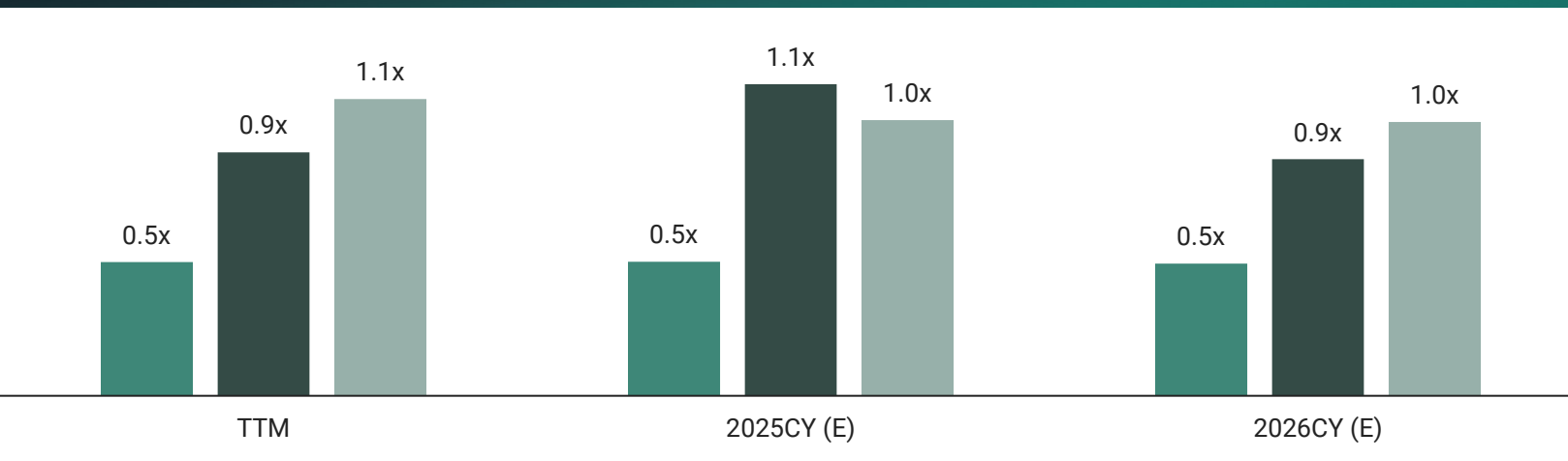


- **Supply Chain and Cost Pressures:** Global supply chain problems have eased, with both customer demand and chip lead times returning to more normal levels. While 2022-2023 saw significant gains, 2024 was marked by challenges in managing both sales volumes and pricing strategies.
- **OEM Supplier M&A Rises:** M&A among auto parts suppliers in North America and Europe increased in 2024, with 131 deals completed. This represents a 16% increase compared to the previous year.
- **Shifting Production Capacity Utilization:** While utilization has improved since the Covid slowdown, overall growth remains sluggish despite automakers adding capacity for EVs and multi-energy vehicles, which could force plant closures and industry consolidation as utilization rates fall.

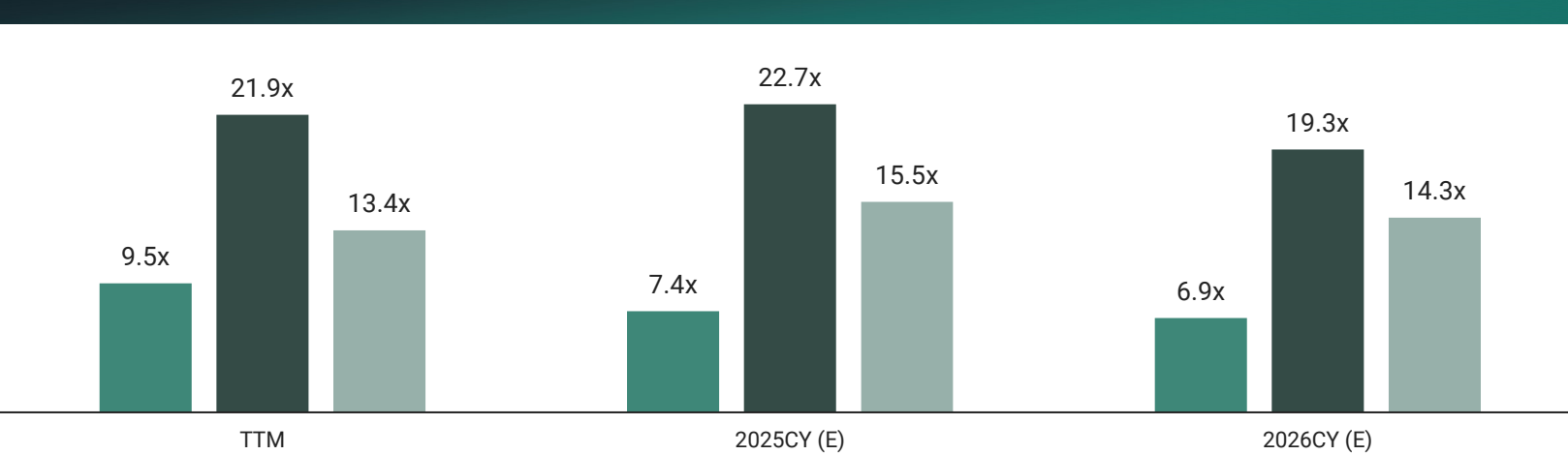
ENTERPRISE VALUE / EBITDA



ENTERPRISE VALUE / REVENUE



PRICE / EARNINGS



Note: Data from Pitchbook

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