



### 2018 Automotive Industry Guidelines

<b>Sales - Merchandising and Staffing Guidelines</b>	<b>Domestic Dealer</b>	<b>Import Dealer</b>	<b>Highline Dealer</b>
<b>New Vehicle</b>			
New Vehicle Supply in days	109	64.5	73.6
Units per salesperson ( New)	11	11.6	10.9
Gross Cars - before F&I	\$ 939	\$ 846	\$ 2,174
Gross Trucks - before F&I	\$ 1,338	\$ 1,303	\$ 2,440
Sales Ratio: new to every 1 used	1.15	1.65	1.26
Departmental G/P as a % of Total Dealership G/P	26.0%	27.5%	24.1%
<b>Gross Productivity</b>			
<b>New Vehicle</b>			
Gross profit as a % of sales	4.7%	4.5%	4.0%
Net profit as a % of sales	1.4%	0.1%	0.5%
<b>F&amp;I penetration Rate%</b>			
Finance contract (inc retail lease)	80.4%	77.3%	68.5%
Extended Service	46.1%	36.6%	27.9%
Finance & Insurance Gross per financed veh.	\$ 869	\$ 721	\$ 1,180
Ext. Service Gross per contract	\$ 901	\$ 820	\$ 1,015
All New Other Income per new vehicle sold	\$ 1,092	\$ 723	\$ 1,110
<b>Expense Control Structure Guidelines</b>			
<b>New Vehicle</b>			
Total expense as a % of vehicle G/P	89.3%	94.1%	95.2%
<b>Compensation as a % of veh GP</b>			
Salesperson	22.1%	25.2%	24.1%
Supervision	12.9%	14.1%	19.7%
F&I comp as % of F&I income	20.3%	17.7%	27.4%
Personnel Exp. as a % of G/P	41.1%	44.6%	43.7%
Gross Advertising Exp as a % of veh. G/P	29.2%	20.5%	22.9%
Gross Advertising Reimbursement as a % of veh. G/P	25.2%	‡	12.5%
Net Advertising per retail unit sold	\$ 389	\$ 340	\$ 463
Gross Floor plan int. as a % of G/P	26.5%	7.0%	11.2%
Gross Floor plan int. reimbursement as a % of veh. G/P	13.9%	‡	‡
Policy Exp as a % of veh. G/P	2.3%	1.2%	1.0%
<b>Performance Measures</b>			
<b>Key Indicator Ratios</b>			
Current Ratio	1.3	1.5	1.5
Debt to Equity Ratio	5.4	2.8	3.0

<b>Sales - Merchandising &amp; Staffing Guidelines</b>	<b>Domestic Dealer</b>	<b>Import Dealer</b>	<b>Highline Dealer</b>
<b>Used Vehicle</b>			
Used Vehicle supply (in days)	54	61	54.1
Units per salesperson ( N&U )	12	11	11.6
Gross Cars - Before F&I	\$ 1,486	\$ 2,129	\$ 2,005
Gross Trucks - before F&I	\$ 1,678	\$ 2,017	\$ 2,631
Departmental G/P as a % of Total Dealership G/P	18.7%	22.9%	14.5%
<b>Gross Productivity</b>			
<b>Used Vehicle</b>			
Gross profit as a % of sales	8.4%	10.0%	6.1%
Net profit as a % of sales	3.8%	3.2%	0.5%
<b>F&amp;I Penetration Rate %</b>			
Finance contracts (includes retail lease)	64.7%	67.3%	55.5%
Extended Service	47.5%	51.2%	29.3%
Finance & Insurance Gross per financed vehicle	\$ 887	\$ 858	\$ 903
Ext Service Gross per contract	\$ 843	\$ 1,053	\$ 1,147
All Used Other Income per used vehicle sold	\$ 1,059	\$ 713	‡
<b>Expense Control Structure Guidelines</b>			
<b>Used Vehicle</b>			
Total Expense as a % of Total G/P	86.8%	84.1%	97.2%
<b>Compensation as a % of veh GP</b>			
Salesperson	23.5%	21.0%	27.5%
Supervision	13.2%	11.6%	19.7%
F&I comp as % of F&I income	19.7%	19.7%	21.4%
Personel Exp as a % of G/P	35.8%	38.9%	45.6%
Gross Advertising as a % of Veh G/P	8.6%	10.6%	11.3%
Gross Advertising Reimbursement as a % of veh. G/P	‡	‡	‡
Net Advertising per retail unit sold	\$ 198	\$ 282	\$ 193
Gross Floor plan int as a % of Veh G/P	4.0%	2.3%	4.2%
Gross Floor plan int. reimbursement as a % of veh. G/P	‡	‡	‡
Policy Exp as a % of veh. G/P	2.3%	1.2%	1.6%
Reconditioning - Cars & Trucks	\$ 742	\$ 1,114	\$ 1,345
<b>Performance Measures</b>			
<b>Key Indicator Ratios</b>			
Return on Equity (ROE)	25.4%	34.2%	42.8%
Return on Assets (ROA)	6.7%	9.8%	10.4%

‡ - Too few data points to arrive at a meaningful average



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<b>Service Dept.</b>			
Flat Hrs/RO	1.3	1.3	1.8
RO's/Day/Svc Advisor - Cust Pay, Warr, Int.	11.5	15	12.2
Technicians per Service Advisor	3.6	3.5	3.2
Labor Gross per Tech	\$ 10,410	\$ 12,684	\$ 17,349
Labor Gross per Advisor	\$ 37,651	\$ 42,458	\$ 52,327
Departmental G/P as a % of Total Dealership G/P	23.3%	30.5%	35.6%
<b>Gross Productivity</b>			
<b>Service Dept.</b>			
G/P as a % of sales			
Customer Pay	71.8%	75.8%	76.8%
Warranty	73.4%	78.8%	80.4%
Internal	73.2%	73.2%	76.7%
Sublet Repairs	10.8%	11.2%	14.7%
Total Department	66.0%	70.2%	71.0%
Net Profit as a % of Sales	20.1%	16.9%	13.7%
<b>Expense Control Structure Guidelines</b>			
<b>Service Dept.</b>			
Total expense as a % of Total GP	77.2%	81.3%	83.3%
Personnel Exp as a % of G/P	41.0%	40.6%	36.3%
Adv & Training as a % of G/P	7.2%	5.0%	4.1%
Tools, Supp, Freight as a % of G/P	0.3%	-0.4%	-1.0%
Policy Exp as a % of G/P	3.8%	1.8%	2.0%

Fixed Expenses - Percent of Total Gross			
Rent Factor			
Percent of Total Gross	7.6%	8.5%	11.5%
Absorption %	76.1%	74.9%	79.8%
Net Earnings			
% of Total Sales	2.5%	2.7%	3.5%
% of Total Gross	25.7%	22.2%	30.9%
Personnel Expense as a % of Gross profit	47.3%	43.0%	44.3%
Office Compensation as a % of Total Gross	4.1%	4.4%	3.5%

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
<b>Parts Dept.</b>			
<b>Parts \$ sold per \$1 Labor sold</b>			
Cust. Repair	\$ 0.87	\$ 0.74	\$ 0.69
Warranty	\$ 1.19	\$ 1.34	\$ 1.43
Internal	\$ 0.97	\$ 0.67	\$ 0.70
Dept Gross per Employee	\$ 21,533	\$ 21,038	\$ 23,796
Departmental G/P as a % of Total Dealership G/P	17.7%	15.9%	24.4%
<b>Gross Productivity</b>			
<b>Parts Dept.</b>			
G/P as a % of Sales			
Customer Pay	38.2%	39.7%	39.3%
Warranty	36.4%	39.1%	36.4%
Internal	30.1%	33.6%	32.9%
Counter Retail	30.7%	32.2%	33.7%
Wholesale	17.1%	20.9%	23.7%
Customer Pay - Body Shop	‡	‡	‡
Warranty - Body Shop	‡	‡	‡
Total Dept GP%	33.4%	32.9%	33.4%
Net profit as a % of Sales	13.5%	12.2%	11.2%
<b>Expense Control Structure Guidelines</b>			
<b>Parts Dept.</b>			
Total Exp as % of Total G/P	45.4%	70.4%	68.6%
Personnel Exp as a % of G/P	28.7%	31.3%	33.8%
Advertising as a % of G/P	3.2%	3.9%	3.1%
Tools, Supp, Freight as a % of G/P	0.8%	1.0%	0.7%
Policy as a % of G/P	0.5%	0.2%	0.8%

Fixed Expenses - Percent of Total Gross			
Office Staff to Total Dealership	1:10.1	1:11	1:8
Total Expenses as a % of Total Gross	90.4%	90.3%	93.6%
Payroll Taxes as a % of Total Gross	4.4%	4.7%	4.1%
Owners Compensation as a % of Sales	0.43%	0.51%	0.34%
Gross Per Employee (total deal)	\$ 8,991	\$ 9,009	\$ 9,970
All Other Income Per Retail Unit Sold less LIFO & Gains on Fixed	\$ 706	\$ 723	\$ 1,519
Retail Units Sold / Administrative	219	276	144

‡ - Too few data points to arrive at a meaningful average