



### 2020 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
<b>New Vehicle</b>			
New Vehicle Supply in days	67	59	64
Units per salesperson ( New)	12	10	11
Gross Cars - before F&I	\$ 1,508	\$ 759	\$ 3,136
Gross Trucks - before F&I	\$ 1,743	\$ 1,499	\$ 3,511
Sales Ratio: new to every 1 used	1.4	1.3	1.3
Departmental G/P as a % of Total Dealership G/P	27.1%	20.4%	24.2%
<b>Gross Productivity</b>			
<b>New Vehicle</b>			
Gross profit as a % of sales	4.2%	2.6%	4.9%
Net profit as a % of sales	1.4%	0.8%	1.7%
<b>F&amp;I penetration Rate%</b>			
Finance contract (inc retail lease)	73.6%	78.4%	60.5%
Extended Service	47.1%	44.8%	36.3%
Finance & Insurance Gross per financed veh.	\$ 833	\$ 1,122	\$ 1,422
Ext. Service Gross per contract	\$ 1,523	\$ 1,409	\$ 1,874
All New Other Income per new vehicle sold	\$ 1,448	\$ 1,430	\$ 3,086
<b>Expense Control Structure Guidelines</b>			
<b>New Vehicle</b>			
Total expense as a % of vehicle G/P	89.8%	155.0%	111.3%
<b>Compensation as a % of veh GP</b>			
Salesperson	24.1%	35.5%	35.1%
Supervision	18.0%	11.1%	35.6%
F&I comp as % of F&I income	19.2%	51.1%	16.8%
Personnel Exp. as a % of G/P	40.1%	67.1%	48.1%
Gross Advertising Exp as a % of veh. G/P	33.4%	24.9%	18.2%
Gross Advertising Reimbursement as a % of veh. G/P	-6.2%	2.8%	14.2%
Net Advertising per retail unit sold	\$ 408	\$ 375	\$ 273
Gross Floor plan int. as a % of G/P	24.6%	8.7%	11.1%
Gross Floor plan int. reimbursement as a % of veh. G/P	8.3%	7.2%	19.7%
Policy Exp as a % of veh. G/P	0.4%	0.7%	1.5%
<b>Performance Measures</b>			
<b>Key Indicator Ratios</b>			
Current Ratio	1.6	1.6	1.5
Debt to Equity Ratio	2.8	2.5	2.2

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

Sales - Merchandising & Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
<b>Used Vehicle</b>			
Used Vehicle supply (in days)	53	58	47
Units per salesperson ( N&U )	11	14	12
Gross Cars - Before F&I	\$ 1,157	\$ 1,499	\$ 2,573
Gross Trucks - before F&I	\$ 1,713	\$ 1,473	\$ 2,175
Departmental G/P as a % of Total Dealership G/P	10.9%	16.7%	16.9%
<b>Gross Productivity</b>			
<b>Used Vehicle</b>			
Gross profit as a % of sales	7.6%	8.2%	8.7%
Net profit as a % of sales	3.0%	2.8%	1.8%
<b>F&amp;I Penetration Rate %</b>			
Finance contracts (includes retail lease)	70.0%	75.6%	55.2%
Extended Service	46.6%	56.3%	25.7%
Finance & Insurance Gross per financed vehicle	\$ 852	\$ 935	\$ 1,055
Ext Service Gross per contract	\$ 1,513	\$ 1,588	\$ 2,379
All Used Other Income per used vehicle sold	t	t	t
<b>Expense Control Structure Guidelines</b>			
<b>Used Vehicle</b>			
Total Expense as a % of Total G/P	75.5%	77.8%	84.5%
<b>Compensation as a % of veh GP</b>			
Salesperson	24.0%	24.6%	25.6%
Supervision	15.7%	14.0%	17.7%
F&I comp as % of F&I income	21.2%	21.0%	18.4%
Personel Exp as a % of G/P	43.3%	60.2%	39.5%
Gross Advertising as a % of Veh G/P	15.3%	27.0%	9.2%
Gross Advertising Reimbursement as a % of veh. G/P	t	t	t
Net Advertising per retail unit sold	\$ 216	\$ 239	\$ 225
Gross Floor plan int as a % of Veh G/P	0.5%	0.6%	1.0%
Gross Floor plan int. reimbursement as a % of veh. G/P	t	t	t
Policy Exp as a % of veh. G/P	1.7%	2.3%	2.0%
Reconditioning - Cars & Trucks	\$ 2,657	\$ 1,364	\$ 1,533
<b>Performance Measures</b>			
<b>Key Indicator Ratios</b>			
Return on Equity (ROE)	41.7%	37.3%	46.2%
Return on Assets (ROA)	10.5%	11.9%	14.8%



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<b>Service Dept.</b>			
Flat Hrs/RO	1.3	1.3	1.5
RO's/Day/Svc Advisor - Cust Pay, Warr, Int.	14.4	16	15.9
Technicians per Service Advisor	3.6	3.7	4.1
Labor Gross per Tech	\$ 10,101	\$ 11,747	\$ 15,071
Labor Gross per Advisor	\$ 37,119	\$ 38,306	\$ 60,672
Departmental G/P as a % of Total Dealership G/P	25.0%	31.0%	39.4%
<b>Gross Productivity</b>			
<b>Service Dept.</b>			
<u>G/P as a % of sales</u>			
Customer Pay	71.1%	75.5%	78.7%
Warranty	73.1%	75.1%	80.2%
Internal	70.2%	72.7%	75.5%
Sublet Repairs	13.2%	17.0%	16.0%
Total Department	64.5%	68.6%	68.1%
Net Profit as a % of Sales	14.9%	18.7%	20.0%
<b>Expense Control Structure Guidelines</b>			
<b>Service Dept.</b>			
Total expense as a % of Total GP	80.2%	74.0%	79.7%
Personnel Exp as a % of G/P	48.1%	45.5%	41.8%
Adv & Training as a % of G/P	4.0%	4.8%	3.9%
Tools, Supp, Freight as a % of G/P	-0.2%	-2.1%	-4.0%
Policy Exp as a % of G/P	3.1%	1.5%	0.8%

<b>Fixed Expenses - Percent of Total Gross</b>			
Rent Factor			
Percent of Total Gross	8.3%	8.4%	9.3%
Absorption %	83.3%	96.5%	104.1%
Net Earnings			
% of Total Sales	3.7%	3.9%	4.9%
% of Total Gross	30.5%	30.9%	38.9%
Personnel Expense as a % of Gross profit	39.4%	49.6%	43.2%
Office Compensation as a % of Total Gross	3.7%	4.7%	2.6%

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

<b>Sales - Merchandising and Staffing Guidelines</b>	<b>Domestic Dealer</b>	<b>Import Dealer</b>	<b>Highline Dealer</b>
<b>Parts Dept.</b>			
<u>Parts \$ sold per \$1 Labor sold</u>			
Cust. Repair	\$ 0.71	\$ 0.73	\$ 0.63
Warranty	\$ 1.12	\$ 1.02	\$ 1.09
Internal	\$ 0.79	\$ 0.56	\$ 0.62
Dept Gross per Employee	\$ 17,991	\$ 20,323	\$ 29,884
Departmental G/P as a % of Total Dealership G/P	16.1%	16.5%	21.7%
<b>Gross Productivity</b>			
<b>Parts Dept.</b>			
<u>G/P as a % of Sales</u>			
Customer Pay	37.4%	36.3%	42.2%
Warranty	39.8%	38.0%	39.9%
Internal	36.3%	31.3%	32.9%
Counter Retail	33.9%	33.3%	40.0%
Wholesale	17.3%	19.8%	23.5%
Customer Pay - Body Shop	43.6%	†	†
Warranty - Body Shop	†	†	†
Total Dept GP%	33.3%	33.3%	34.7%
Net profit as a % of Sales	12.9%	15.1%	12.7%
<b>Expense Control Structure Guidelines</b>			
<b>Parts Dept.</b>			
<u>Total Exp as % of Total G/P</u>			
	57.0%	51.1%	66.9%
Personnel Exp as a % of G/P	34.6%	35.8%	34.4%
Advertising as a % of G/P	2.8%	3.9%	2.7%
Tools, Supp, Freight as a % of G/P	2.3%	1.1%	0.6%
Policy as a % of G/P	0.2%	0.2%	0.3%

<b>Fixed Expenses - Percent of Total Gross</b>			
Office Staff to Total Dealership	1:7	1:10	1:4.8
Total Expenses as a % of Total Gross	80.6%	93.5%	90.0%
Payroll Taxes as a % of Total Gross	4.3%	4.3%	3.9%
Owners Compensation as a % of Sales	0.34%	0.22%	0.19%
Gross Per Employee (total deal)	\$ 10,554	\$ 9,549	\$ 11,131
All Other Income Per Retail Unit Sold less LIFO & Gains on Fixed	\$ 980	\$ 1,093	\$ 1,767
Retail Units Sold / Administrative	\$ 135	\$ 209	\$ 95