

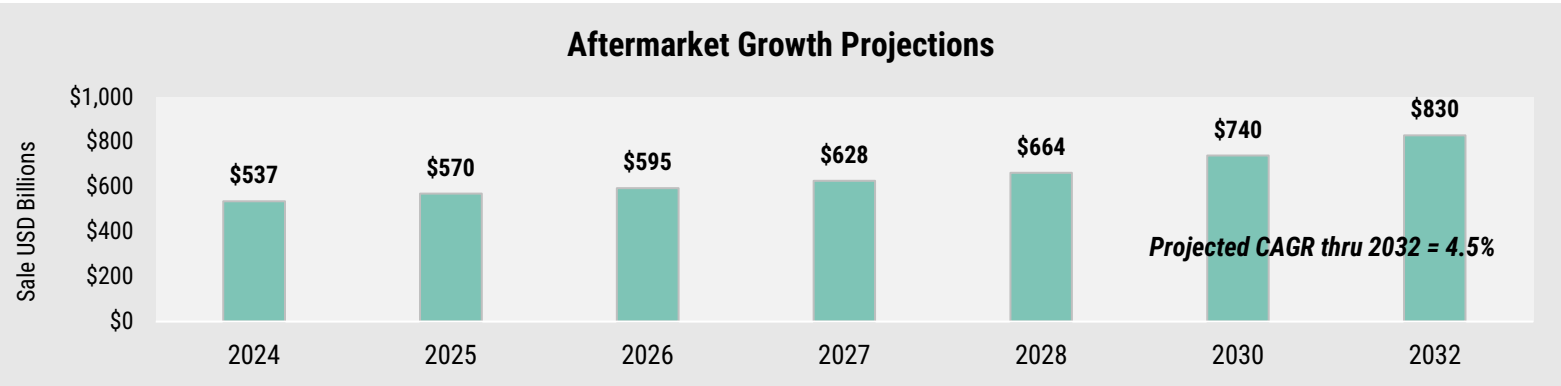
# U.S. Auto AfterMarket

## AT AN INFLECTION POINT

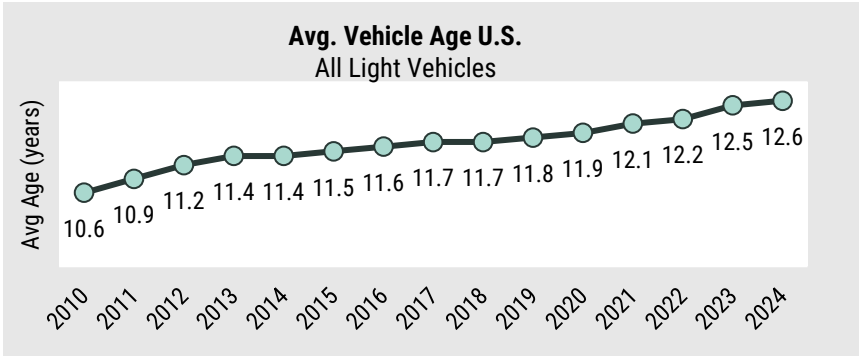


The U.S. automotive aftermarket, a sector traditionally known for its stability and consistent growth, is currently at a pivotal moment. While projected to exceed \$570 billion in sales in 2025, the industry faces unprecedented structural changes driven by a complex global tariff regime, the rapid technological evolution of vehicles, and an intense competition for vehicle-generated data. What are the key disruptive forces, and how can investors and executives navigate this evolving landscape and identify opportunities for value creation?

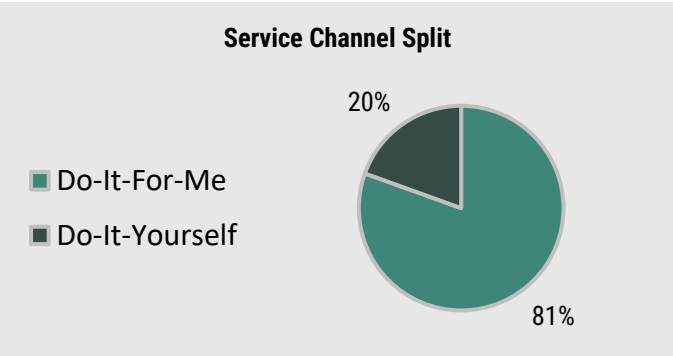
**Market Snapshot:** The aftermarket's foundation is strong, driven by a large and aging vehicle fleet. In 2024, total U.S. light-duty aftermarket sales reached approximately \$413.7 billion, a figure that grew by a robust 5.7% over the previous year.<sup>1</sup> When factoring in the medium and heavy-duty vehicle segments, the total U.S. aftermarket is projected to reach an even more impressive \$570 billion in 2025.



<https://www.autobodynews.com/news/u-s-aftermarket-sales-hit-414b-in-2024-projected-to-reach-664b-by-2028>



Bureau of Transportation Statistics



## NAVIGATING CRITICAL DISRUPTION

While an aging fleet remains a tailwind, its evolving composition, driven by Electric Vehicles (EVs) and Advanced Driver-Assistance Systems (ADAS), is fundamentally altering repair needs.

The market is at a critical inflection point, moving beyond traditional mechanical repairs due to the rise of Electric Vehicles (EVs) and Advanced Driver-Assistance Systems (ADAS). The aftermarket is battling three major disruptive forces:

1. A complex tariff regime
2. Rapid technological transformation of vehicle
3. A high-stakes fight for control over vehicle data

**Successfully managing the challenges requires new strategies and capital discipline.**



### Supply Chain Resilience

Multi-layered tariffs, particularly on Chinese imports, can increase landed costs of some components by over 70%, necessitating supply chain diversification and localization.



### Technological Service Specialization

The auto aftermarket faces transformation as EVs drive higher collision costs despite lower maintenance, and ADAS recalibration demands significant investment. This will create a market split between specialized and traditional shops.



### Data-Driven Market Access ("Right to Repair")

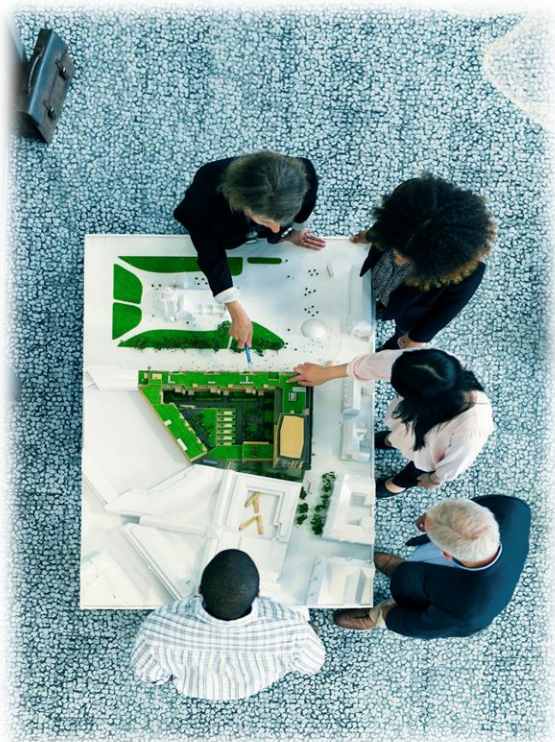
OEMs' control over connected vehicle data threatens the independent aftermarket. The REPAIR Act is vital to ensure access, controlling future lead generation and market access for independent shops.

## STRATEGIC IMPERATIVES TO CREATE VALUE

To succeed in the evolving aftermarket, companies must master new competitive arenas and capitalize on emerging opportunities, rather than defending legacy models.

### FOR INVESTORS (PRIVATE EQUITY/VENTURE CAPITAL)

- ✓ **Consolidate & Modernize:** Consolidate fragmented shops, injecting capital for ADAS/EV equipment and technician training to create high-tech service networks.
- ✓ **Enable Technologies & Services:** Invest in enablers of the transition: advanced diagnostic tools, calibration equipment, technician training, and EV battery lifecycle management.
- ✓ **Update Due Diligence:** Prioritize targets based on supply chain agility (diversification from high-tariff regions), technological readiness (ADAS/EV investment), and data access strategy.



### FOR C-SUITE EXECUTIVES

- ✓ **Capital Allocation:** Prioritize investments in advanced diagnostics, ADAS calibration rigs, and EV battery servicing equipment.
- ✓ **Talent Management:** Implement aggressive recruitment, training (in-house EV/ADAS certification), and retention strategies for technicians.
- ✓ **Pricing & Inventory:** Shift to dynamic, job-specific quoting for complex ADAS/EV work and optimize inventory for electronic and EV-specific parts.
- ✓ **Strategic Partnerships:** Form alliances with diagnostic tool companies, data providers, and educational institutions for technology, data, and workforce access.



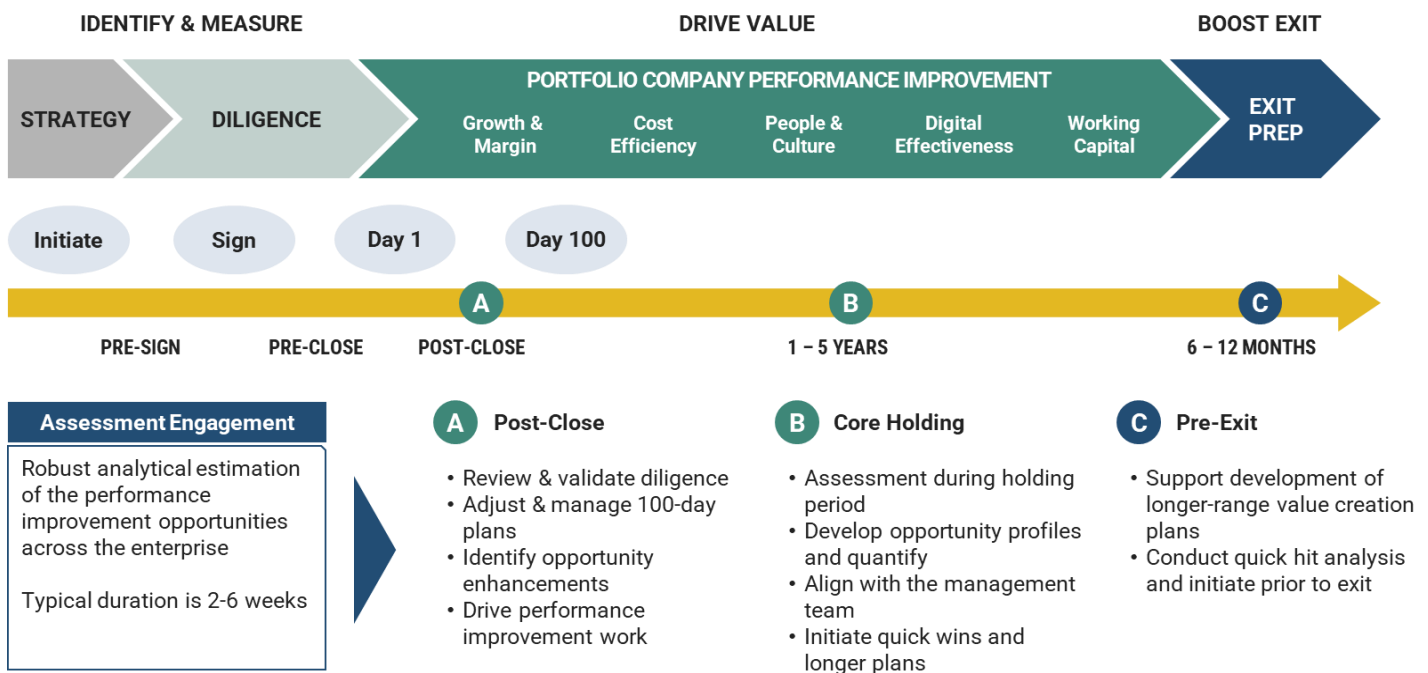
## ANKURA'S VALUE PROPOSITION

Ankura brings expertise needed to properly assess critical situations and develop solutions that can be rapidly executed. We partner with clients to tailor an approach that meets their unique requirements.



## WE INTERACT WITH MULTIPLE STAGES OF THE PRIVATE EQUITY INVESTMENT & EXIT PROCESS

**Assessment Opportunities:** Our services are initiated throughout the investment cycle, enabling clients to apply leverage when it is most critical for success





## PERFORMANCE IMPROVEMENT

### DELIVERING END-TO-END SOLUTIONS TO COMPANIES AT CRITICAL INFLECTION POINTS

The Performance Improvement team partners with private equity, lenders, and management to drive rapid EBITDA and cash flow improvement. Using our 3D (Diagnose, Define, Deliver) framework, we assess opportunities, develop sustainable goals and operating plans, and implement solutions.

Our expertise spans diverse industries, including ***Retail, Direct-to-Consumer, Healthcare, CPG, Services, Education, Manufacturing, and Logistics.***

Our experienced operators and consultants address strategic and operational challenges, delivering data-driven, transformative results quickly and efficiently.

**VISIT US AT:** [Ankura Performance Improvement](#)  
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