

# Automotive Suppliers


## INDUSTRY UPDATE

May 2025

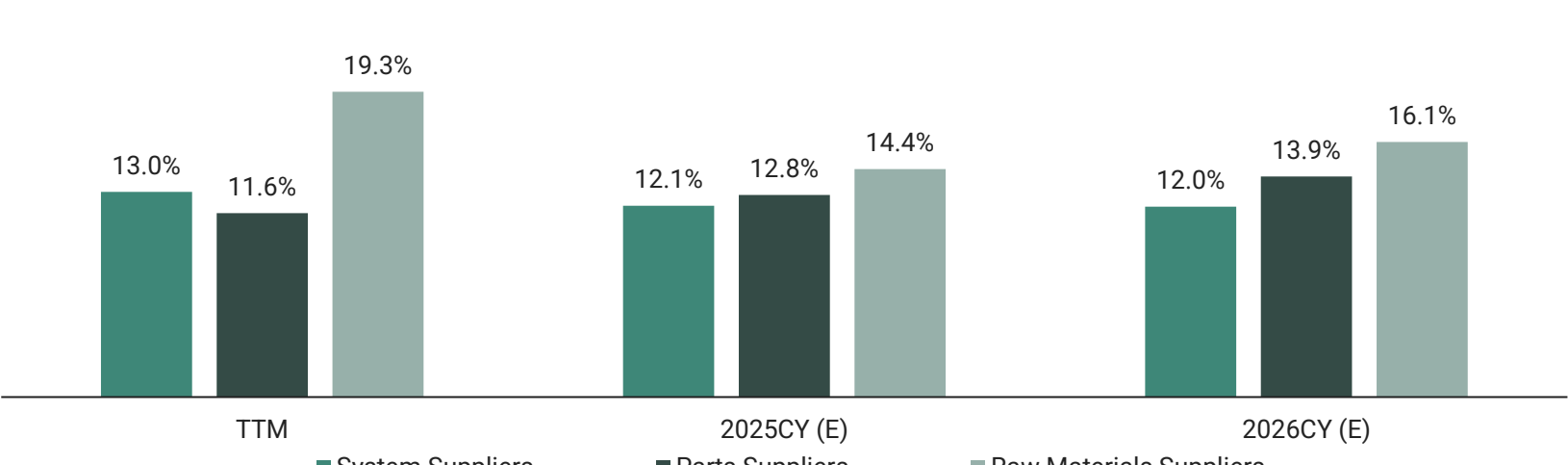
The automotive supplier segment entered 2025 facing significant disruption from tariffs and input cost inflation. Q1 saw the segment decline 5.4%, despite modest 2.9% growth over the past year, as global trade volatility and elevated raw material prices compressed margins. Suppliers heavily reliant on imports were hit hardest, while domestic manufacturers gained competitive ground due to reshoring advantages. AI and data analytics are increasingly being used for demand forecasting and inventory optimization, helping reduce stock-outs and overstocking. 3D printing is also gaining traction as

a localized production tool for critical components. Amid pricing pressure and supply chain delays, many suppliers are focusing on operational resilience and cost control. Investors are prioritizing deals with scalable platforms, engineering capabilities and tariff resistant supply chains. This is clearly seen in notable acquisitions such as Standard Motor Products’ expansion via acquiring Nissens. As demand for vehicle repairs grows and automakers adjust to trade realities, suppliers with innovation-driven models and strong logistics infrastructure are better positioned for long-term growth.

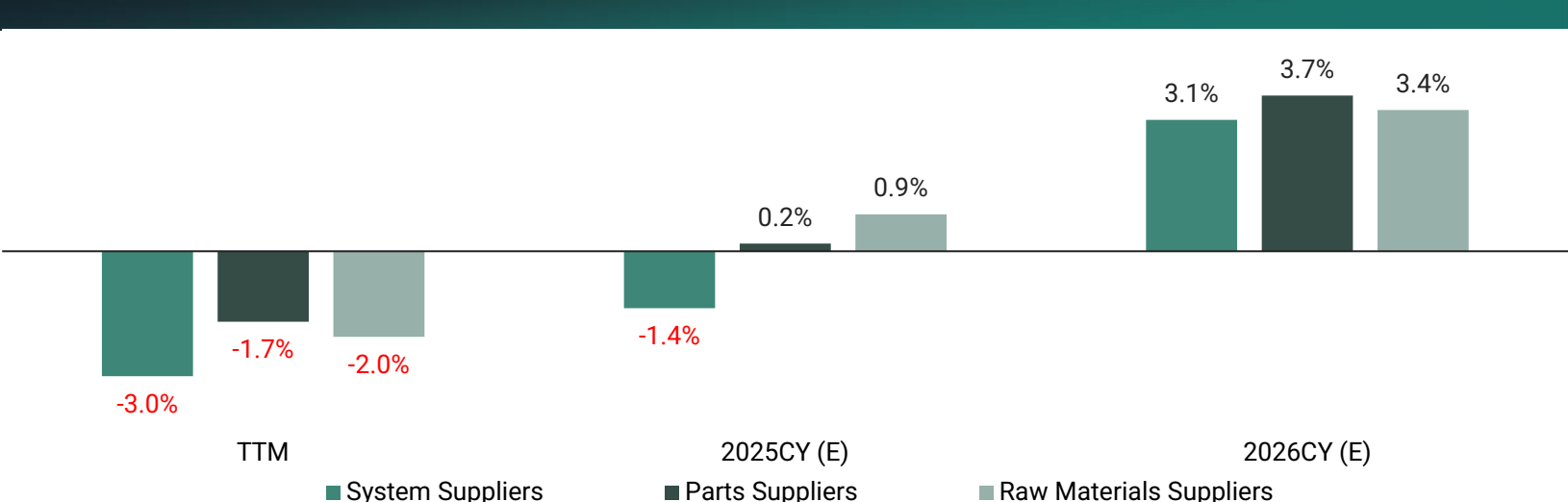
### HEADLINE TRANSACTIONS

TARGET	ACQUIRER	ACQUISITION SYNOPSIS
		In April 2025, US based <b>Atlas Holdings</b> successfully acquired Germany based <b>REHAU Automotive (subsidiary of REHAU Group)</b> for an undisclosed amount. REHAU Automotive is a Tier 1 supplier offering a wide range of services such as manufacturing, developing, supply of exterior, bumper, and polymer functional systems. The acquisition of REHAU Automotive was strategically done to pair with Atlas’ earlier acquisition of SRG Global to form <b>RESRG Automotive</b> , a global supplier of exteriors systems and components to OEMs.
		In April 2025, US based <b>Assured Auto Parts</b> was acquired by <b>Fenix Parts (backed by Stellex Capital Management)</b> a NY based PE firm) for an undisclosed amount. Assured Auto Parts is a well-respected name in the automotive recycling parts industry in San Antonio, Texas. This move is a key step in Fenix Parts’ efforts to grow its presence in the State of Texas and better serve its customers specifically in the growing automotive markets of San Antonio and Austin.
		In November 2024, US based <b>Standard Motor Products, Inc. (NYSE: SMP)</b> completed its acquisition of Denmark based <b>AX V Nissens III APS (“Nissens”)</b> , a leading European manufacturer and distributor of aftermarket engine cooling and air conditioning products with a growing array of vehicle control technologies. Under the terms of the agreement, SMP has acquired all the issued and outstanding shares of Nissens for approximately \$390 million. from Nordic private equity firm Axcel and the Nissen family. With the acquisition of Nissen, SMP will gain a stronger foothold in European markets.

### EBITDA MARGINS

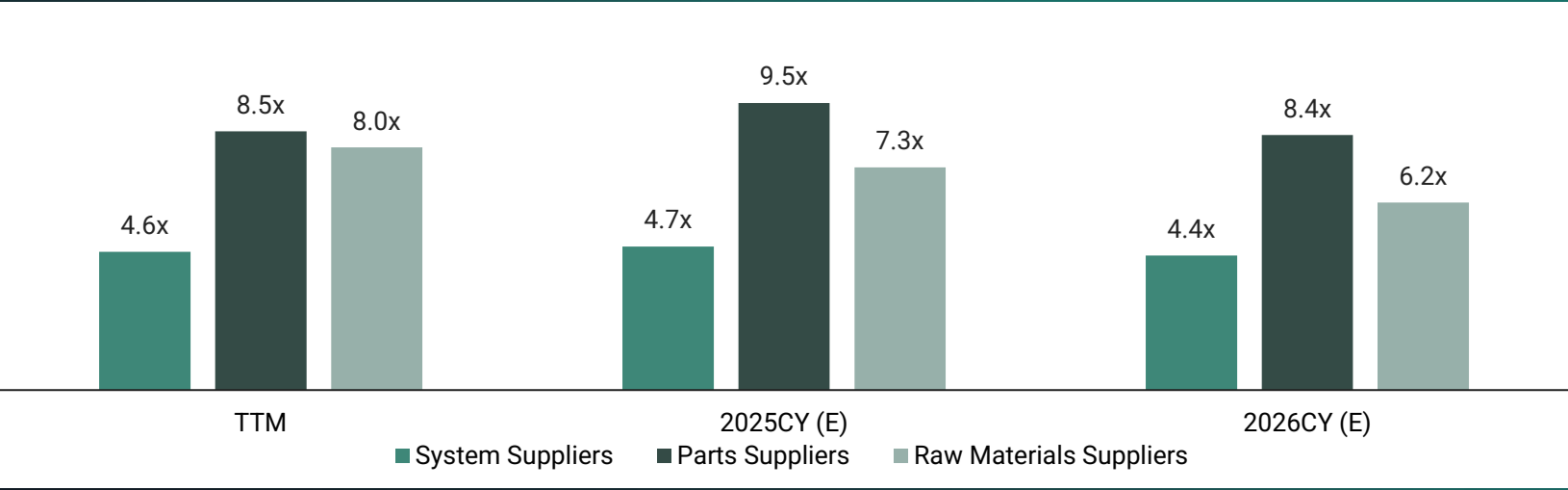


### REVENUE GROWTH

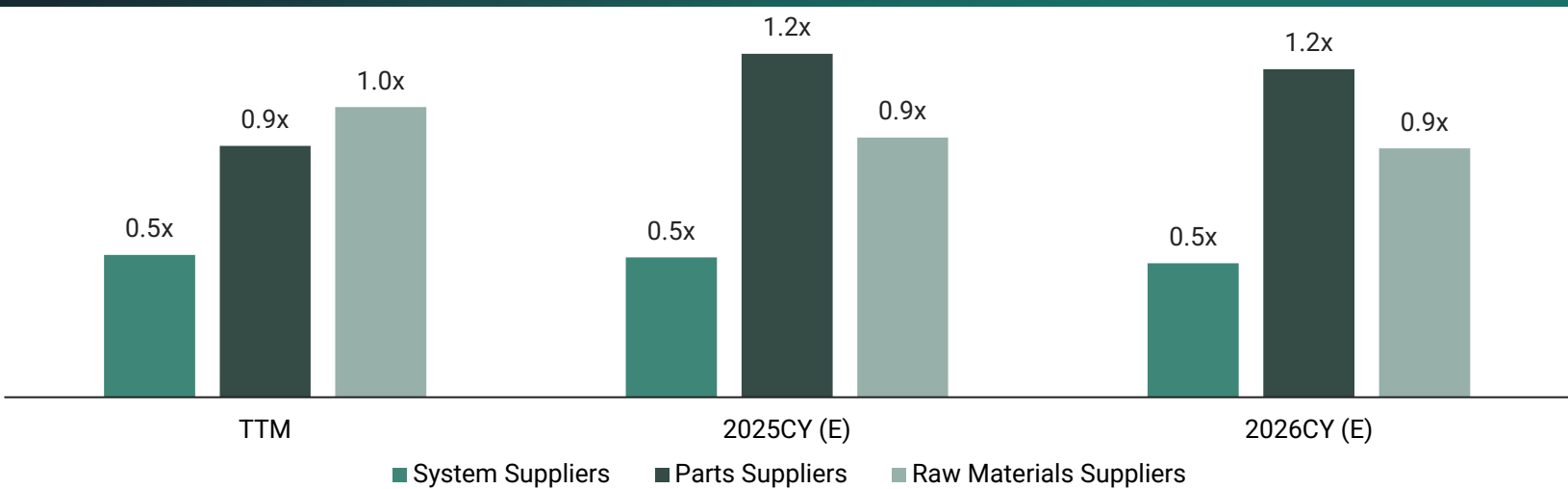


- Supply Chain and Cost Pressures: Supply chain issues have continued to ease into 2025, allowing for gradual margin recovery across supplier types. EBITDA margins are projected to rise for Parts and Raw Materials Suppliers and remain relatively flat for System Suppliers. Inflationary pressures and new tariffs continue to impact input costs and inventory planning, particularly for suppliers heavily reliant on imports.
- OEM Supplier M&A Rises: M&A activity among auto suppliers remains strong, driven by consolidation strategies and cross-border expansion. The momentum of 2024’s 16% YoY increase in deals has carried over to 2025
- Shifting Production Capacity Utilization: While capacity utilization has stabilized compared to pandemic lows, full recovery remains uneven. The improving margins warrant projected revenue growth across the board.. However, while positive these projections are still modest, indicating continued caution in scaling production.

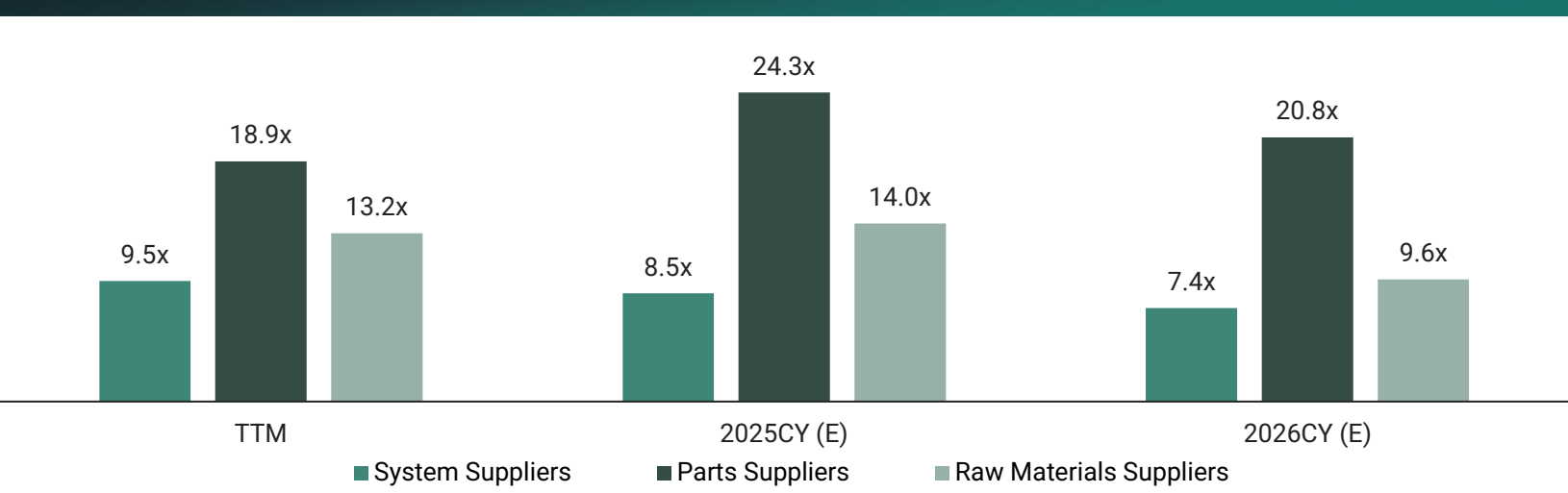
### ENTERPRISE VALUE / EBITDA



### ENTERPRISE VALUE / REVENUE



### PRICE / EARNINGS



**Jeffrey Goodman**  
Managing Director  
**+1.646.969.3256**  
jgoodman@ankuracapitaladvisors.com

**Abhishek Pathania**  
Director  
**+1.646.973.1506**  
apathania@ankuracapitaladvisors.com

485 Lexington Ave, 10<sup>th</sup> Floor,  
New York, NY 10017

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