

Profit per vehicle increases across the board

Each of the 6 publicly traded dealership groups saw a year-over-year increase in average same-store finance-and-insurance profit per vehicle retailed in the 3rd quarter.

	Q3 2022	Q3 2021	CHANGE
Asbury Automotive Group			
Avg. F&I gross profit per vehicle retailed	\$2,254	\$1,915	18%
F&I % of revenue	4.4%	4.2%	
F&I % of gross profit	22%	21%	
AutoNation			
Avg. F&I gross profit per vehicle retailed	\$2,766	\$2,571	7.6%
F&I % of revenue	5.4%	5.5%	
F&I % of gross profit	28%	28%	
Group 1 Automotive			
Avg. F&I gross profit per vehicle retailed	\$2,477	\$2,259	9.7%
F&I % of revenue	5.0%	4.9%	
F&I % of gross profit	26%	24%	
Lithia Motors			
Avg. F&I gross profit per vehicle retailed	\$2,191	\$2,075	5.6%
F&I % of revenue	4.6%	4.8%	
F&I % of gross profit	26%	25%	
Penske Automotive Group*			
Avg. F&I gross profit per vehicle retailed	\$1,922	\$1,768	8.7%
F&I % of revenue	3.7%	3.6%	
F&I % of gross profit	21%	20%	
Sonic Automotive**			
Avg. F&I gross profit per vehicle retailed	\$2,406	\$2,300	4.6%
F&I % of revenue	4.3%	4.6%	
F&I % of gross profit	23%	25%	

*Figures include data for dealerships outside the U.S. **Franchised dealerships segment

Source: Company reports

Public groups' Q3 gross profit per vehicle rises

Asbury Automotive posted the largest percentage increase

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Each of the publicly traded dealership groups in the third quarter posted year-over-year increases in average finance-and-insurance profit per vehicle retailed. Asbury Automotive Group Inc. post-

ed the largest percentage increase for the period, with an 18 percent rise to \$2,254. Asbury was the only publicly traded dealership group to post a double-digit percentage increase. The next biggest uptick was from Group 1 Automotive Inc., with \$2,477 in same-store U.S. third-quarter average F&I gross profit per vehicle retailed, up 9.7 percent.

Mirroring second-quarter performance, these six retailers kept their average F&I gross profit per vehicle retailed around \$2,000 in the third quarter.

AutoNation

AutoNation Inc. posted record F&I gross profit per vehicle retailed in the third quarter. Average same-store F&I gross profit per vehicle retailed totaled \$2,766, up 7.6 percent from \$2,571 in the same quarter last year. F&I as a percentage of revenue was relatively flat compared with the second quarter, at about 5 percent, with percentage of gross profit also relatively flat, at 28 percent.

unit of \$2,477, up \$218 and 9.7 percent.

"We're seeing improved product penetrations nearly across the board," Group 1 COO Daryl Kenningham said on the dealership group's third-quarter earnings call in October.

Group 1 leaders told analysts that the company is bullish on its F&I business.

Pete DeLongchamps, Group 1's senior vice president of manufacturer relations, financial services and public affairs, said on the earnings call that one-third of Group 1's F&I business comes from loan origination, with the rest coming from product sales.

"We're very happy with the equilibrium," DeLongchamps said. "But I think the key is to

keep that one-third rate and the rest of the increases come from additional product penetration. We've still got some room to run."



DeLongchamps:
Room to run.