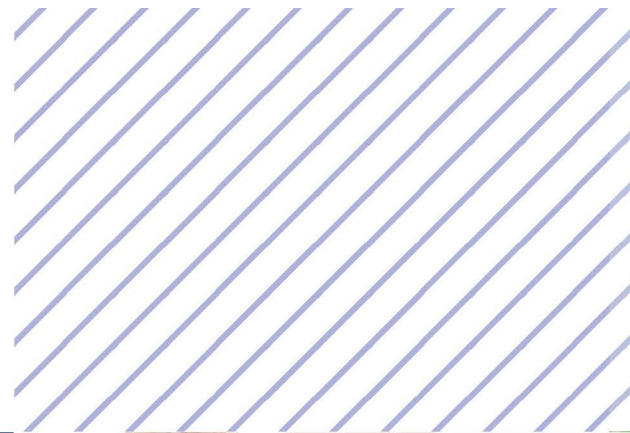


VARIABLE OPERATIONS



KEY PERFORMANCE INDICATORS

2024 - CANADA



Updated March 2024

CANADA KEY PERFORMANCE INDICATORS FOR VARIABLE OPERATIONS

1

COMBINED VEHICLE DEPARTMENTS

Revised March 2024. Proprietary and confidential.

SALES AND GROSS PROFIT

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
1 "Front" Gross Profit \$PVR*	\$4,768	\$3,759	\$7,444
2 F&I Gross Income (Net of Chargebacks and Adjustments)**	\$2,491	\$2,572	\$2,033
3 "Other" Sales Department Gross Profit \$PVR***	\$915	\$567	\$1,041
4 "Adjusted" or "All-In" Gross Profit \$PVR (Sum of #1-#3)	\$8,174	\$6,898	\$ 10,518

* Fleet Gross Profit, New vehicle Dealer Exchange Income, Used Vehicle Wholesale Profit [loss], and any Cost of Sale adjustments and manufacturer/distributor incentives that are identifiable to Departmental Gross are to be included in "front" Gross Profit for our dealership.

** Per retail and lease unit, net of adjustments and chargebacks, but before any financial services compensation

*** Doc. fees, hard packs, manufacturer/distributor incentives that are not identifiable to Departmental Gross and any other reported "below-the-line" income [net additions and deductions] related to vehicle sales should be included in "other" Gross Profit

CONTROLLABLE EXPENSES

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
5 Total Sales Compensation % of "Front" Gross	22.9%	21.9%	14.4%
Total Sales Compensation % of "Adjusted" Gross	13.4%	11.9%	10.2%
Total Sales Compensation Per Vehicle Retailed	\$1,093	\$822	\$1,072
6 Total Financial Services Compensation % of "Adjusted" Gross	6.3%	8.2%	4.5%
Total Financial Services Compensation % of F&I "Net"	20.7%	22.1%	23.5%
7 Total Financial Services Compensation F&I Comp as % of F&I Gross	20.4%	22.1%	23.5%
Total Financial Services Compensation Per Vehicle Retailed	\$515	\$569	\$478
8 Total Supervision Compensation % of "Adjusted" Gross*	9.1%	9.8%	7.5%
Total Supervision Compensation Per Vehicle Retailed*	\$744	\$678	\$785
9 Total Other Salaries & Wages (Includes Absentee Comp.) % of "Adjusted" Gross	5.7%	5.6%	5.9%
Total Other Salaries & Wages (Includes Absentee Comp.) Per Vehicle Retailed	\$469	\$389	\$617
10 Total Direct Compensation Expense (Sum of #5 - #9) % of "Adjusted" Gross*	34.5%	35.5%	28.1%
Total Direct Compensation Expense (Sum of #5 - #9) Per Vehicle Retailed*	\$2,821	\$2,458	\$2,952

* Including any administrative pro-rates.

These key performance indicators are formulated from the most recent full year of NCM Benchmarks. Please note: The blue metrics are based on industry best practice guidelines.

CANADA KEY PERFORMANCE INDICATORS FOR VARIABLE OPERATIONS

2

COMBINED VEHICLE DEPARTMENTS

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CONTROLLABLE EXPENSES (CONTINUED)

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
11 Net Advertising & Promotion Expense % of "Adjusted" Gross	3.9%	3.5%	3.0%
Net Advertising & Promotion Expense Per Vehicle Retailed	\$321	\$243	\$314
12 Net Floorplan Interest Expense % of "Adjusted" Gross	0.7%	2.7%	7.1%
Net Floorplan Interest Expense Per Vehicle Retailed	\$61	\$186	\$749
13 Demo Expense % of "Adjusted" Gross	1.2%	0.5%	0.8%
Demo Expense Per Vehicle Retailed	\$99	\$36	\$85
14 Net Delivery Expense % of "Adjusted" Gross	0.7%	0.3%	0.5%
Net Delivery Expense Per Vehicle Retailed	\$61	\$20	\$51
15 Vehicle Policy & Claims Expense % of "Adjusted" Gross	0.7%	0.5%	0.6%
Vehicle Policy & Claims Expense Per Vehicle Retailed	\$54	\$34	\$61
16 Total Controllable Dept Expense (Sum of #10- #15) % of "Adjusted" Gross	41.7%	43.0%	40.1%
Total Controllable Dept Expense (Sum of #10 - #15) Per Vehicle Retailed	\$3,417	\$2,977	\$4,212

EMPLOYEE PRODUCTIVITY

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
17 Opportunities Per Salesperson Per Month	55-65	65-80	65-80
18 Units Per Salesperson Per Month	8.83	10.22	8.11
19 Ranges for Staffing Level	11-14	11-14	11-14
20 "Adjusted" Gross Per Salesperson Per Month	\$71,436	\$72,292	\$89,561
21 Number of Salespersons Per Manager*	2.99	2.67	3.05
22 Units Per Manager Per Month	24	26	23
23 "Adjusted" Gross Per Department Manager Per Month (Includes F&I)	\$192,374	\$187,060	\$253,774
24 Gross Per Assigned Department Employee Per Month	\$26,831	\$29,246	\$32,878
25 Maximum Deals Per F&I Manager (including Director) Per Month	60	60	60

* Includes Closers and/or Team Leaders.

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CANADA KEY PERFORMANCE INDICATORS FOR VARIABLE OPERATIONS

COMBINED VEHICLE DEPARTMENTS

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E-COMMERCE		AVERAGE	TARGET
25	Lead Response Time	30 min	10 min
26	1st Day Engagement Rate	30.0%	40.0%
27	30 Day Engagement Rate	50.0%	70.0%
Appointments - New Leads			
28	Appointments Made	25.0%	29.0%
29	Appointments Show of Made Appointments	60.0%	70.0%
30	Close Rate of Shown Appointments	60.0%	65.0%
31	Total Close Rate of All Leads	9.0%	13.0%
Appointments - Sales Calls			
32	Appointments Made	50.0%	55.0%
33	Appointments Show of Made Appointments	60.0%	67.0%
34	Close Rate of Shown Appointments	60.0%	70.0%
35	Total Close Rate of All Calls	18.0%	25.0%
36	Digital Sales as a % of Total Sales	35.0%	45.0%
37	Dealership Website Leads	12-15%	17-20%
38	Manufacturer Website Leads	8-11%	10-13%
39	3rd Party Leads (including OEM 3rd party)	5-7%	9-12%
40	3rd Party Classified Used New Vehicle Listings	6-8%	10-12%
41	Website Conversion Rate*	2-5%	5-7%
42	Average Cost Per Lead**	\$30-\$35	\$30
43	Average Cost Per Internet Vehicle Sold***	\$275-\$325	\$250
"Fresh" Leads Distributed To Producing Employee Per Month			
44	Per Full-Time "A-Z" Internet Salesperson	60-80	80
45	Per Full-Time Combination Internet and Floor Salesperson	35-45	40
46	Per Full-Time BDC or Internet Appointment Setting Specialist	150-200	150

* Number of Attributable Electronic, Mobile and Telephone Leads as a percentage of Unique Visitors to Dealership Website.

** Includes Dealership Website, Manufacturer Leads, and 3rd Party Leads.

*** This is factored using typical lead sources commonly available in the market, including independent 3rd Party sources and manufacturer-based lead sources, as well as the Dealership website leads, excluding SEO and SEM.

CANADA KEY PERFORMANCE INDICATORS FOR VARIABLE OPERATIONS

COMBINED VEHICLE DEPARTMENTS

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ASSET MANAGEMENT – USED VEHICLES

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
47 Liquidation Policy*	Day 61	Day 61	Day 61
48 Dollar-Days-Supply**	30-45 days	30-45 days	30-45 days
49 Unit-Days-Supply***	30-45 days	30-45 days	30-45 days
50 Reconditioning Cycle Time (Number of Service Dept Working Days)	3-5 days	3-5 days	3-5 days
51 Annual Inventory Turn Rate	8-12 times	8-12 times	8-12 times
52 Percent of Inventory Under 30-Days Old	70-80%	70-80%	60-70%
53 Stock Walk “Bucket-Jumper” Touch Points (Days-in-Stock)	16, 31, & 46	16, 31, & 46	16, 31, & 46
54 Minimum Price Check and Market Comparison (Days-in-Stock)	Every 7 days	Every 7 days	Every 7 days

* Maximum age (in days) when vehicles MUST be disposed of at retail or scheduled for wholesale disposition.

** Maximum inventory level based on a blended level of most recent 90-day sales history and projected upcoming 30 day retail sales. Wholesale units are included in the Inventory Calculation but not in the Sales History or Sales Forecast.

*** Same planning and calculation methodology used in item #48.



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