BY THE TEAM AT FOCUS ADVISORS

Past, Present, and Future of Automotive Collision Repair Consolidation

Presented by
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John Walcher, Executive Vice President and Managing Director

November 2, 2026

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AUTOMOTIVE M&A

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A little about us

Focus Advisors helps collision repair owners prepare and sell their businesses.

Started by David Roberts, co-founder of Caliber Collision. With roots back to 2009, we are the longest-standing M&A advisory in collision repair.

Chris Lane

President and Managing Partner

50+

deals closed in collision repair

11 years in collision repair investment banking

Background in technology and marketing; avid student of AI in business

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Our writings are on the Insights page of our website

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con·sol·i·da·tor

\kən-'sä-lə-ˌdā-tər\ *noun*

1 WEBSTER

Anyone or anything that consolidates

2 CORPORATE AND FINANCIAL CONTEXTS

Firm that grows primarily through M&A
(by institutional investors with the goal of a liquidity event)

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MARKET STRUCTURE

US Collision Repair 2026

17 U.S. collision consolidators, grouped by size

US MARKET SIZE

$48.0B

Flat
vs. $48B in 2025

COLLISION SHOPS

29,000

Down 3.3%
from 30,000 in 2025

BIG 4

4 largest by location count

- **Caliber Collision**
- **Gerber / Boyd**
- **Crash Champions**
- **Classic Collision**

MIDSIZE 4

Next 4 by location count

- **CollisionRight**
- **Quality Collision Group**
- **Vive Collision**
- **Puget Collision**

REMAINING

9 platforms, under 50 locations

- **Kaizen Collision Centers**
- **OpenRoad Collision**
- **BrightPoint Auto Body**
- **Authentic Auto Body**
- **Driving Force Collision**
- **Collision Leaders**
- **Chilton Auto Body**
- **Collision Partners**
- **Northeast Platform**

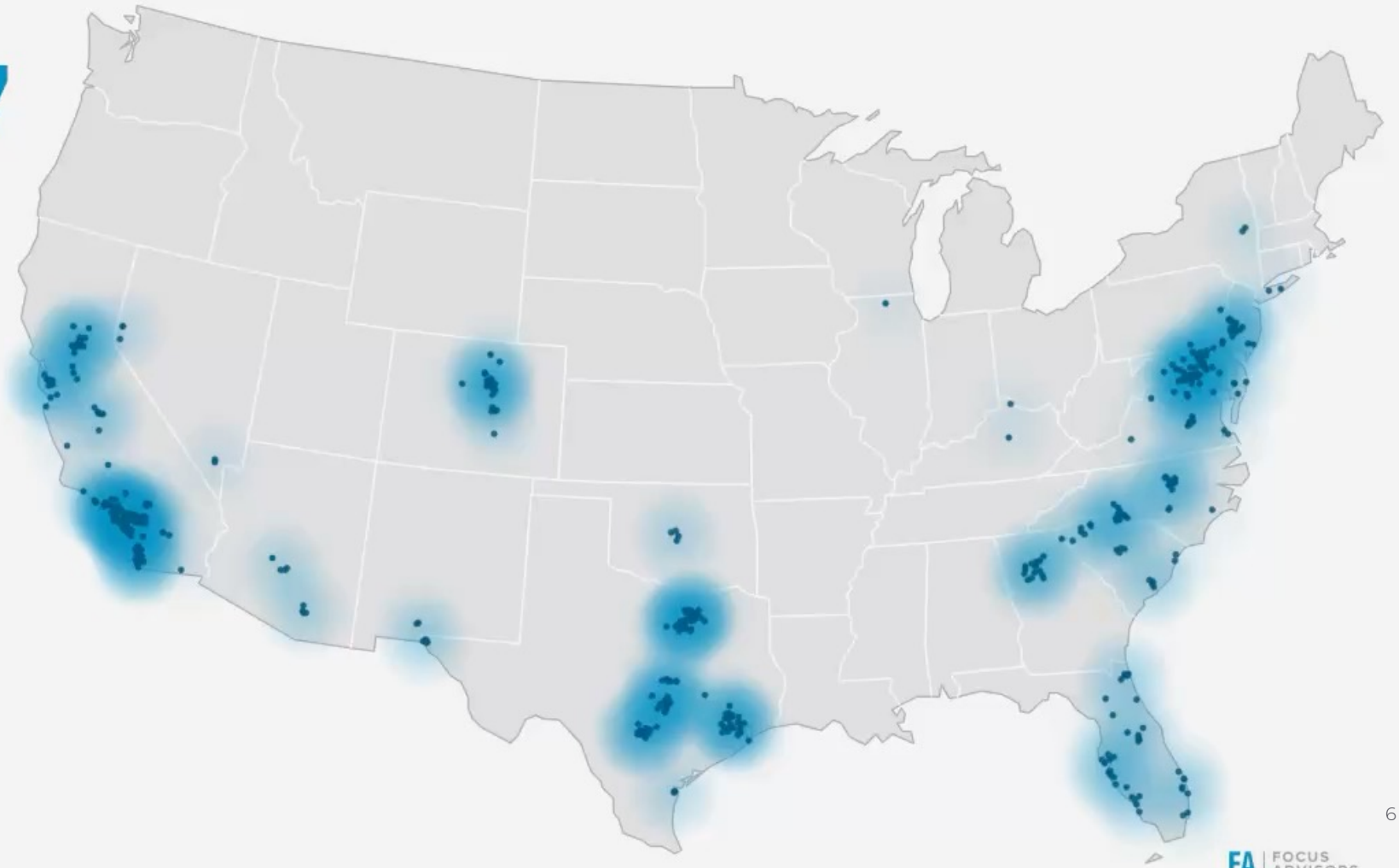
CALIBER COLLISION

2017

506

U.S. collision locations

- Acquisition
- New opening



Source: Focus Advisors Salesforce database, current Caliber locations by acquisition or opening date; map opens on the end-of-2017 footprint; red sparks are acquisitions and green sparks are new openings, spark size reflects shops added in the same deal.

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ACT 1 OF 3

Past

How thirty years of money built today's market

ACT 1 · PAST
1996–2025

ACT 2 · PRESENT
2026

ACT 3 · FUTURE
2027–2036

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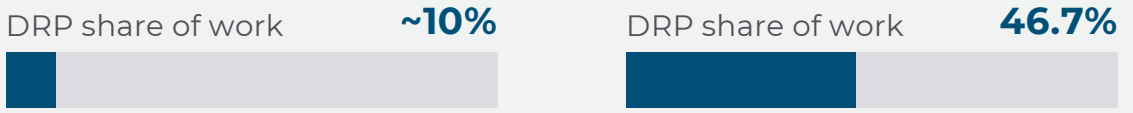
PAST · CONSOLIDATION DRIVERS

DRPs increased. Consolidation followed. Private equity helped fuel it.

THE FOUNDATION

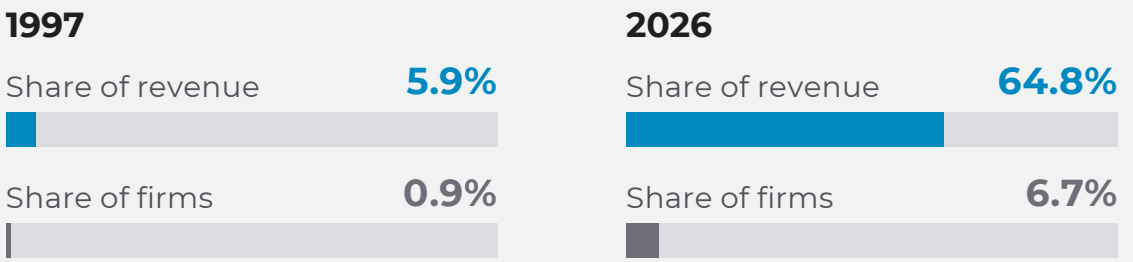
Shop work routed through insurer DRPs



THE RESULT

MSOs' share of the industry

Includes consolidators



Sources: U.S. Census Bureau, 1997 Economic Census,; BodyShop Business 1997–98 Industry Profiles; CCC via Repairer Driven News, Apr 2026; Focus Advisors' market model

PAST · CONSOLIDATOR HISTORY

Consolidator history — three waves

Wave 1 · 1996–2002

"Poof" startups with varied exits

M2 '96	True2Form '96
CARA '96	**Caliber '97**
Sterling '97	CTA '97
ABRA '97	**Boyd '98**

3 failed | **3** absorbed | **2** still stand

Wave 2 · 2009–19

PE buys established MSOs

Kadel's '07	Service King '12
Joe Hudson's '14	ProCare '16
Collision Works '16	**Crash '19**

5 absorbed by big four | **1** still stands

Wave 3 · 2020–

Mid-market PE builds regional platforms

Classic '20	**CollisionRight '20**
QCG '20	**Kaizen '21**
VIVE '22	**OpenRoad '22**
Puget '22	**BrightPoint '22**
6 More '23-'26	

All 14 still operating

Sources: Company releases; trade press; Focus Advisors research.

PAST · INVESTOR LESSONS

Four lessons from the first thirty years

01	**Leverage before density broke the first wave**	Lender takeover, an ABC and a Chapter 7
02	**Strategic owners didn't stay**	Insurers and an OEM all exited without building a leader
03	**Different waves / different risks**	First movers didn’t always have the advantage
04	**Moved slower than expected**	Don’t expect it to continue

PAST · THE CONSOLIDATION PATH

Kearney 2013: five phases, with exits and restarts

Off-path outcome: Stagnation

- Market stability, barriers to consolidation, or regulation stops the process

Off-path outcome: Deconsolidation

- Market expansion, lost entry barriers, or a competitive challenge reverses it

Source: A.T. Kearney, "The Merger Endgame Revisited" (2013), Collision placement: Focus Advisors' view.

ACT 2 OF 3

Present

Who owns the market now, and what buyers pay for

ACT 1 • PAST
1996–2025
18 start-ups narrowed to four giants

ACT 2 • PRESENT
2026

ACT 3 • FUTURE
2027–2036

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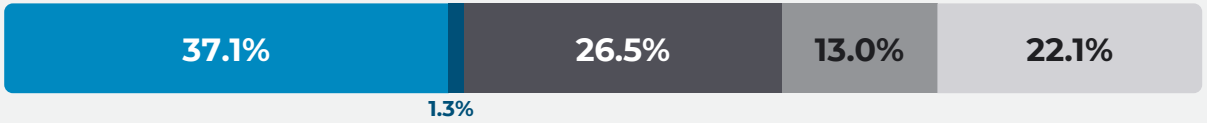
PRESENT · MARKET STRUCTURE

Who Owns the U.S. Collision Repair Market

Share of ~$48.0B industry revenue



Segment	Locations	Revenue ($M)	Share
Top 8 consolidators Caliber, Gerber, Crash Champions, Classic, CollisionRight, Quality, VIVE, Puget	4,365	$17,825	**37.1%**
Remaining 9 consolidators	177	$600	**1.3%**
All 17 consolidators	**4,542**	**$18,425**	**38.4%**
MSOs (1,400 operators)	4,707	$12,698	**26.5%**
Elite Singles	1,700	$6,254	**13.0%**
The Rest	18,051	$10,625	**22.1%**
Total market	**29,000**	**$48,002**	**100%**

ASSUMPTIONS

~29,000

U.S. collision shops today, down about **1,000** from ~30,000

~$48.0B

Industry revenue flat with ~$48B in 2025

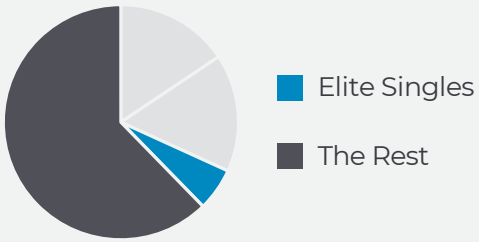
Market share and location data as of the end of October 2026.

PRESENT · MARKET STRUCTURE

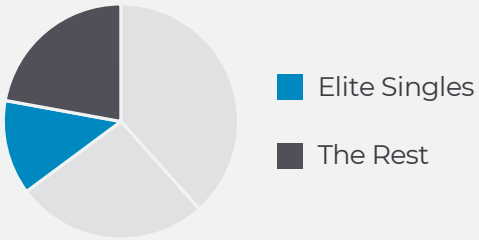
Who are the Elite Singles?

Two independent segments, 35% of revenue combined, moving apart

SHARE OF LOCATIONS



SHARE OF REVENUE



Consolidators and MSOs in light gray

ELITE SINGLES · 5.9% OF SHOPS, 13.0% OF REVENUE

What are Elite Singles?

- Strong focus on identity: carrier, OE, or community brand
- Continual market and business analysis, improvement and exploration of additional revenue streams
- Systems, processes, KPIs

THE REST · 62.2% OF SHOPS, 22.1% OF REVENUE

Continued divergence between these shops and The Rest. The Rest is where we think **shop reductions are going to happen most rapidly**

Source: Focus Advisors estimates, Oct 2026. Gerber shown U.S. only.

PRESENT · MARKET STRUCTURE

Examples of two Elite Singles

DRP-FOCUSED

$4–6M revenue

The DRP Portfolio Operator

- **Multi-DRP**
  Rebalances carriers as priorities shift
- **KPI-driven pay**
  Tight margins; KPIs set staff bonuses
- **Market radar**
  Tracks local demand and competitors
- **Hometown brand**
  Quality, service and decades of local roots

WHEN CARRIERS SHIFTED & CLAIMS FELL
→ Added local fleet work

OE-CERTIFIED

$8–12M revenue

The High-Line Specialist

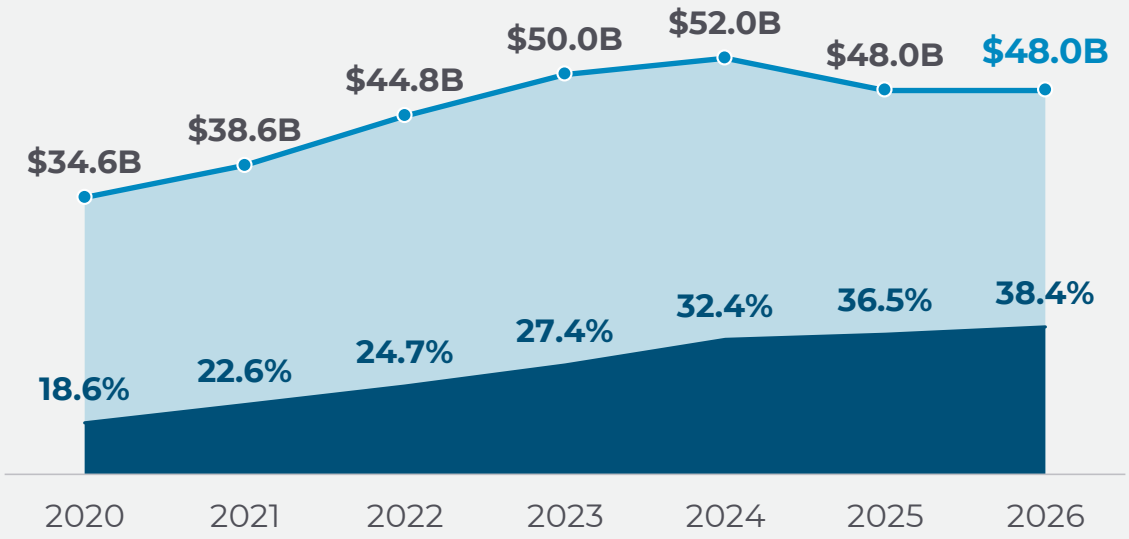
- **OE-certified**
  BMW, Mercedes, Audi, Porsche and more
- **Higher margin**
  Premium rate, in-house ADAS and mechanical
- **Outsized sales**
  Pays back the tooling and training spend
- **White-glove**
  Obsessive quality and customer journey

EMBEDDED IN LOCAL CAR CLUBS
→ Word of mouth & dealer referrals

PRESENT · MARKET STRUCTURE

Consolidators' share of collision revenue has doubled since 2020

US collision repair volume and consolidator share



2025 → 2026

+1.9 pts

share 36.5% → 38.4%
revenue $17.5B → $18.4B

If the market held at $52B

2025 share still rises 1.3 pts, a third of the actual 4.1 pts

Without the Joe Hudson's deal

Would Gerber have acquired more independents instead?

Focus Advisors · Confidential | Share = consolidator revenue ÷ US collision volume; 2026 volume ≈ $48.0B

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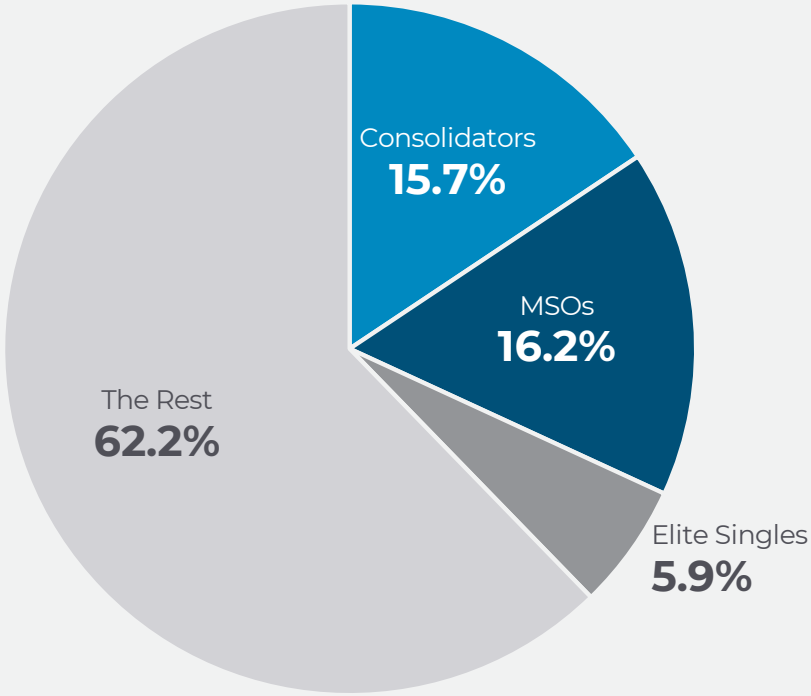
PRESENT · MARKET STRUCTURE

Share of Locations

Consolidators own **about 1 in 6 shops** — 4,542 of 29,000 locations



DEALER AND FRANCHISE		
Dealer body shops	**18.6%**	5,400
Franchise body shops	**3.9%**	1,120

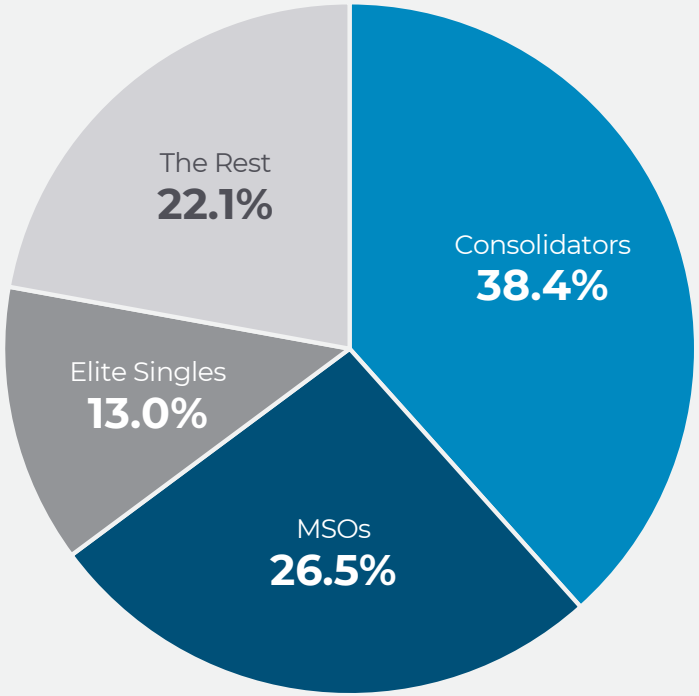
CONSOLIDATOR SHARE OF ALL SHOPS		
Caliber Collision	**6.3%**	1,830
Gerber / Boyd (US)	**4.0%**	1,171
Crash Champions	**2.3%**	661
Classic Collision	**1.2%**	339
CollisionRight	**0.4%**	128
Quality Collision Group	**0.3%**	88
Vive Collision	**0.3%**	81
Puget Collision	**0.2%**	67
New & smaller (9)	**0.6%**	177
All consolidators	**15.7%**	4,542 of 29,000 shops

Source: Focus Advisors estimates, Oct 2026. Gerber shown U.S. only.

PRESENT · MARKET STRUCTURE

Share of Revenue

Those same shops take in **38% of the revenue** — $18.4B of a $48.0B market



DEALER AND FRANCHISE

Dealer body shops	**16.6%**	$7.9B
Franchise body shops	**3.4%**	$1.6B

CONSOLIDATOR SHARE OF ALL REVENUE

Caliber Collision	**16%**	$7.6B
Gerber / Boyd (US)	**10%**	$4.6B
Crash Champions	**5%**	$2.5B
Classic Collision	**4%**	$1.8B
CollisionRight	**1%**	$0.5B
Quality Collision Group	**1%**	$0.4B
Vive Collision	**1%**	$0.4B
Puget Collision	**<1%**	$0.2B
New & smaller (9)	**1%**	$0.6B
All consolidators	**38%**	$18.4B of $48.0B

Source: Focus Advisors estimates, Oct 2026. Gerber shown U.S. only.

Businesses with one to three shops run 77% of U.S. collision shops and earn half the revenue

Number of U.S. MSOs by shop locations per MSO
Count, 2026 (Focus Advisors estimate; independent, franchise and dealer MSOs)

77%

of U.S. collision shops are run by 1-, 2- or 3-shop businesses

49%

of industry revenue is earned by those same businesses

Note: 1–3 location businesses = 19,751 single shops plus 2,437 shops in 2–3 shop MSOs.
Source: Focus Advisors estimates, Oct 2026.

Top Independents

G&C is in a class of its own

Top 10 independent MSOs
CR shop locations, U.S., 2026 (non-franchise, non-dealer)

#	Independent MSO	HQ	Shops
1	**G & C Auto Body**	CA	**69**
2	Wrens Collision Group	GA	18
3	Levanders Body Shops	NE	18
4	Texas Collision Centers	TX	18
5	CDE Collision Centers	IL	16
6	B Street Collision	NE	14
7	Tom and Eds Auto Body	IN	14
8	Collision Pros	CA	14
9	Kniesels, Seidners	CA	13
10	AW, Moodys, ACG	CA/ME	13

Top 10 independent dealer-owned MSOs
CR shop locations, U.S., 2026 (private automotive groups)

#	Automotive group	HQ	Shops
1	Parks-Michael (Carolinas Collision)	NC	24
2	Hendrick Automotive Group	NC	22
3	Hertrich Family of Auto Dealerships	DE	15
4	Ciocca Family of Dealerships	PA	14
5	#1 Cochran Automotive	PA	13
6	Open Road Auto Group	NJ	12
7	Mac Haik Auto Group	TX	12
8	Ourisman Automotive Group	MD	11
9	Twins Auto Group (Fine Line)	OH	10
10	Ken Garff Automotive Group	UT	9

Note: Ranked by number of collision shops. #9 and #10 are tied at 13 shops: Kniesels Collision Centers and Seidners Collision (#9); AW Collision Center, Moodys Collision Centers and Auto Collision Group (ACG) (#10). Excludes Canadian MSOs, franchise MSOs and publicly traded dealer groups.
Source: Focus Advisors research, Oct 2026.

PRESENT · MARKET STRUCTURE

Dealer-owned fell and franchised gained modestly

Dealer-owned shops hold 17% of the collision market, the five franchises 3%

THE 5 FRANCHISES · FIX AUTO, CARSTAR, ABRA, MAACO, PROCOLOR[1]

1,120	$1.6B	3%	~30%
locations	revenue	of collision market	MSO-owned

Franchise locations have **risen modestly** over the last 3 years[3]

DEALER-OWNED[2]

5,400	$7.9B	17%	~10%
locations	revenue	of collision market	MSO-owned[1]

Dealer body shops have **declined** over the last 3 years, from 34.2% in 2023 to 31.9% currently

1 Focus Advisors estimate
2 Inferred from 2026 midyear NADA report
3 Driven Brands 10-K and other public information

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OPPORTUNITY · DEALER-OWNED BODY SHOPS

An untapped path for independents

WHAT WE SEE

Dealer Body Shops

An opportunity worth a look

When you're considering adding through acquisition, take a look at dealer opportunities in your market.

AVAILABLE TARGETS

→ Fewer dealers are running shops

WHAT A DEALER SHOP BRINGS

Modern capacity
Room to grow in an up-to-date facility

Referral channel
Dealer sales and service feed repair work

Better equipment
Tooling for certified repairs, including calibrations

OE-trained techs
Technicians trained to factory standards

Parts agreement
Potential for preferential OE parts pricing

ASSETS AND RELATIONSHIP VALUE

→ A strong dealer lease over valuation

PRESENT · MARKET STRUCTURE

Four Whales hold 34% of the market

Whales
Big 4

34.1%
of market revenue

Companies	**4**
Locations	**4,001**
Revenue	**$16.4B**

Sharks
Next 13

4.3%
of market revenue

Companies	**13**
Locations	**541**
Revenue	**$2.1B**

Big Fish
MSOs 9+

5.8%
of market revenue

Companies	**60**
Locations	**1,026**
Revenue	**$2.8B**

Medium Fish
MSOs 4–8

7.0%
of market revenue

Companies	**250**
Locations	**1,243**
Revenue	**$3.4B**

Ambitious Fish
MSOs 2–3 + Elites

26.7%
of market revenue

Companies	**2,800**
Locations	**4,138**
Revenue	**$12.8B**

Fish Fish
Singles

22.1%
of market revenue

Companies	**18,000**
Locations	**18,051**
Revenue	**$10.6B**

Total market 21,167 companies · 29,000 locations · $48.0B revenue

Focus Advisors estimates · Market share of total U.S. collision repair revenue

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We entered the year bullish.

Buyers told us they had aggressive growth goals.

More buyers were entering the market.

Then total buying slowed further.

But buying didn’t slow for everyone.

Let’s look at why and where.

PRESENT · THE BUYERS

Five new PE-backed platforms in two years

17 US collision platforms with 16 buyers now carry a private equity sponsor: 3 joined in 2025, 2 more in 2026, and 1 left the field.

ESTABLISHED PLATFORM	PE SPONSOR
Crash Champions	Clearlake Capital
Puget Collision	Eagle Merchant Partners
Authentic Auto Body	Envest Capital Partners
VIVE Collision	Greenbriar Equity Group
Caliber Holdings	Hellman & Friedman, Leonard Green, OMERS
Kaizen Collision Centers	Kinderhook Industries
Certified Collision Group*	The Riverside Company
BrightPoint Auto Body	Southworth Capital
CollisionRight	Summit Partners
Quality Collision Group	Susquehanna Private Capital
Classic Collision Centers	TPG Capital
OpenRoad Collision	Trivest Partners, LP First Capital
~~**Joe Hudson's**~~	~~TSG Consumer~~ **Exited · sold to Gerber/Boyd**

** This platform is not a buyer or consolidator.*

+3 ADDED IN 2025

Driving Force Collision
TRP Capital

Collision Leaders
Bestige Holdings

Chilton Auto Body
Trive Capital

+2 NEW IN 2026

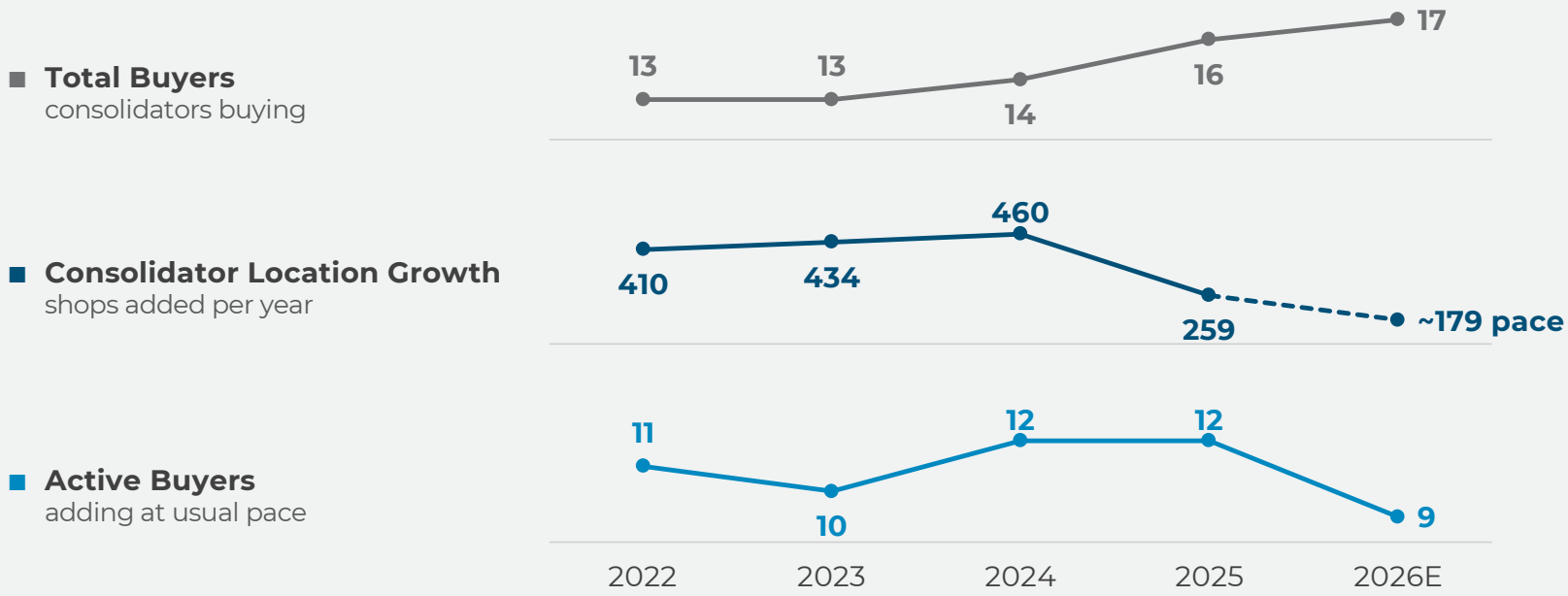
Collision Partners
Family offices

Confidential NE Platform
Confidential sponsor

PRESENT · THE BUYERS

More buyers, fewer active, slower growth

Buyers rose from 13 to 17 since 2022, but only 9 are buying at their usual pace and shops added fell by more than half.

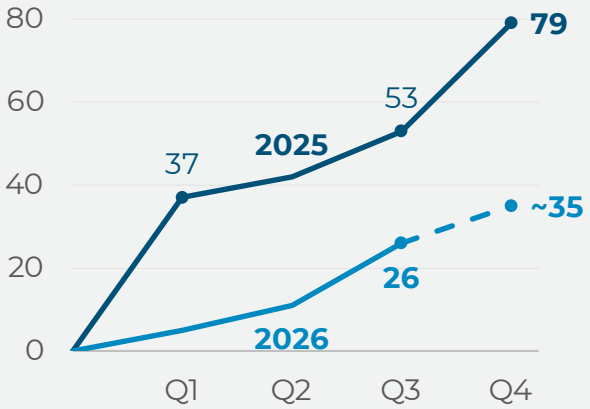


U.S. consolidators only. Shops added = locations acquired plus opened. Active = adding shops at 50%+ of its own 2021–2026 yearly average (new entrants active; 2026 annualized, through Oct 15). Excludes Crash–Service King and Boyd–Joe Hudson's mergers. Source: Focus Advisors deal tracking.

PRESENT · THE BUYERS

Big MSO deals have slowed

CUMULATIVE SHOPS ACQUIRED



−56% **fewer shops sold from big MSO deals**

2025: 10 deals · 79 shops
2026 pace: ~5 deals · ~35 shops

2026 DEALS OF 5+ SHOPS THRU Q3

Date	Acquired MSO	ST	Buyer	Shops
Jan 4	Carstar Scott Hotalen	NY	Vive Collision	5
May 8	Fix Auto Richard Fish	CA	Puget Collision	6
Jul 9	Barnett's Body Shop	MS	Caliber Collision	5
Aug 28	Key Collision**	NH	Caliber Collision	10
	Total (excl. Joe Hudson's)			26
Jan 9	Joe Hudson's Collision Center*	AL	Gerber Boyd Group	258

**Gerber's Joe Hudson's is left out of the totals as a one-of-a-kind mega-deal.*
*** Represented by Focus Advisors*

Source: Focus Advisors deal tracking · 2026 projected from Jan–Sep pace

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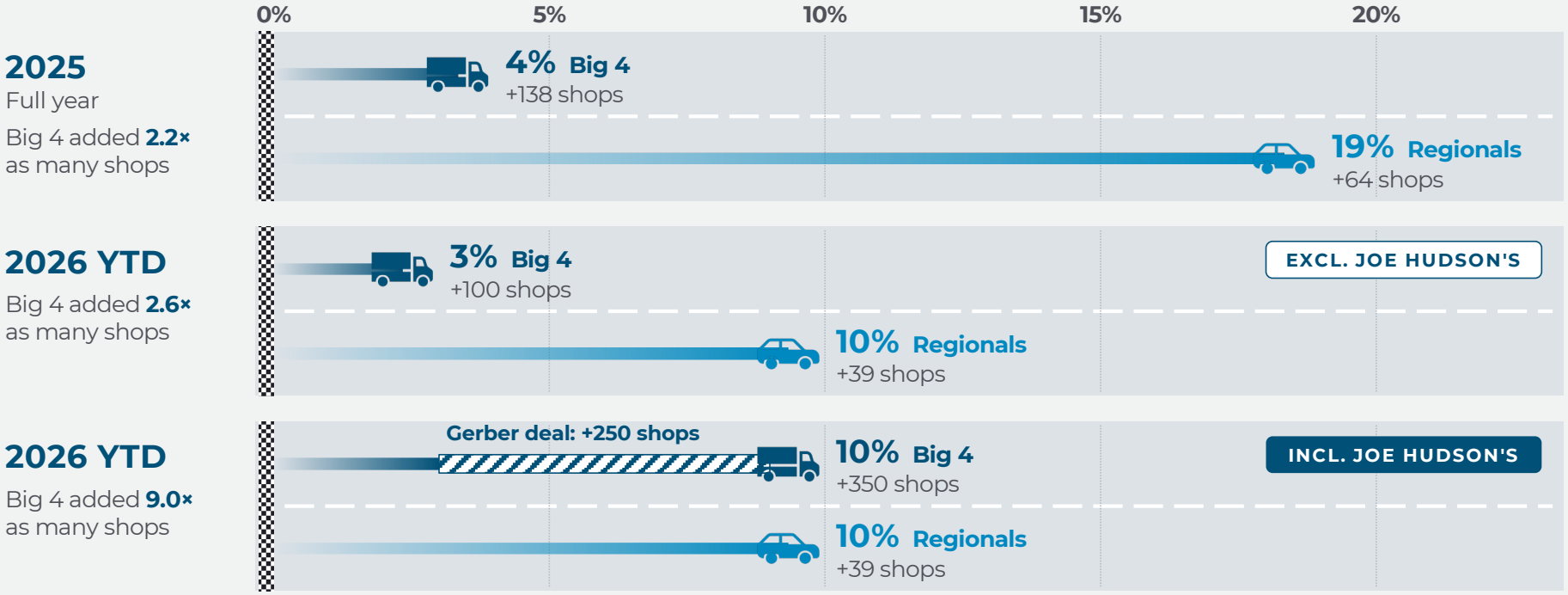
The Big 4 added more shops, but regionals grew proportionally more - until the Gerber deal

Distance = growth rate (shops added as % of shops already owned)



Big 4 = Caliber, Gerber/Boyd, Crash Champions, Classic · Regionals include CollisionRight, Quality, VIVE, Kaizen, Puget, OpenRoad · 2026 YTD · Source: Focus Advisors deal tracking · Confidential

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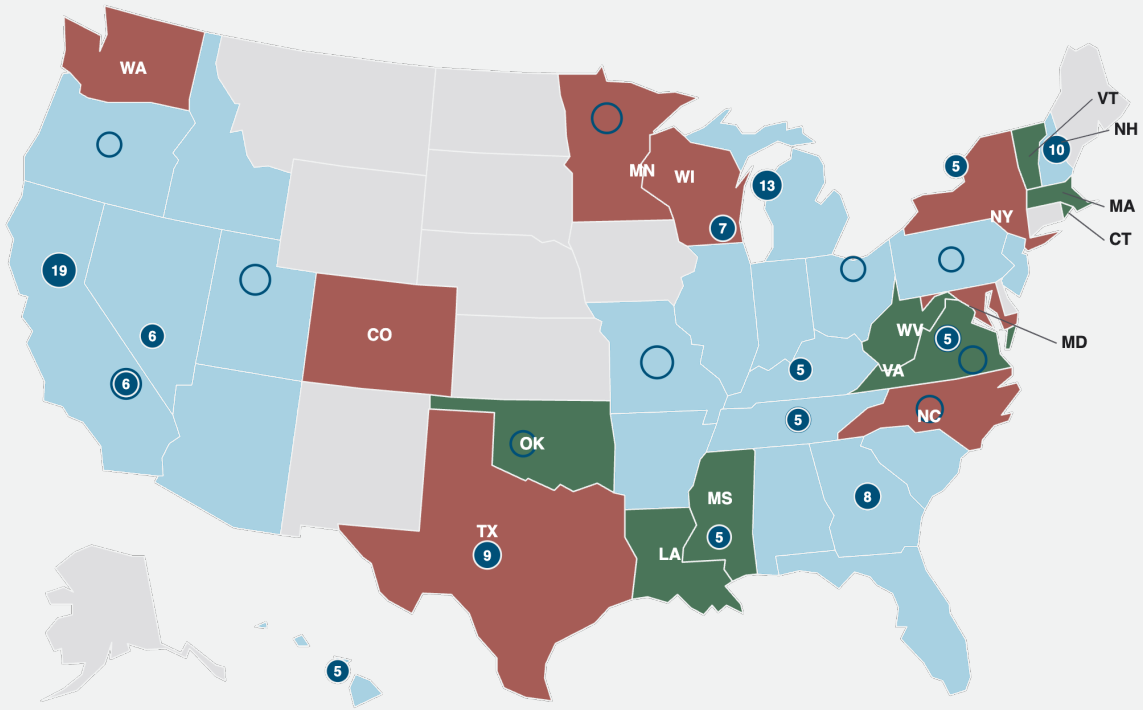
PRESENT · THE BUYERS

Tuck-in buying has moved east and shrunk; the West and Upper Midwest have cooled



Building
Share of tuck-in & new-build growth up 1+ pt

Holding
Active, share within ±1 pt

Pulling back
Share down 1+ pt

Quiet
Under 8 locations added since 2023

● ○ MSO deals of 5+ shops: **filled** 2025–26 · **hollow** 2023–24

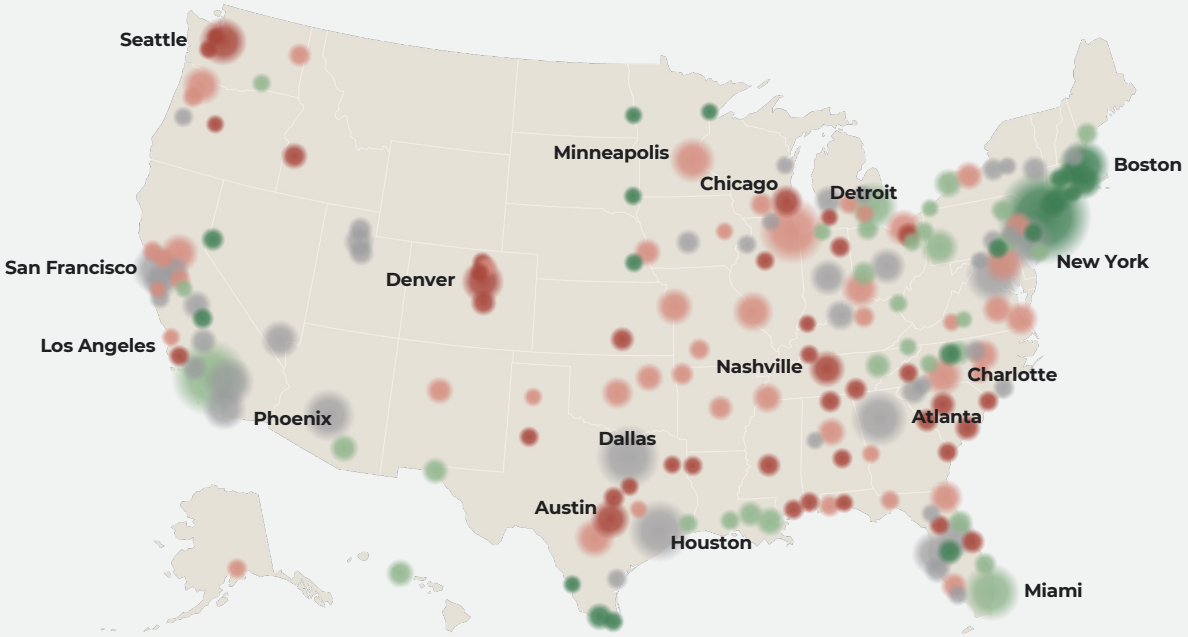
Building		Pulling back	
MA	+4.8 pts	**MN**	−2.7 pts
VA	+3.2 pts	**NY**	−2.2 pts
LA	+2.2 pts	**CO**	−2.0 pts
MS	+1.9 pts	**WA**	−2.0 pts
VT	+1.9 pts	**TX**	−1.6 pts

Change in share of U.S. tuck-in and new-build locations added, 2023–24 to 2025–Oct 2026. U.S. total 840 → 406.

Source: Focus Advisors deal tracking, Oct 2026 · U.S. consolidator locations acquired or opened · excl. Gerber's Joe Hudson's deal · Confidential

PRESENT · THE BUYERS

What appears over or under consolidated



Consolidator-owned shops per 100K people (U.S. average = 1.5)

Circle size = metro population

Crowded	2.3+
Above average	1.7 – 2.3
About average	1.3 – 1.7
Below average	0.75 – 1.3
Wide open	under 0.75

Most crowded large metros

Austin 3.0 · Denver 2.8
Seattle 2.4 · Nashville 2.3

Most open large metros

New York 0.2 · Boston 0.2
Providence 0.3 · New Haven 0.5

PRESENT · THE CONSOLIDATOR PLAYBOOK

Same environment, similar circumstances, different plays

SAME ENVIRONMENT

Claims counts

Cost of capital

Balance sheets and growth capital

SIMILAR CIRCUMSTANCES

Liquidity event

Competition for deals and exits

PAUSE

Many are pausing to shore up operational efficiencies

LEVERAGE

Leveraging size to strengthen market position

GROW

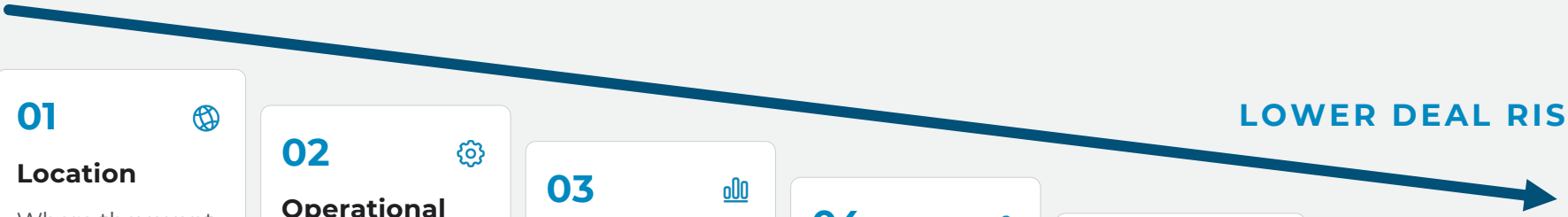
Growing opportunistically, with a lower risk tolerance

- Carefully evaluating opportunities
- Smaller consolidators doing majority of deals
- Evaluating value creation differently: multiple arbitrage vs. top-line growth

PRESENT · WHAT BUYERS PAY FOR

Each fit characteristic lowers deal risk

HIGHER DEAL RISK



LOWER DEAL RISK

01

Location

Where they want to be now, that doesn't cannibalize their current business

02

Operational and growth model fit

DRP-driven (or less common OE), operating process and systems, rent factor, strong management

03

Proven cashflow

And accretive deals

04

Full staff

In particular, technicians

05

Growth potential

Capacity, market concentration

06

Capital cost

To outfit and operate to their standards

PRESENT · WHAT BUYERS PAY FOR

What drives values right now

1 Competition

National consolidators have stronger preferences for where they want to grow, and where they won't consider outside of an exceptional opportunity

The fastest growing regional consolidators evaluate opportunities only within or adjacent to their regions

Selectivity: unique characteristics or a particular liability of a business may be disqualifying to particular buyers

2 Best fit qualities

Buyers are less flexible than in the past to consider businesses without ideal fit characteristics for them

Even if interested, valuations are more sensitive now to how close the fit is

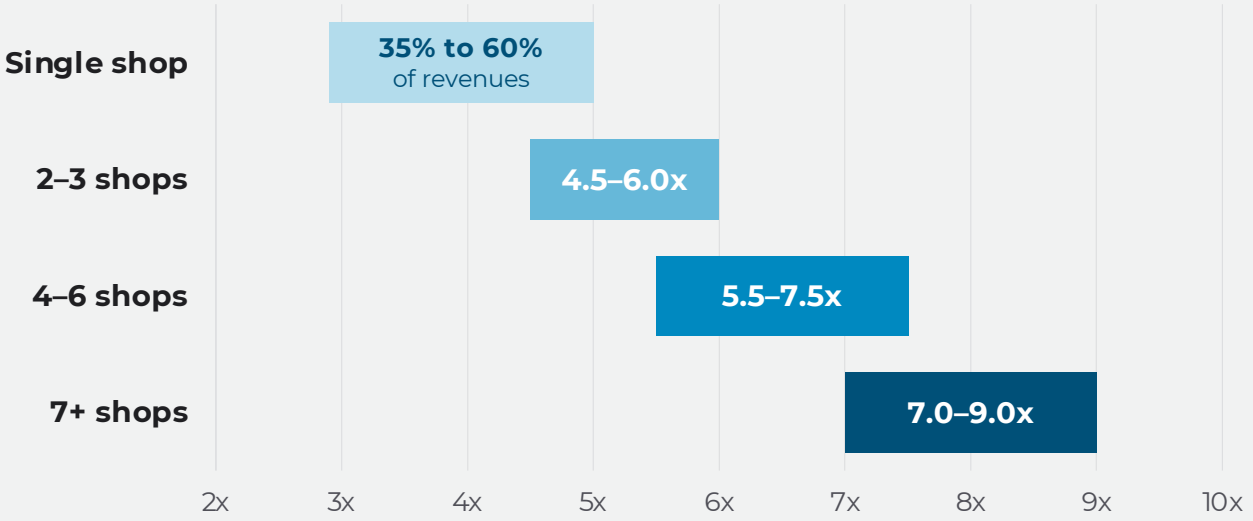
3 Clean Diligence

Higher standards and less tolerance for unexpected diligence findings are increasing changes in deal terms and reducing successful closes overall

PRESENT · WHAT BUYERS PAY FOR

More shops, higher multiples

EBITDA multiple by shop count, average ranges



What moves the multiple

Valuations are down for over a year now as sales slowed for most operators.

Fewer competing buyers likely trim multiples, except at large platforms with real market presence.

Location and business quality fit decide where a deal lands in its range.

Multiples vary with EBITDA adjustments, referral sources, rent factor, buyer-achievable gross margins, and the unique qualities of each opportunity. These are averages and not representative of all deals.

THRIVING VERSUS STRUGGLING ENTERPRISES 2025-2026

Why some operators weathered the downturn

Volume set by one or two carriers ← → **Volume carriers can't easily move**

STRUGGLED

- ⚠ **One or two carriers dominated.** When assignments fell, so did the shop.
- ⚠ **Lost or never had key DRPs.** No other programs to fall back on.
- ⚠ **Ticket couldn't save them.** Severity rose, but car counts fell faster.

WEATHERED

- ✓ **Many DRPs.** Managed work across carriers as flow shifted.
- ✓ **Added other sources.** Fleet and non-insurance work.
- ✓ **Owned their market.** Regional density or a captive market.
- ✓ **Specialized repair.** Go-to for a growing luxury brand.
- ✓ **Referral relationships.** Locked-in dealer referrals.

THE COMMON LINK

Volume that was resistant to carrier influence.

Growing, affluent markets were a tailwind, not the reason.

ACT 3 OF 3

Future

What's next for consolidation: sellers, buyers, valuations, deal speed, and how AI might change that

ACT 1 • PAST
1996–2025
18 start-ups narrowed to four giants

ACT 2 • PRESENT
2026
38% of revenue on 16% of shops

ACT 3 • FUTURE
2027–2036

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FUTURE • WHERE CONSOLIDATION IS HEADED

Four things happened once an industry got here

13 INDUSTRIES passed 30–45% consolidation: glass, tires, lube, car wash, vets, dental, PT, physicians, dialysis, pharmacy, funeral, waste, agencies.

LEADERS the top 3–4	**Merge, then build.** Mergers shed local assets to clear antitrust; growth then shifts to new builds and the payer tie deepens.	HIGH 7 of 13 analogs	**53** funeral homes SCI had to divest to buy Stewart (2013). It now buys ~26 a year and builds the rest.
REGIONALS PE-backed platforms	**Sell up or recap.** Exits go to a leader or a larger sponsor. The only ones that failed were carrying 2021-vintage debt.	HIGH 12 of 13 analogs	**13 of 13** regional exits in auto glass and tires went to a larger strategic (2019–26); none failed.
THE MIDDLE 4–8 units	**Shrinks fastest.** Too big to be a specialist, too small for a platform price. Fewer buyers, bigger discount, slower closes.	MEDIUM 6 of 13 analogs;	**–36%** medium independent physician practices in four years (2019–23); large –45%, solos fell less.
SINGLE UNITS the long tail	**Stay close to referral sources or else** Hold where none does. The buyers are individuals, not platforms, and counts fall a third over 15–25 years.	MEDIUM 4 of 6 analogs	**3–4.5x** higher closure odds for pharmacies left out of preferred networks (2014–23).

Sources: FTC; SCI 10-K; glassBYTEs; Modern Tire Dealer; PAI/Avalere; USC Schaeffer.

FUTURE • WHERE CONSOLIDATION IS HEADED

Before AI: the middle sells up, the tail thins out

SEGMENT	WHAT HAPPENS NEXT, BEFORE AI
Whales 4 nationals · 34% of revenue	**Merge, then build.** One or two more mega-deals, Whale-on-Whale or Whale-on-Shark, with metro divestitures. Then new builds outpace acquisitions and carrier ties deepen.
Sharks 13 regional PE platforms · 4%	**Sell up or recap.** Dense, DRP-strong platforms sell to a Whale; the rest recap or merge. The risk is 2021-vintage debt, not deal flow.
Big Fish 66 MSOs with 9+ shops · 6%	**Buy or be bought.** OEM-certified groups with density and strong scorecards become local acquirers. Without that moat, they are the Sharks' target size.
Medium Fish 250 MSOs with 4–8 shops · 7%	**The ravine.** Fewest buyers and the steepest discount: 5+ shop deals are already down 56% in 2026. Earn-outs and rollover replace cash at close.
Ambitious Fish 2,784 small MSOs and elites · 27%	**Splits in two.** Specialists in OEM, dealer, luxury and EV work trade at the top of the market and sell first. 2–3 shop MSOs are priced like singles unless they clear ~$1M EBITDA.
Fish Fish 18,051 single shops · 22%	**Close, not sell.** Capital investments and DRP tiering decide who survives, and closures cluster in consolidator-dense metros. Buyers are individuals at 2.5–4.5x SDE, not platforms.

Consolidation moves up the scale: the middle sells, the single-shop tail shrinks.
Focus Advisors' view, based on the analogs.

Before · Where headed · After

Technology Bends the Curve

Physician-owned practices

1 · THE TECHNOLOGY

Electronic health records became necessary

2009 HITECH Act required them by law

$27B in incentives to adopt electronic health records

Medicare pay cuts for holdouts from 2015

2 · THE PAIN

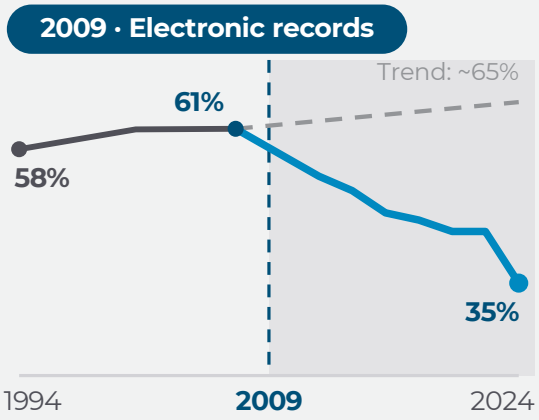
Too costly to run alone

Implementation: $162K to install per 5-doctor practice

Insurance management: 5× more billing codes, plus prior auths

3 · THE RESULT

Ownership collapsed



Ownership 61% → 35%; hospital-employed doctors 16% → 41%

4 · ACCELERATED

Scale became the answer

Raised the cost to stay independent

Shifted control to Medicare and insurers

Cheaper to operate on one shared electronic health record

Cheaper to merge: practices plug right in

Sources: FDIC · RIAA · AMA Physician Practice Benchmark Surveys

Technology like AI speeds consolidation four ways

Most technologies drive mainly one of these. Like electronic records AI will drive all four.

1. Raises the investment cost to stay in business

NEW EQUIPMENT

Vehicle **damage scanning**, **calibration**, carrier-required **measurement and reporting** systems

2. Shifts more control to whoever pays

DRP MANAGEMENT

Carrier tiers are here. AI lets them be managed **across everyone, dynamically**

3. Creates a cheaper way to operate

EFFICIENT SYSTEMS

Machine-enabled **estimating**, **parts ordering** and operating-**system automation**

4. Makes buying and merging cheaper

LOWERS M&A RISKS

Faster, cheaper, more thorough **acquisition diligence**. Faster **systems integration**

All four favor scale. AI pushes all four at once, and faster.

FUTURE • WHY AI SPEEDS CONSOLIDATION

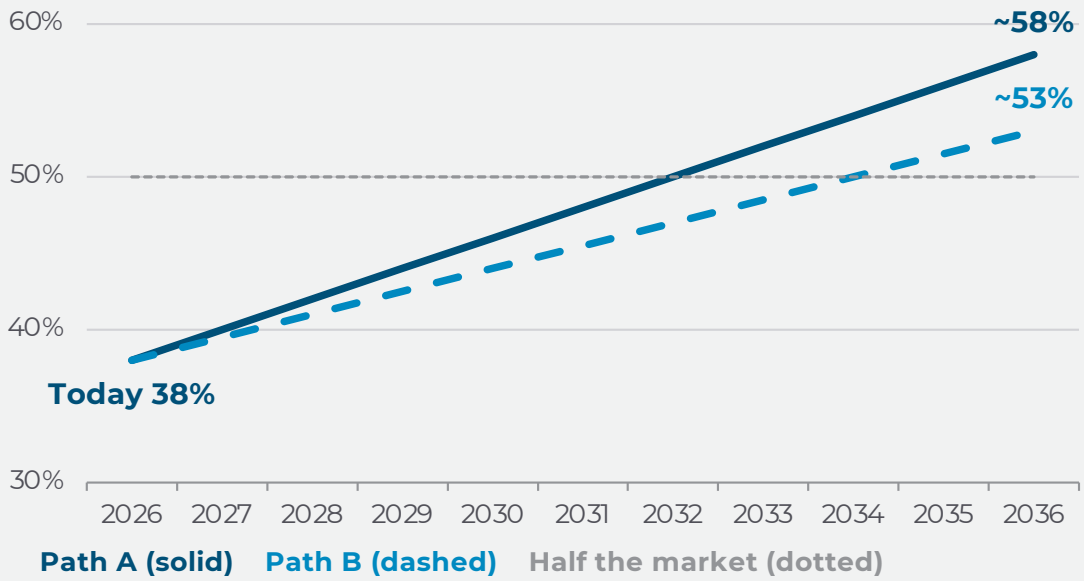
How AI could accelerate what we just presented

THE VALUE OF THESE	ACCELERATED BY AI CAPABILITY
DRPs (built consolidation)	AI takes the FNOL, writes the estimate, picks the DRP shop, preorders the parts
Value of carrier-independent volume	Carriers, wired into every shop's metrics, adjust tiers and rates dynamically, and likely down
Buyer multiple: pay for fit and clean diligence	Shops that manage and report their data with AI carry less risk; metrics become the new P&L
Buying vs building; mid-size buyers competitive	Smaller deals easier and cheaper; independent platforms become competitive buyers
Attention to Growth and debt (sank wave one)	Cuts cost, time and risk per deal, but rollups failed on debt and speed, not information

FUTURE · WHERE IT LANDS

AI may result in one of two paths

Consolidators' share of U.S. collision revenue · illustrative paths from real paces elsewhere



Path A · Leaders speed up

If insurers shrink networks to a few national partners. **50% by 2032**

Watch for: shrinking DRP lists; consolidators buying consolidators

Path B · Stronger middle

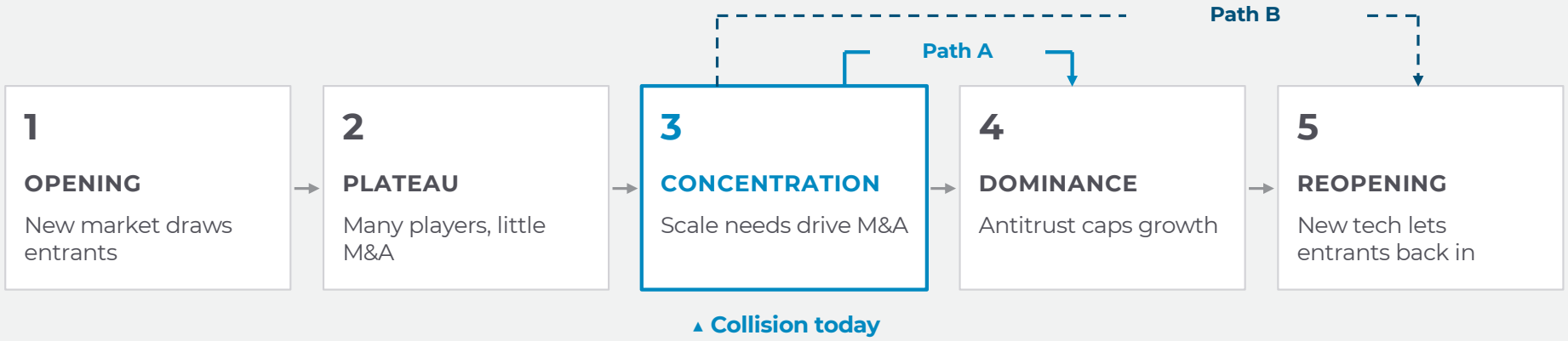
If insurers use AI to score many strong independents. **50% by ~2034**

Watch for: independents outbidding nationals; independents getting consolidator terms

AI doesn't decide whether consolidation continues. It influences how fast, and the insurers' use of it influences for whom.

FUTURE · WHERE IT LANDS

AI could speed dominance or reopen the market



Path A: AI speeds the move to dominance
Largest MSOs buy AI tools first and win more insurer volume

Path B: AI reopens the market
Independents get scale-level tools; top-3 share falls, then consolidation restarts

Source: A.T. Kearney, "The Merger Endgame Revisited" (2013); phases illustrative. Collision placement and AI paths: Focus Advisors' view.

FUTURE · THE DECISION

Your 2046 fish is decided by what you do now

Whales & Sharks
Consolidators · 38% today

Keep consolidating either way. Whales to ~55%, Sharks to ~8%. The rest is up to them.

	IF YOU BUILD	IF YOU WAIT
Big Fish Independent MSOs, 9+ shops · 6%	**Become a Dolphin.** Get dense and data-run in one metro; buy the Medium Fish that sell.	**Become a tuck-in.** A 9+ group without density is a Shark's next deal. Fine, if you choose the timing.
Medium Fish Independent MSOs, 4–8 shops · 7%	**Scale to a Dolphin.** Reach density, or merge with a neighbor who has.	**Hold at 4–6 or 7.** Fewest buyers, steepest discount. Value falls every year you wait.
Ambitious Fish 2–3 shop MSOs, elite singles · 27%	**Become a Marlin or a Pilot Fish.** Certify for OE and EV, or establish carrier-independent revenue like fleet and dealer volume.	**Get priced like a single.** Generalist 2–3 shop groups split up and sell piecemeal.
Fish Fish Single-shop independents · 22%	**Become a Reef Fish.** Own your carrier-independent volume, run on your numbers, rent the AI.	**Close.** Half of today's singles exit by attrition, living on one carrier's assignments.

Focus Advisors projections, directional · shares are of total collision revenue today · 2046 outcomes assume the AI path

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FUTURE · WHERE IT LANDS

The 2046 Fish Scale

	2046 · WITH AI	VS TODAY	WHO GETS THERE
Whales National consolidators. Capital and scale.	**~55%** 34% today	↑	**More than half the ocean.** The Big 4 and whoever buys them. Fewer names, bigger balance sheets.
Sharks Regional PE platforms built to sell.	**~8%** 4% today	↑	**Form, roll up, exit to a Whale.** The cycle runs faster than it does today.
Dolphins Dense local groups: one metro, run on data, insurer top tier.	**~10%** new pool	NEW	**Big Fish that got dense; Medium Fish that scaled or merged.** Shop count is a result, not the goal.
Marlins Certified specialists: OE, EV and ADAS, complex repair.	**~9%** new pool	NEW	**Elite singles and 2–3 shop groups that certified.** One shop or five; the work follows the specialization.
Pilot Fish Fleet and dealer partners. Volume owned by contract, not DRP list.	**~6%** new pool	NEW	**Any size shop that swims with durable revenue.** Establish fleet, dealer, and other channel partners.
Reef Fish Community shops: self-pay, reputation, multi-DRP, lean AI back office.	**~12%** new pool	NEW	**Singles that own their volume and run on their numbers.** Small, local and durable.

Tidepools: Medium Fish that held at 4–6, generalist 2–3 shop groups, and singles that relied on one or two carriers.

Focus Advisors projections, directional · 2046 shares, market size held constant · pools defined by how they win volume, not by shop count

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FUTURE • WHAT IT MEANS FOR YOU

The window to choose is open now

Owners

1. **Build a KPI track record now.** Insurers tier on it; buyers pay for it.
2. **Win the top tier.** Preferred tiers are coming with the best volume.
3. **Own your volume.** OE certs, fleet, self-pay; no carrier over a third.
4. **Rent the tools.** AI estimating and scheduling are now subscriptions.
5. **Choose your path now.** Waiting narrows it; vet the buyer, not the price.

Buyers

1. **Build the absorb system first.** Integration, not deal flow, is the limit.
2. **Re-run the math on small deals.** Lower risk, lower cost, faster.
3. **Buy where others aren't.** 4–8 shop groups and open metros, few bidders.
4. **Dealers are selling body shops.** Most go local before a national calls.
5. **Pay for stable technicians.** Consolidation and AI don't fix the shortage.

Investors

1. **Stress-test leverage.** Roll-ups failed on debt, not information.
2. **Diligence the data, not just EBITDA.** Clean systems pay back faster.
3. **Underwrite a 6–8 year shift.** Every parallel took about a decade.
4. **Back the middle gap.** Few bidders on 4–8 shop groups; the local buyer sets the price.
5. **Watch who buys whom.** Regionals outbidding nationals name your exit buyer.

take·a·way

\ˈtāk-ə-ˌwā\ *noun, plural: three*

1 **THE MARKET**

Consolidation has its own momentum: 38% of revenue on 16% of shops, and we're firmly in the concentration phase

2 **THE OPERATORS**

Owners who take action to develop a durable model will succeed for the next 20+ years

3 **THE AI EFFECT**

AI speeds it all up and rewards owners who run on their numbers, whether they stay or sell. That shop sets its own terms.

Used in a sentence: *"Thank you for all the information. Now please takeaway Chris and John."*

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THANK YOU · TAKE IT WITH YOU

Materials and other information, and a hearty thank you!

01

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02

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We also have a printed set of data that's available at our booth here, **just for MSO Symposium attendees**

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