

Q2 delivers big profit lift for dealers across brand segments, with tariff rush and CDK breach comps playing roles

Average dealership performance data for 2025's second quarter from The Presidio Group and NCM Associates showed all brand segments enjoying double-digit income gains after years of decline from pandemic-era peaks.

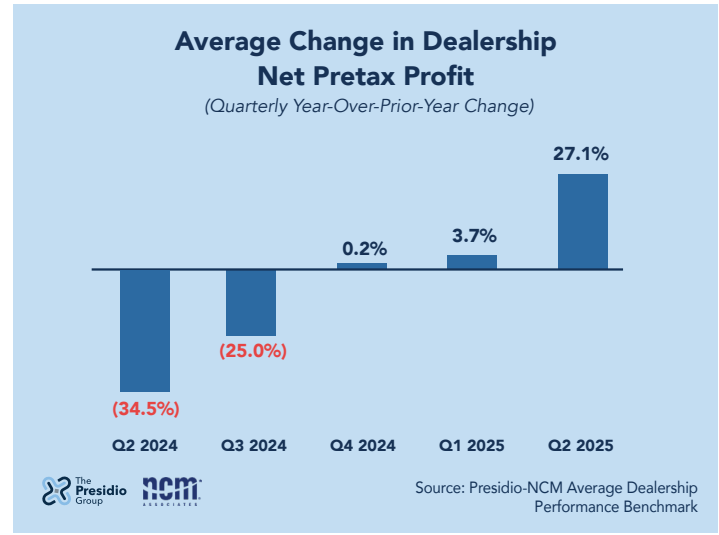
- The average franchised dealership posted a **27.1%** increase in net pretax profit compared with the year-earlier quarter, led by import-brand segment gains and helped by the first quarterly improvement for the domestic-brand segment in three years.
- While gains in part reflect post-pandemic normalization, the quarter's positive trends also got a boost from **two factors** — consumers' rush to buy new vehicles ahead of tariff hikes and an easy comparison to a year-ago period dragged down by the CDK Global outage.
- Operational gains were broad-based, with **all departments** — new, used, F&I and fixed operations — delivering gross profit increases for the quarter.
- Average gross profit per new vehicle rose **6.1%** sequentially from 2025's first quarter to \$2,128, representing the first uptick in that metric in recent history.

Franchised dealerships continue to demonstrate resilience and a rebound in profitability, according to second-quarter data from the Presidio-NCM Average Dealership Performance Benchmark.

Average revenue rose 8% to \$22 million as new-vehicle volume increased 8.3% and used-vehicle volume 3.7%, fueled by pull-ahead demand created by the Trump administration's announcement of new tariffs. Even considering that tariff effect and the easy comparison against year-ago data stemming from the CDK Global breach, average dealership profits seem to be normalizing at numbers significantly higher than before the coronavirus pandemic.

The average store's profit for the first half of 2025 was 2.0 times its pre-pandemic level in 2019, according to an analysis

† Automaker bonuses/incentives from adds and deducts are included in departmental gross; PVR only includes retail units; net profit is pre-LIFO



Current Snapshot

Here's a quick look at the average dealership performance for Q2 2025 compared with Q2 2024:

Revenue: \$22.0M ↑ 8.0%	Profit change YOY: ↑ 27.1%
New vehicles retailed: 229 ↑ 8.3%	Gross profit per new vehicle retailed: \$2,128 ↓ 7.4%
Used vehicles retailed: 189 ↑ 3.7%	Gross profit per used vehicle retailed: \$1,567 ↑ 10.7%
F&I income per retail unit: \$1,688 ↑ 5.6%	Fixed-ops gross profit change YOY: ↑ 6.2%

Source: Presidio-NCM Average Dealership Performance Benchmark

of Presidio-NCM data. That pushed the Presidio-NCM Average Dealership Profitability Index to a score of 200 as of the end of June, higher than its mark of 180 at the end of March and 173 at the end of December.

“Second-quarter results highlight the adaptability and underlying strength of franchised dealerships,” said George Karolis, president of The Presidio Group. “We are seeing a continued redefinition of what normal profitability looks like for dealers, but it’s important to remember not all stores are participating equally in this rebound. Brand strength and geographic factors continue to be key differentiators driving operational performance and dealership values.”

The Presidio-NCM Average Dealership Performance Benchmark is based on the aggregated financial results of more than 4,000 U.S. franchised dealerships of all brands and sizes that work with NCM Associates. The number of outlets contributing to second-quarter 2025 data represents nearly a quarter of the 18,000-plus franchised dealerships in the U.S., offering a robust and representative snapshot of industry performance.

As dealers look to the second half of the year, staying informed and positioning operations to capitalize on both challenges and opportunities are key.

“To keep their gains going, dealers should double down on operational discipline — closely managing expenses, optimizing inventory and staying responsive to shifts in consumer demand,” said Paul Faletti, CEO of NCM Associates. “Sustained profitability will come from a focus on fundamentals and a willingness to adapt as market conditions continue to evolve.”

For the first time since pandemic-high profits began to fall off in 2022, all three brand segments — luxury, import and domestic — saw a rebound in year-over-year average pretax profit, putting them in profit growth mode again. The domestic segment was the last to turn that corner in the just-completed second quarter, following the luxury segment’s rebound starting in the fourth quarter of 2024 and the import segment in the first quarter of 2025.

The second-quarter gains were significant for all three segments — up 33.9% for the average import store, up 31.7% for the average luxury store and up 23.5% for the average domestic store.

That led to the blended overall per-store average change of 27.1% in the second quarter. Again, the tariff-induced surge



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in vehicle purchases and the easier comp against the year-ago quarter related to the CDK breach helped drive the significant increase.

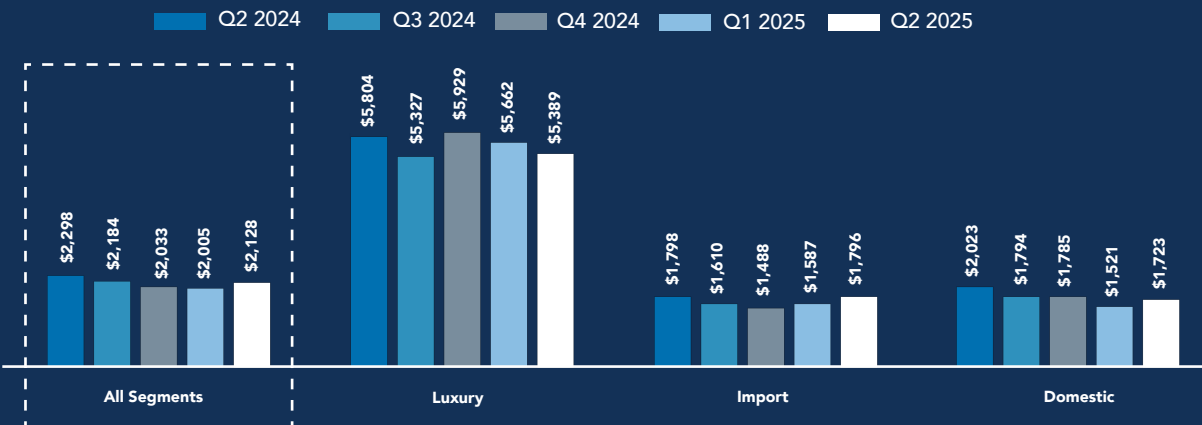
New-vehicle gross profit per unit fell 7.4% year over year but rose 6.1% compared with 2025’s first quarter to \$2,128, its first such improvement following a steady decline that began in 2022. The metric had hit its lowest level since 2020 in 2025’s first quarter at \$2,005. The import and domestic brand segments drove this year’s second-quarter sequential gain, with import rising 13.2% to \$1,796 and domestic rising 13.3% to \$1,723. Meanwhile, the luxury segment dropped sequentially, with its average gross profit per new vehicle falling 4.8% from 2025’s first quarter to \$5,389 in the second.

The used business saw improvement, with the average gross profit per used vehicle rising 10.7% to \$1,567 on a year-over-year basis and with a similar gain on a sequential quarter-over-quarter basis. The second-quarter progress is credited in part



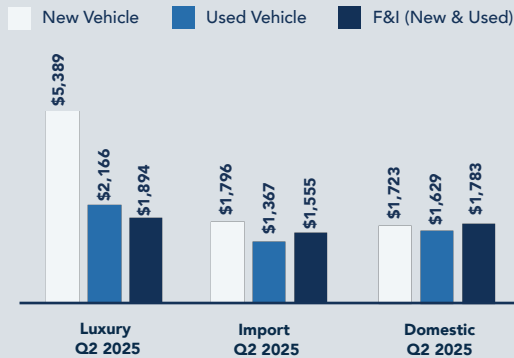
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Average New-Vehicle Gross Profit by Brand Segment



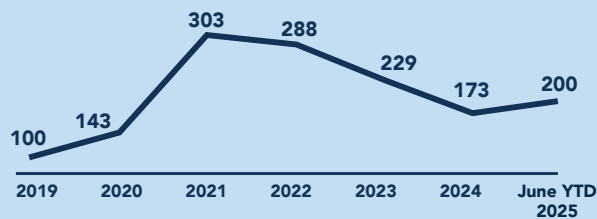
Source: Presidio-NCM Average Dealership Performance Benchmark

Gross Profit Per Vehicle by Brand Segment



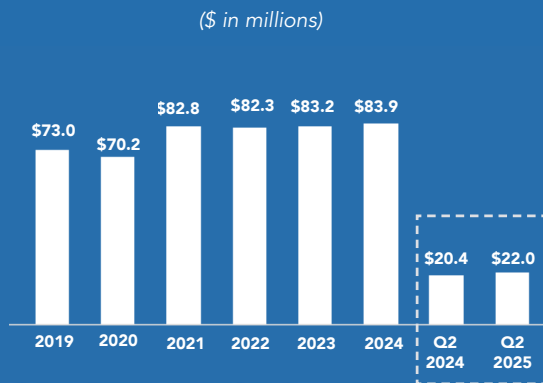
Source: Presidio-NCM Average Dealership Performance Benchmark

Presidio-NCM Average Dealership Profitability Index



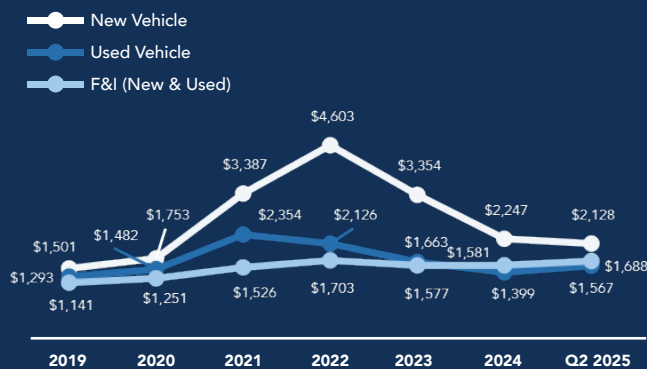
Source: Presidio-NCM Average Dealership Performance Benchmark

Average Dealership Revenues (\$ in millions)



Source: Presidio-NCM Average Dealership Performance Benchmark

Average Dealership Gross Profit Per-Vehicle Metrics



Source: Presidio-NCM Average Dealership Performance Benchmark

to tariff changes given affordability and inventory concerns.

Opportunities for dealers abound in the used-vehicle business even though it's significantly undersupplied, said Kevin Tynan, Presidio's director of research.

"Used could mirror the trends of the new-vehicle segment circa 2022 with fewer transactions but firm prices and historically wide margins," he said.

Per-vehicle finance-and-insurance income rose a healthy 5.6% year over year to \$1,688.

Parts and service continues to be an area of opportunity for dealerships. The average dealership's fixed-operations gross profit for the second quarter rose 6.2% year over year.

"Mid-single digit growth for what is a very mature business is a positive, demonstrating how parts and service is a profit driver," Tynan said.

With the parts-and-service department significantly disrupted

by the CDK outage in June 2024, more clarity on fixed-ops performance is expected to accompany third-quarter results to be released in October.

The average store's net floorplan interest expense continued its year-over-year improvement in the second quarter, helped by lower interest rates than a year ago. It moved from an expense of \$36,360 in the 2024 period to an expense of \$13,164 in the just-completed quarter.

Overall, second-quarter results continue to support the story of 2025 as a turning point for average dealership performance. With all three brand segments now experiencing rebounding profitability, this could be a year that establishes the average dealership's new post-pandemic normal.

But ongoing uncertainty around the impact of tariffs presents a caveat to that notion. Ultimately, the new normal will depend on automaker and dealership exposure to and management of the shifting tariff landscape.



The professionals at Presidio have completed over 290 transactions totaling over \$19.0 Billion, all in the US auto retail sector.

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