



FOR IMMEDIATE RELEASE

EFG Companies Predicts Hard-Fought Revenue in 2023 Amidst Economic Challenges

Return to Customer Service Best Practices Required for Success

DALLAS, TX (January 10, 2023) EFG Companies sees the end of record-high front-end profit coupled with external economic challenges impacting the retail automotive, powersports, and automotive lending industries in 2023. For more information, visit: <http://bit.ly/3XeMAkN>.

Recessionary uncertainty, evolving sales models and compliance requirements, along with continued growth in electric vehicles (EVs) are just a few issues facing dealer principals, agents, and lenders. As unit inventory and pricing stabilization will bring some relief, dealership management will face declining front-end revenue coupled with higher borrowing costs and cautious consumers. Company leaders recommend implementing sales and service best practices with consumer-focused sales models, relying on training, customer education, and value-driven approaches that support the entire lifecycle of the vehicle.

"Full implementation of the revised Safeguards Rule and the potential new rule from the FTC will not be the only challenges requiring dealer time, consideration, money and training," said Eric Fifield, Chief Revenue Officer with EFG Companies. "Success in 2023 will require dealers and lenders to scrutinize performance across all areas of revenue generation if they expect to come close to the historic revenues banked over the last couple years."

Fifield and other executives from EFG Companies emphasized there is room for optimism and revenue generation in 2023, despite a projected decline in sales forecasts and lending volume.

Best practices across the dealership will drive revenue for retail automotive.

A swirl of economic uncertainty, expensive compliance requirements, and unit inventory and floorplan fluctuations will be critical issues facing dealer principals in 2023. Savvy managers who focus on best digital and in-person customer service practices in both fixed and variable ops offset unit and gross profit revenue declines. Dealers who rely solely on front-end unit prices to make monthly revenue projections will miss out on opportunities to generate solid gains through the combination of F&I product sales and the service revenue those products bring in. Every budget line-item matters in 2023. Visit <https://bit.ly/3vNa0Sx> for a detailed forecast.

Customer focus across all departments will strengthen defenses and generate powersports revenue.

The challenges facing powersports dealers today are largely expected to continue in 2023, with slight changes. Economic uncertainty, evolving dealership sales models, fluctuating profitability targets, persistent staffing challenges, and continued shortages of powersports parts are just a few of the issues which will impact dealership profitability. The smart bet for 2023 is to "play all sides of the ball" by implementing customer service best

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practices across all departments, with a heavy focus on increasing transparency and communication between taking an order and delivering a unit. Visit <https://bit.ly/3XgmkGF> for a detailed forecast.

Nimble agents who deliver what dealers need will rise to the top.

A one-size-fits-all model will not work for F&I agents in 2023. While many overarching issues will impact all dealers alike, agents will need to focus their client service models on delivering the tools and resources that support each dealer's unique needs, including sales training, compliance support, and creating value-driven product portfolios. Commitment to a 'total cost of ownership' model will prove invaluable for the dealer's bottom line. Visit <https://bit.ly/3lAnLvG> for a detailed forecast.

Consumer education will keep the momentum up for auto lenders.

While many credit unions and indirect retail auto lenders realized portfolio gains in 2022, car buyers next year will face growing concerns about the economy, job security, and decreased borrowing power. Lenders who focus on consumer education and deliver value-driven protection products will capture valuable auto loans, thus increasing revenue streams. Visit <https://bit.ly/3CxsGte> for a detailed forecast.

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About EFG Companies

For more than 45 years, EFG Companies has provided consumer protection programs for vehicles and residences across seven market channels. The company's strategic intent is to build sustainable market differentiation and profitability for its clients and partners, including dealers, lenders, manufacturers, independent marketers, and agents. EFG's award-winning engagement model is built upon the belief that the company serves as an extension of its clients' management teams, providing ongoing F&I development, training, product development, compliance, and nationally recognized product administration with an ASE-certified claims team. Learn more about EFG at: www.efgcompanies.com