











# MECHANDIONE DECIDIE



We believe collision repair is a People First business. Since our founding in 1999, Crash Champions has been obsessed with building a culture that places people at the core of the collision repair experience.

That means treating people with respect, creating a welcoming environment, and delivering an exceptional experience while backing that with a high-quality repair and a lifetime warranty. See, when you Champion People, you elevate customers, team members and business partners – because every repair begins with serving people.

This is what Champions Do. We Champion People.

Matt Ebert Founder & CEO, Crash Champions

# We've seen more advancement in vehicle technology in the last 10 years than the last 50 years.

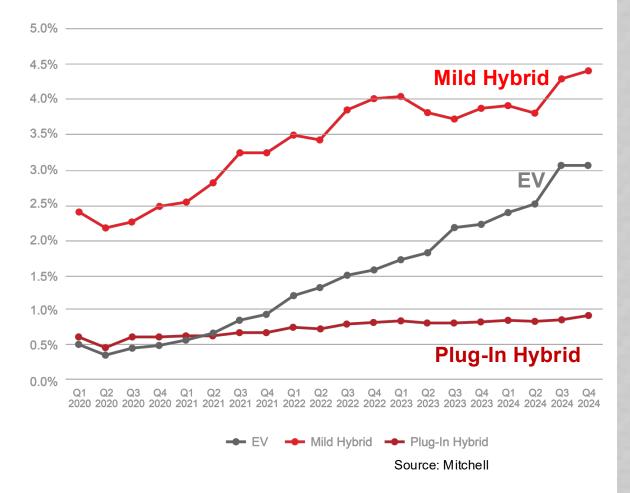
This is a massive challenge for the collision repair industry.

### HERE ARE 5 REASONS WHY

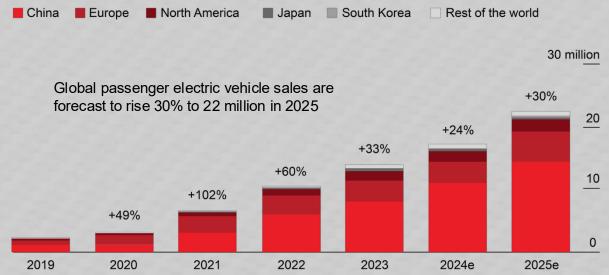
### THE EV SURGE IS REAL.



#### **Frequency of Electrified Powertrains**



### EV Sales Growth Could Bounce Back After Slowdown



Note: Some December 2024 data estimated. Includes battery-electric and plug-in hybrid vehicles. Source: Bloomberg

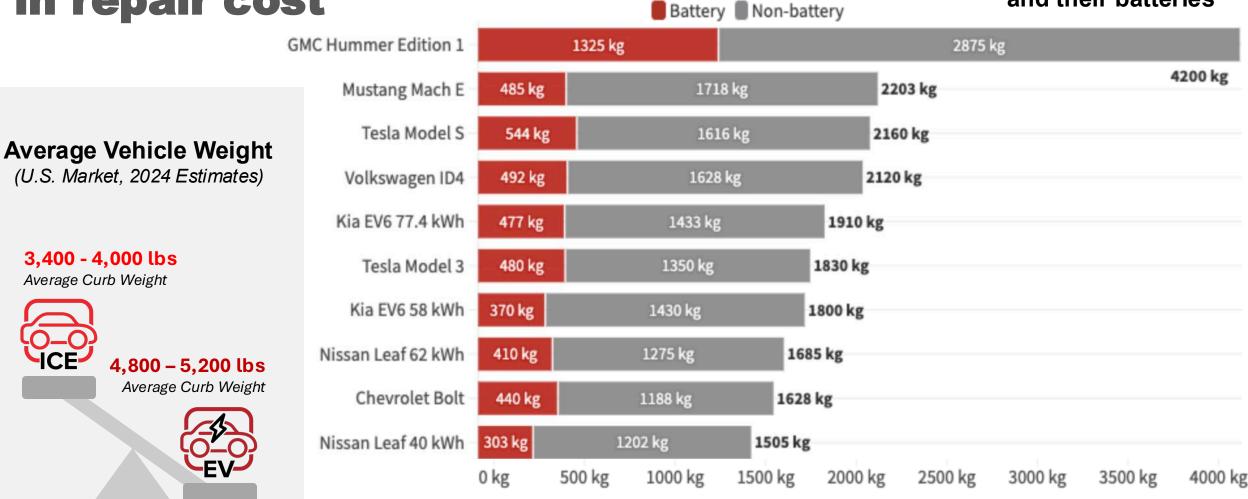


### 2 EVS ARE BUILT LIKE TANKS. WHICH CAUSES MORE DAMAGE WHEN THEY WRECK.

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## Weight plays a factor in repair cost

### Weight of electric cars and their batteries



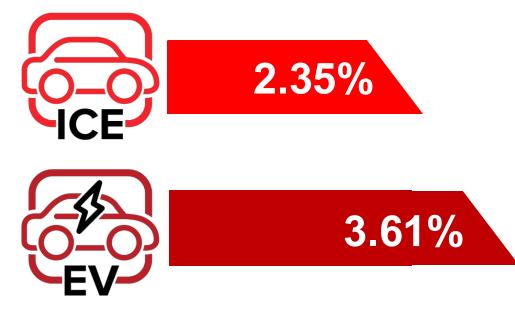
Note: Measured as curb weight, which does not include passengers or cargo. Author: Hannah Ritchie



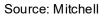


### Airbag Deployment Rates

### % of Repairable Vehicles with Airbag Deployment



EVs are more than 10-15% heavier than comparable ICE equivalents, meaning more mass is contributed to the collision force equation.

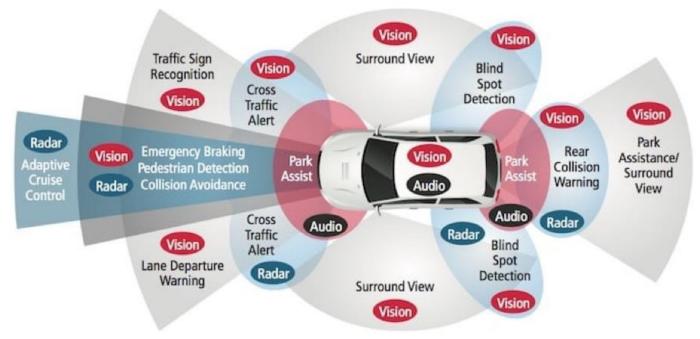


### TODAY'S VEHICLES ARE MORE COMPLEX. PERIOD. END OF STORY.



### Modern vehicles have around

- 3,000 microchips
- 100 sensors
- Anywhere from 30 to 100 onboard computers
- ADAS (Advanced Driver Assistance Systems)
- Up to 10 cameras
- Radar
- Lidar
- Over 3 miles in length of wires



### To put that into perspective:

A Boeing 787 has **14 million** lines of code controlling its operations, whereas today's modern luxury vehicles have over **150 million lines of code** 

### 2017 vs 2018 Toyota Camry



- 1. High Strength Steel Hood: \$552.55
- 2. Halogen Headlamps: \$256.78 each
- 3. Steel Front Aprons: **\$496.09 each**
- 4. Wave Radar Sensor: N/A

### Average Repair Cost: **\$3,996**

### Based on estimates written between 2022 and 2024 (front end impact)

- 5. Grille Emblem: \$57.29
- 6. Front Camera: N/A
- 7. Lane Departure Camera: \$995.20

### **26% Repair Cost Increase**



- 1. Aluminum Hood: **\$685.76**
- 2. LED Headlamps: \$994.01 each
- 3. HSS Front Aprons: **\$606.83 each**
- 4. Wave Radar Sensor: \$405.44

- 5. Grille Emblem for WR Sensor: \$422.37
- 6. Front Camera: \$599.38
- 7. Forward Recognition Camera: \$1,262.84

### Average Repair Cost: **\$5,034**



### **32 Tesla Certified Locations**

In 2024, the average repair claim severity was \$5,940 for 9,500 Teslas repaired by Crash Champions.

Average repair cost for ICE vehicles was \$4,400.

**35%** more expensive to repair.

**\$7,291** \_\_\_\_\_ F-150 Lightning Average Repairable Severity



**\$7,503** \_\_\_\_\_ Cybertruck Average Repairable Severity



**\$8,443 R1T** Average Repairable Severity



Source: Mitchell



Average Repairable Severity of 0-3 years-old, half-ton pickup trucks (F-150, Silverado Sierra, Ram 1500 and Tundra)



### Mechanical Labor Hours



EV average labor hours



ICE average labor hours

### Parts: OEM vs Aftermarket/ Recycled



of parts fitted to damaged EVs were OEM, while ICE vehicles get that figure down to

9,500 Teslas repaired in 2024 required all OEM parts.

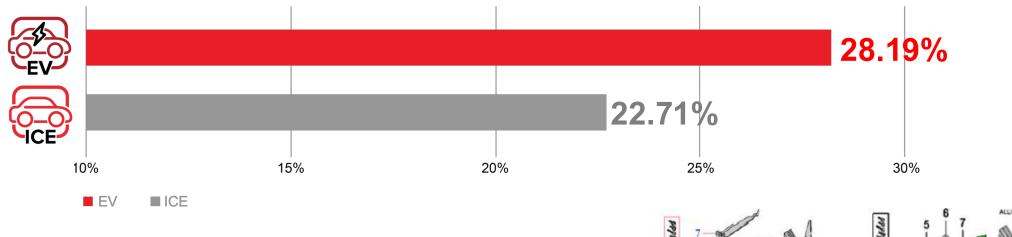
This difference is because ICE vehicles benefit from a more extensive variety of recycled and repaired parts compared to EVs.



65.14%

### **EV vs. ICE Lightweight Construction Materials**

% Lightweight Materials (Major Component Sheet Metal Parts)



EVs are comprised of a higher percentage of lighter-weight materials such as aluminum, carbon fiber and composites. These substrates respond differently than mild steel after an accident and are much more likely to require replacement than mild steel major component parts.

Source: Mitchell

2018 Audi A3 2018 Audi A3



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### I'm investing \$500,000,000 to repair the next generation of vehicle technology.

### **This Consists of Equipment & Training**



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### **EV Infrastructure & Repair Investment**

### **Electrical & Equipment**

- Lot-wide power access to maintain battery charge
- 10,000 lbs lifts now required for EVs (7500 lb average lift)
- Mixed material repairs: rivets vs welds

### **Safety Requirements**

- Lineman's gloves, shepherd's hook, Class D extinguisher
- EV fire suppression systems required in each bay

### **OEM-Specific Facility Standards**

- Ford: Aluminum curtains
- Audi: Aluminum clean room, lighting, custom workstations
- Mercedes: Requires unique tooling & layouts (not one-size-fits-all)

### **Paint Process Upgrades**

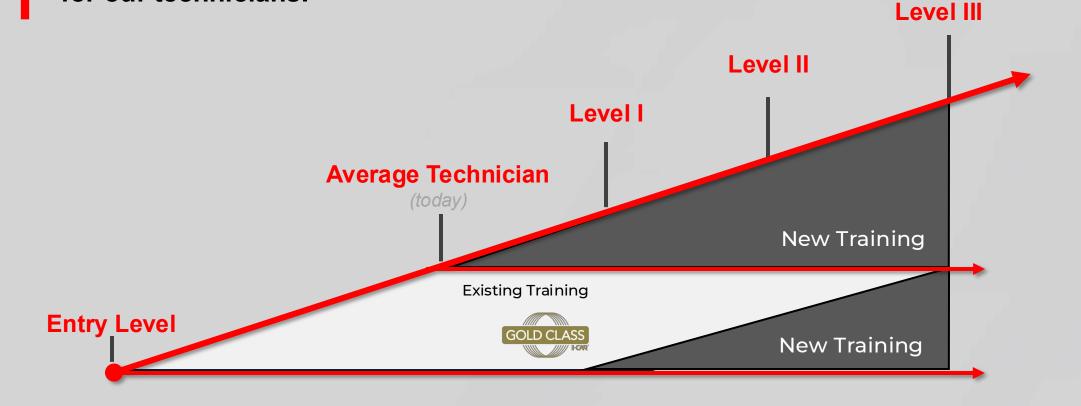
- UV primers and waterborne paint systems required
- Paint booths must support strict temp and humidity controls







I-CAR and industry training only provide about 60% of needed technical knowledge for our technicians.





### **Qualified Technicians are Highly Trained Specialists**

### **EV Specialized Certifications/ Training**

- Employee training off-site. Two-week mandatory training. Each employee investment is approximately \$10,000.
- Safety training for low voltage and high voltage.
- High voltage liability.

### For Example: Mercedes Certification

- Every 6 months a technician will need to travel to Houston to test welding capabilities
- Cost \$20,000 annually per Technician



### **5 THE VEHICLE EVOLVED... SO DID WE**.



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### LUXE | EV CERTIFIED REPAIR CENTERS



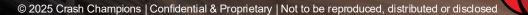
Crash Champions LUXE | EV Certified offers a premium collision repair experience exclusively designed for luxury vehicle owners. The rapidly expanding network of OEM-certified repair centers features technicians certified by luxury manufacturers, state-of-the-art tooling and equipment for electric vehicles, and comprehensive ongoing training for our staff.

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### LUXE | EV CERTIFIED REPAIR CENTERS



Factory Certified Collision Repair Centers



World-Class Highly Skilled Certified Technicians



100% OEM Parts Usage When Required by Certification



Commitment to Excellence in Manufacturer Certification Training



State-of-the-Art Collision Repair Centers



Factory Required Cutting Edge Tooling



Specialized Material Expertise in Repairing Aluminum, Carbon Fiber, & Composite Vehicles Superior services for modern luxury vehicles

### HERE'S WHAT THE FUTURE HOLDS & WHY THAT MATTERS.



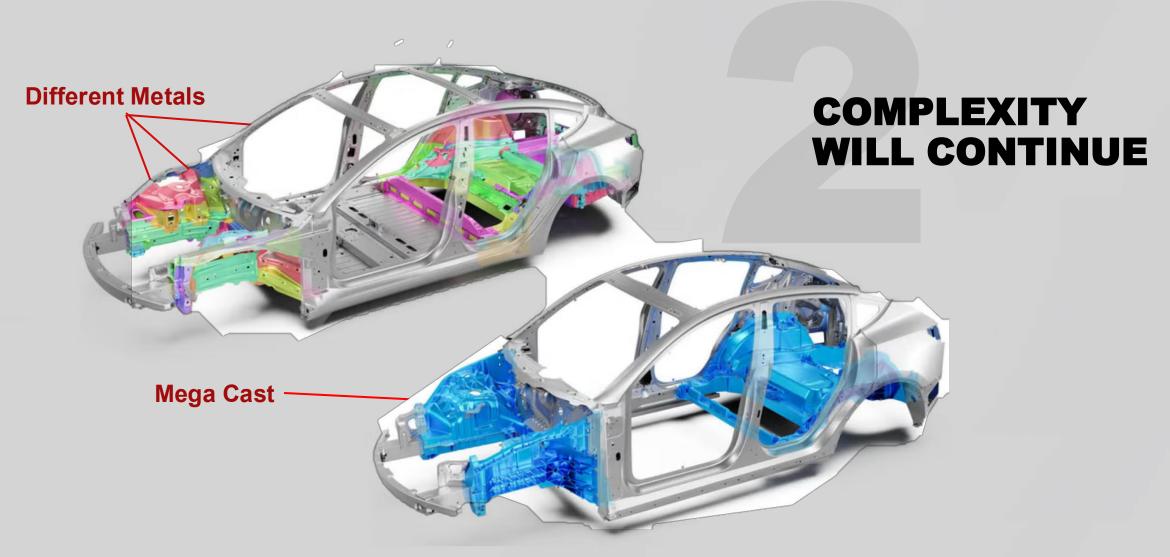
### CONSOLIDATION WILL CONTINUE AND ACCELERATE

-Independent shops can't afford the tooling to keep up with industry technology.

-Repair cost would increase faster.

-Supply and Demand: without consolidation you wouldn't have the infusion of new technicians and apprentice programs at scale.





PIECE OUT: Where the Tesla Model 3's traditionally assembled structure (top) uses more than 150 individual pieces of metal, the Model Y (bottom) shrinks that number down to two. Fewer metal pieces also mean fewer welds, and Tesla claims its megacast Model Y cuts more than 1600 welds out of the production process.



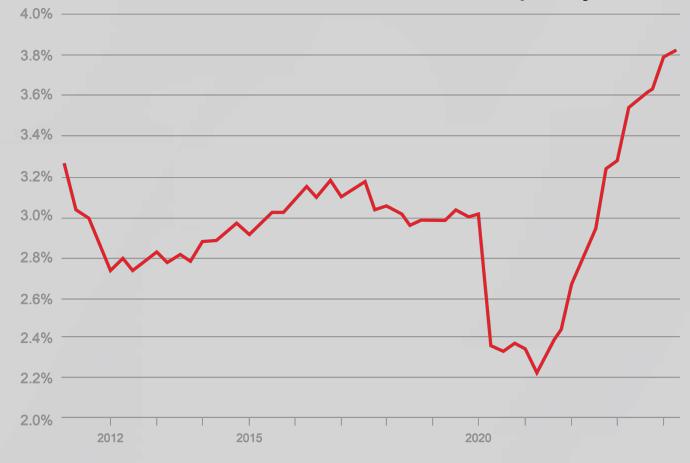
#### Auto-loan delinquency rates

### COST OF VEHICLE OWNERSHIP IS A CONCERN

### Almost 3% of auto loans slipped into serious delinquency in Q4

and 25% of new vehicle loans are under water by an average amount of almost





Note: Loans are considered delinquent when at least 30 days past due. Data are seasonally adjusted. Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax



-A combined 130,000 collision technician openings are projected in the next five years.

-Just over **4,700** technicians graduated from secondary trade schools in 2023.

-Average age of Crash Champions technician is 45 years old.

TECHNICIAN SHORTAGE WILL GET WORSE

Source: TechForce





For more information regarding Crash Champions please contact:

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