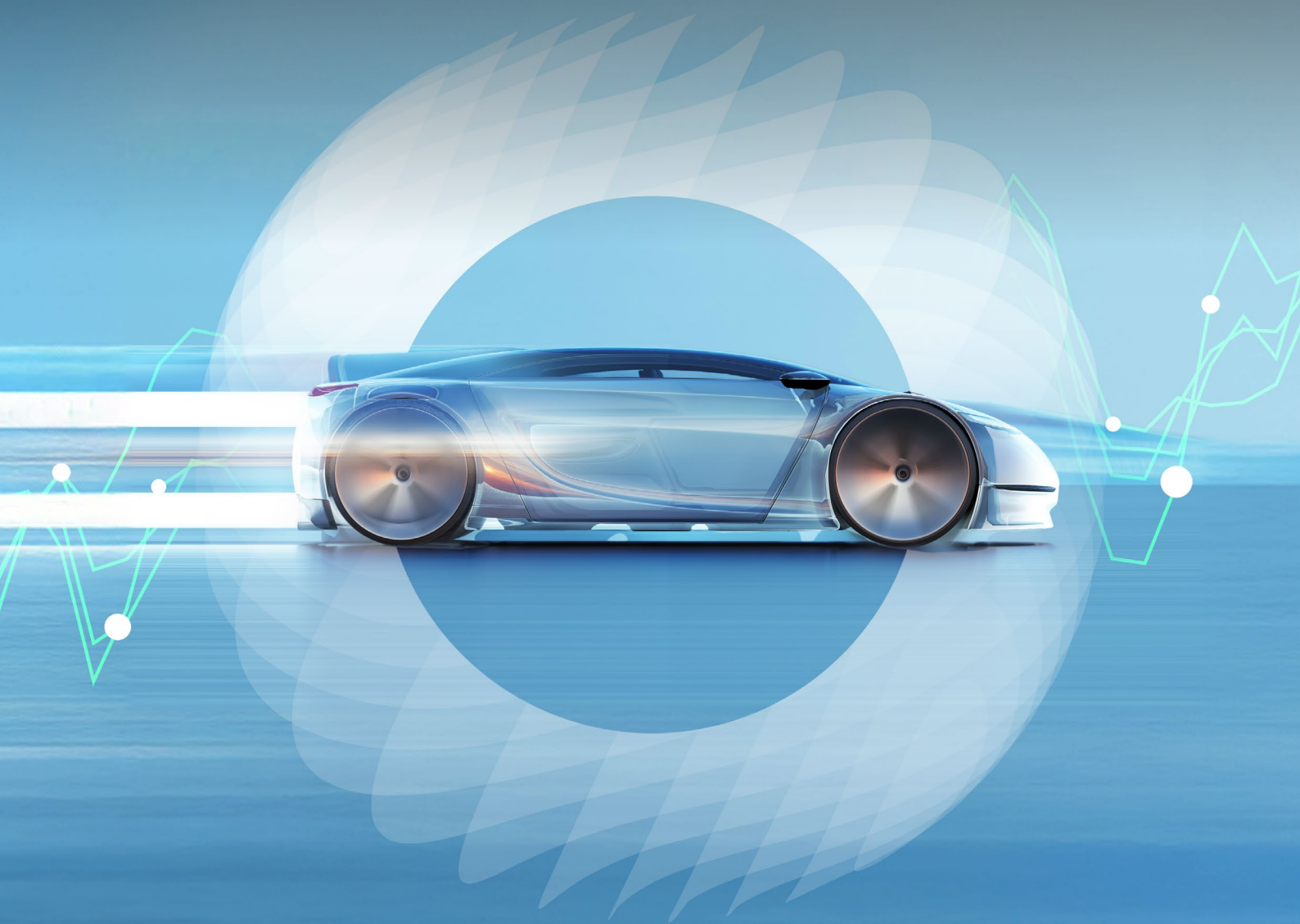


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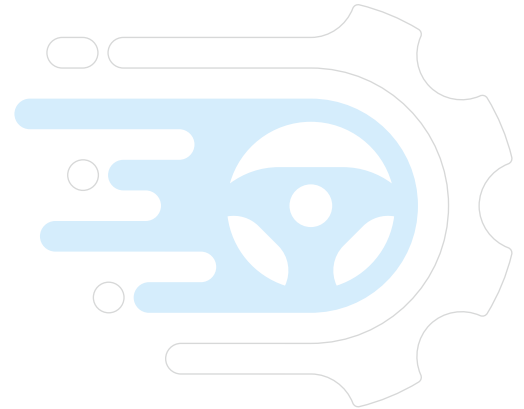
2025 Dealership Benchmarks

Deloitte | Australia

Profit*focus*[™]

Introduction

To support dealers in these changing times, we are delighted to present our 2025 Dealership Benchmarks for the Australian car market.



Following a year of declining new car gross margins, increased market saturation and sustained interest rate pressures, we've analysed the data and set a new framework of metrics to help Australian dealers build a sustainable, long-term business.

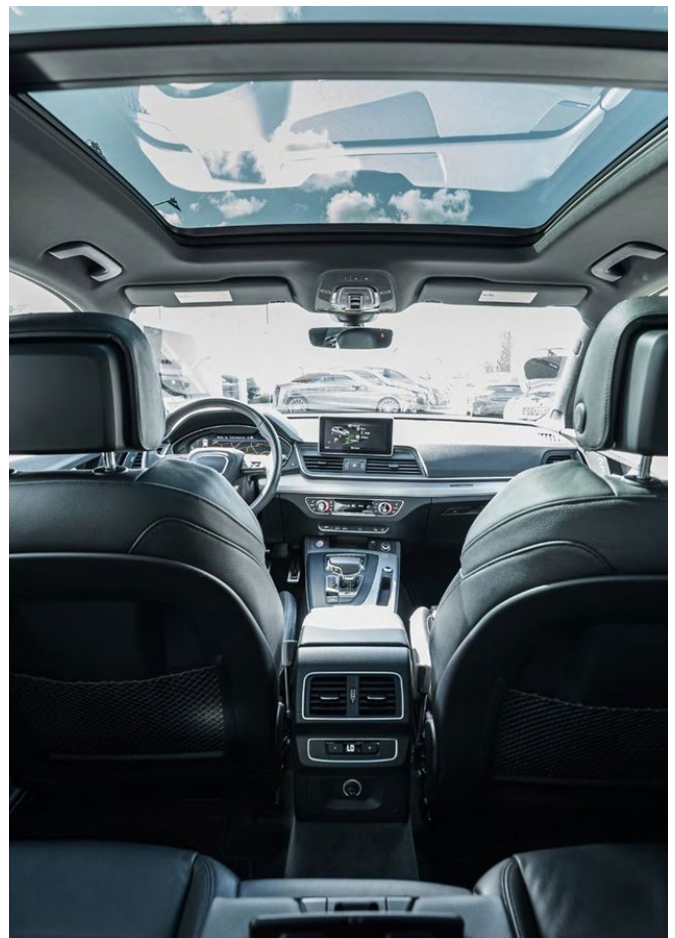
In the 12 months leading up to the benchmark period, more than 2,000 Australian dealers uploaded data to the ProfitFocus system. This data is the starting point for these benchmarks, while the actual results of the top 30% of dealers in each key department – new, used, parts, service, and finance and insurance (F&I) – as well as the top performers overall, form the reference point.

This ensures the benchmarks are always tied to actual performance levels that are achievable in the prevailing market. We then review this raw data in light of industry trends and long-held best practices to derive a set of benchmarks.

It's worth acknowledging new business models are emerging as the automotive market evolves. But with most dealers still operating under a traditional wholesale model, we've been careful to only use data relevant to that model in our workings.

The benchmarks are split into three market categories – Volume, Prestige and Luxury – to reflect the most common business models among dealers. While these models are intrinsically impacted by the brands dealers carry, the benchmarks are not a commentary on the positioning or esteem of those brands.

We are always happy to discuss any aspect of these benchmarks, so please feel free to contact a member of the Deloitte team listed at the back of this booklet or at eprofitfocus@deloitte.com.au.



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Volume market





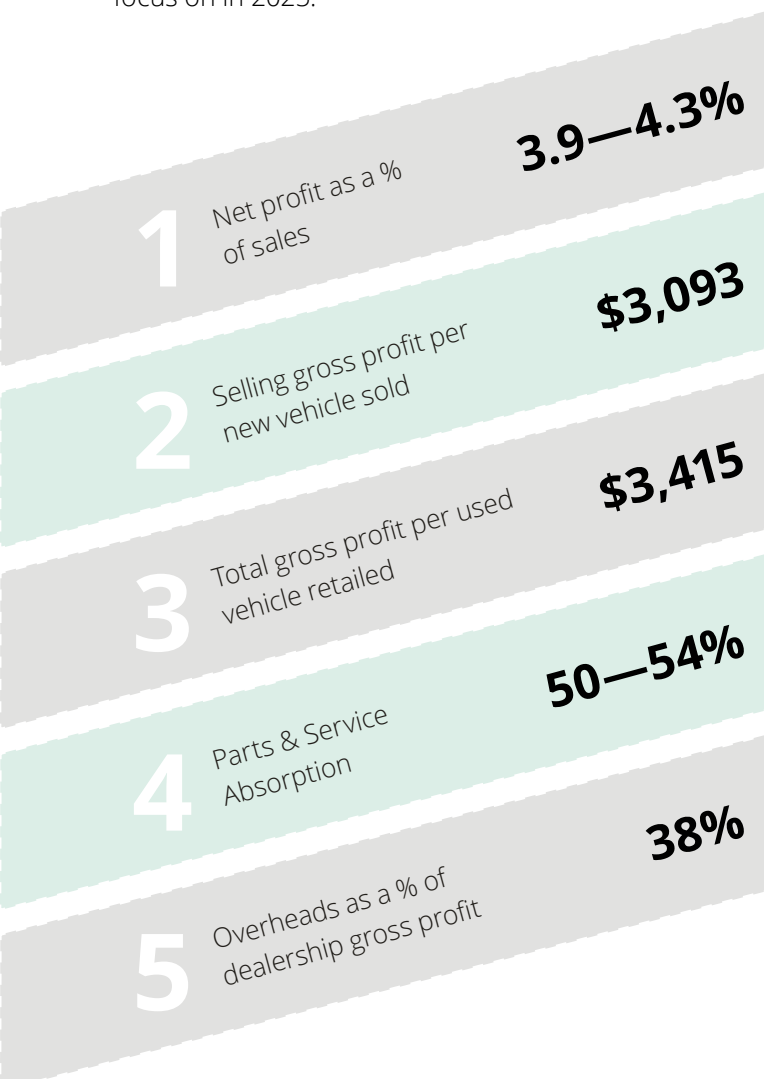
Volume market benchmarks

Our dealership benchmarks help dealers assess their performance against a hypothetical, high-performing business running a similar operation.

Volume dealers tend to focus more on volume than margin. It's important to note, the vast increase in competition has been primarily in this segment.

For the average volume dealer, 2024 was very much a year of two halves, with strong profitability in the first half, weighed down by weaker NV sales and margins in the later half, as competition increased, and demand softened. Aftersales were relatively steady throughout the year, however back-end contribution increased along with F&I as new margins fell. Profitability remained strong, but was supported by higher factory incentives and other income. Expenses overall were steady, however remain historically high following consecutive yearly growth.

For Volume dealers, these are the top five metrics to focus on in 2025:



About these benchmarks

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This booklet is intended as a guide to dealership performance. Some dealerships, due to certain geographic or demographic circumstances, cannot achieve all the guidelines.

For help clarifying and interpreting these benchmarks, please contact us at eprofitfocus@deloitte.com.au.

Total dealership

Trading summary

Net profit as % of sales	3.9-4.3%
Days to dealership breakeven*	23

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	50%	9-11%
Used	11%	11-13%
Parts	11%	23-25%
Service	28%	61-63%
	100%	13-15%
Front end (vehicle operations)	60%	
Back end (fixed operations)	40%	
Finance and insurance income	10% of total gross	
Other income and incentives	11% of total gross	

Orientation = Where does the gross come from? GP % = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$16,500
Net profit per employee per month	\$4,696

Vehicle operations

Product	New	Used
Gross profit per unit*	\$5,400-\$5,600	\$3,200-\$3,400
Used/new ratio (retail)	n/a	0.4
Days supply	50-60	60-65
Stock turns p.a.	6-7	5-6
Gross ROI**	121%	62%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People	New	Used
Units per sales staff per month	12-15	10-14
Gross profit per salesperson per month	\$69,745	\$35,931

Finance and insurance (F&I)

F&I product	New	Used
Finance penetration	29-31%	25-27%
Finance income per contract	\$3,000-\$3,200	\$2,500-\$2,600
Finance per retail unit sold	\$953	\$650
Insurance per retail unit sold	\$100	\$146
F&I selling gross per vehicle retailed		\$830

People	
Vehicles retailed per F&I staff per month	38-40
Salaries and commissions as a % of income	24%
F&I income per dept employee per month	\$41,479

Fixed operations

Parts department	Sales mix %	GP %
Retail/counter	6%	32%
Wholesale/trade	19%	21%
Workshop	27%	34%
Warranty	21%	10%
Internal	23%	20%
Other sales	3%	28%
Total	100%	23-25%
Operational benchmarks		
Days supply		45-50
Stock turns p.a.		7-8
Monthly sales per employee		\$65,621
Monthly gross per employee		\$15,733
\$ sales per \$ salary		\$15.4

Service department	Sales mix %	GP %
Labour		
• Retail	57%	81%
• Warranty	13%	67%
• Internal	30%	74%
Total labour sales	100%	75%
Sublet sales		10%
Total gross profit (% sales)		62-64%
Operational benchmarks		
Performance index (productivity x efficiency)		100-105%
Monthly labour sales per technician		\$22,105
Monthly labour gross per technician		\$16,000
Parts/labour ratio		0.67
Ratio of chargeable to non-chargeable		1.0-1.4
Parts and service absorption		50-54%
Retention—relative service size**		\$2,045

** Labour sales per new retail unit sold per month

Department profitability

	New		Used	
Vehicle operations	% Gross	\$/Unit	% Gross	\$/Unit
Gross profit*	100%	5,400-5,600	100%	3,200-3,400
Sales staff salaries and comms	11.7%	662	16.9%	596
Manager salaries and comms	5.4%	307	7.6%	268
Aftermarket salaries and comms	1.1%	63	0.3%	9
Other salaries	2.7%	155	5.0%	178
Pre-delivery costs	4.4%	251	–	–
Free service/policy	1.1%	64	–	–
Used warranty	–	–	1.7%	61
Advertising	2.8%	156	7.7%	273
Training	0.2%	13	0.1%	4
Floorplan	13.3%	750	4.7%	166
Demonstrator expenses	2.3%	130	2.2%	76
Selling gross profit	54.7%	\$3,093	53.2%	\$1,879
Selling gross profit per salesperson		\$38,182		\$19,046
Selling gross profit per employee		\$20,171		\$9,350

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	27.4%	25.5%
Advertising and promotion	0.4%	0.9%
Training	0.1%	1.4%
Policy/freight	0.8%	1.7%
Tools and supplies	0.3%	1.0%
Equipment and vehicle maintenance	1.0%	3.5%
Sick/holiday—technicians	–	5.1%
Selling gross profit	75.2%	61.4%
Selling gross profit per technician	–	\$12,070
Selling gross profit per employee	\$11,838	\$6,600

Dealership overheads

	% Gross
Administration and salaries	6.0%
Training	0.1%
FBT (net of contributions)	0.3%
Payroll tax	2.4%
Superannuation	4.7%
Long service leave	0.3%
Rent (or mortgage interest)	9.0%
Rates and taxes	1.2%
Property maintenance/outside services	2.5%
Telephone	0.3%
Insurance (including workers compensation)	2.8%
Office supplies/stationery	0.4%
Professional fees	0.7%
Data processing	1.6%
Bank charges and taxes	0.3%
Interest (overdraft/working capital)	0.5%
Bad debts	0.0%
Depreciation	1.0%
Electricity	0.6%
Travel and entertainment	0.5%
Management fees	0.3%
Miscellaneous	2.4%
Total fixed expenses	38.0%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

Prestige market





Prestige market benchmarks

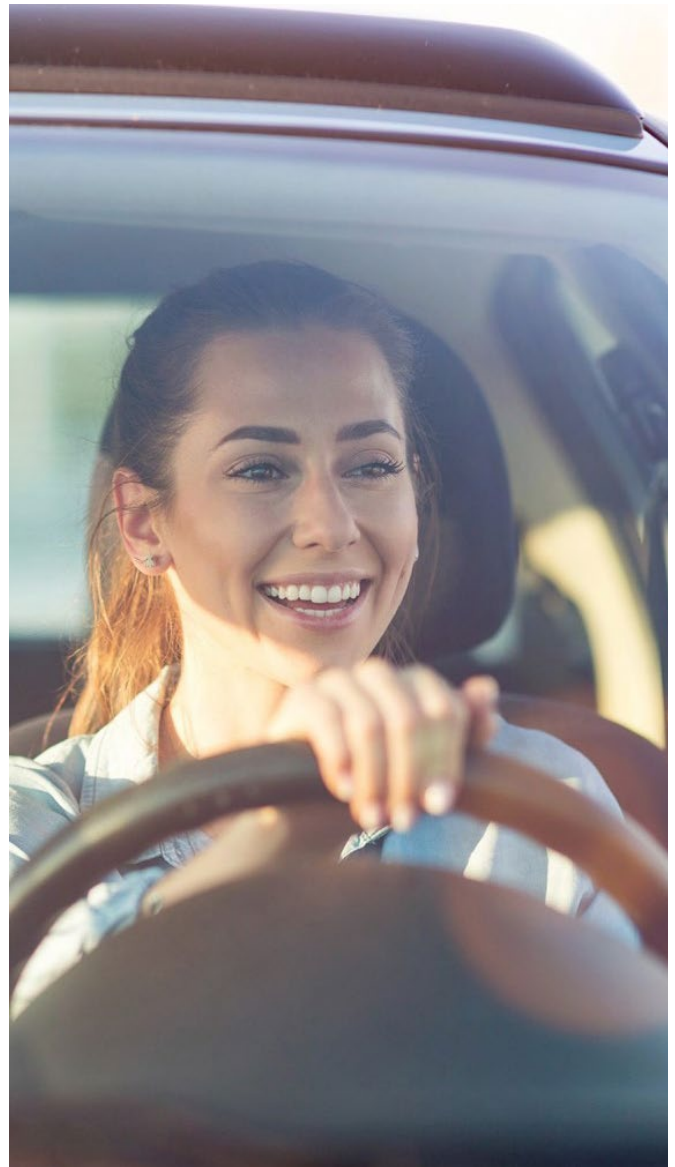
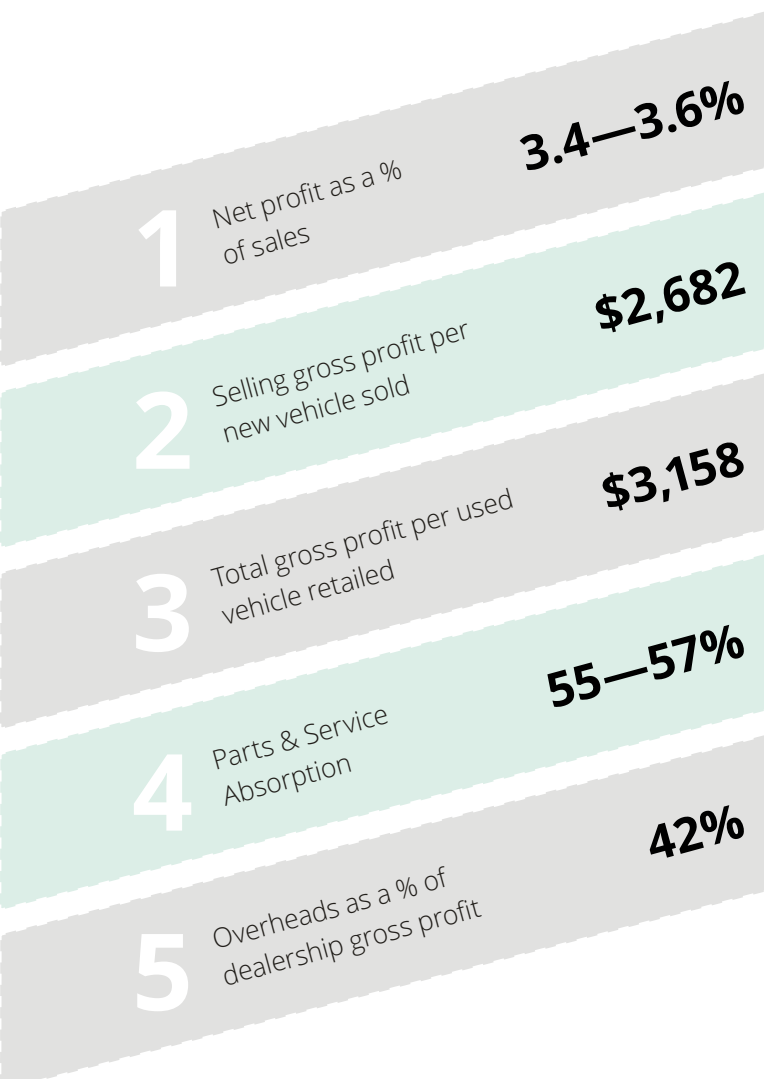
Our dealership benchmarks help dealers assess their performance against a hypothetical, high-performing business running a similar operation.

Prestige dealers tend to focus on balancing volume and margin.

In 2024, Prestige dealers saw pressure on profitability mount in the second half of the year, as new vehicle demand fell. Higher stock levels and sustained interest rate pressure led to heightened floorplan expense and the erosion of new margins, though still historically high. Used vehicle margins remained strong, up slightly on last year, with the department increasing its selling gross profit contribution along with service and parts.

Fixed expenses were down slightly on 2023, however reflected a higher proportion of gross profit as returns from new vehicles fell.

For Prestige dealers, these are the top five metrics to focus on in 2025:



About these benchmarks

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These benchmarks are a measure of best practice drawn from the top 30% of dealers in the ProfitFocus database, which features more than 2,000 dealers.

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Total dealership

Trading summary

Net profit as % of sales	3.4-3.6%
Days to dealership breakeven*	25

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	44%	9-11%
Used	10%	10-12%
Parts	15%	22-24%
Service	31%	66-68%
	100%	13-15%
Front end (vehicle operations)	54%	
Back end (fixed operations)	46%	
Finance and insurance income	10% of total gross	
Other income and incentives	6% of total gross	

Orientation = Where does the gross come from? GP% = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$14,198
Net profit per employee per month	\$3,091

Vehicle operations

Product	New	Used
Gross profit per unit*	\$5,500-\$5,700	\$3,400-\$3,600
Used/new ratio (retail)	n/a	0.4
Days supply	55-60	60-65
Stock turns p.a.	6-7	5-6
Gross ROI**	89%	50%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People	New	Used
Units per sales staff per month	8-12	10-14
Gross profit per salesperson per month	\$44,965	\$32,900

Finance and insurance (F&I)

F&I product	New	Used
Finance penetration	29-31%	24-26%
Finance income per contract	\$3,000-\$3,200	\$2,600-\$2,700
Finance per retail unit sold	\$944	\$636
Insurance per retail unit sold	\$123	\$206
F&I selling gross per vehicle retailed		\$879

People	
Vehicles retailed per F&I staff per month	32-36
Salaries and commissions as a % of income	24%
F&I income per dept employee per month	\$33,474

Fixed operations

Parts department	Sales mix %	GP %
Retail/counter	5%	26%
Wholesale/trade	24%	15%
Workshop	32%	33%
Warranty	21%	12%
Internal	14%	18%
Other Sales	4%	21%
Total	100%	22-24%
Operational benchmarks		
Days supply		50-55
Stock turns p.a.		6-7
Monthly sales per employee		\$119,211
Monthly gross per employee		\$27,245
\$ sales per \$ salary		\$18.4

Service department	Sales mix %	GP %
Labour		
• Retail	60%	82%
• Warranty	13%	68%
• Internal	27%	78%
Total labour sales	100%	77%
Sublet sales		10%
Total gross profit (% sales)		66-68%
Operational benchmarks		
Performance index (productivity x efficiency)		95-100%
Monthly labour sales per technician		\$22,650
Monthly labour gross per technician		\$16,714
Parts/labour ratio		0.79
Ratio of chargeable to non-chargeable		1.0-1.4
Parts and service absorption		55-57%
Retention—relative service size**		\$2,812

** Labour sales per new retail unit sold per month

Department profitability

Vehicle operations	New		Used	
	% Gross	\$/Unit	% Gross	\$/Unit
Gross profit*	100%	5,500-5,700	100%	3,400-3,600
Sales staff salaries and comms	13.6%	753	15.8%	573
Manager salaries and comms	7.2%	397	7.2%	261
Aftermarket salaries and comms	1.6%	86	0.2%	7
Other salaries	2.7%	148	4.1%	148
Pre-delivery costs	5.9%	328	–	–
Free service/policy	1.0%	55	–	–
Used warranty	–	–	2.1%	75
Advertising	4.2%	231	6.6%	240
Training	0.4%	20	0.1%	4
Floorplan	13.1%	725	4.7%	170
Demonstrator expenses	1.9%	105	1.6%	58
Selling gross profit	48.6%	\$2,682	57.4%	\$2,085
Selling gross profit per salesperson		\$21,859		\$20,989
Selling gross profit per employee		\$11,699		\$9,939

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	24.7%	25.5%
Advertising and promotion	0.3%	0.6%
Training	0.3%	1.3%
Policy/freight	1.2%	1.3%
Tools and supplies	0.2%	1.1%
Equipment and vehicle maintenance	1.1%	3.7%
Sick/holiday—technicians	–	5.0%
Selling gross profit	77.1%	60.1%
Selling gross profit per technician	–	\$12,245
Selling gross profit per employee	\$21,009	\$6,781

Dealership overheads

	% Gross
Administration and salaries	5.8%
Training	0.1%
FBT (net of contributions)	0.4%
Payroll tax	2.5%
Superannuation	4.8%
Long service leave	0.3%
Rent (or mortgage interest)	10.5%
Rates and taxes	1.8%
Property maintenance/outside services	2.5%
Telephone	0.3%
Insurance (including workers compensation)	2.6%
Office supplies/stationery	0.4%
Professional fees	0.4%
Data processing	1.6%
Bank charges and taxes	0.5%
Interest (overdraft/working capital)	1.0%
Bad debts	0.0%
Depreciation	1.8%
Electricity	0.7%
Travel and entertainment	1.1%
Management fees	0.4%
Miscellaneous	1.7%
Total fixed expenses	41.5%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

Luxury market





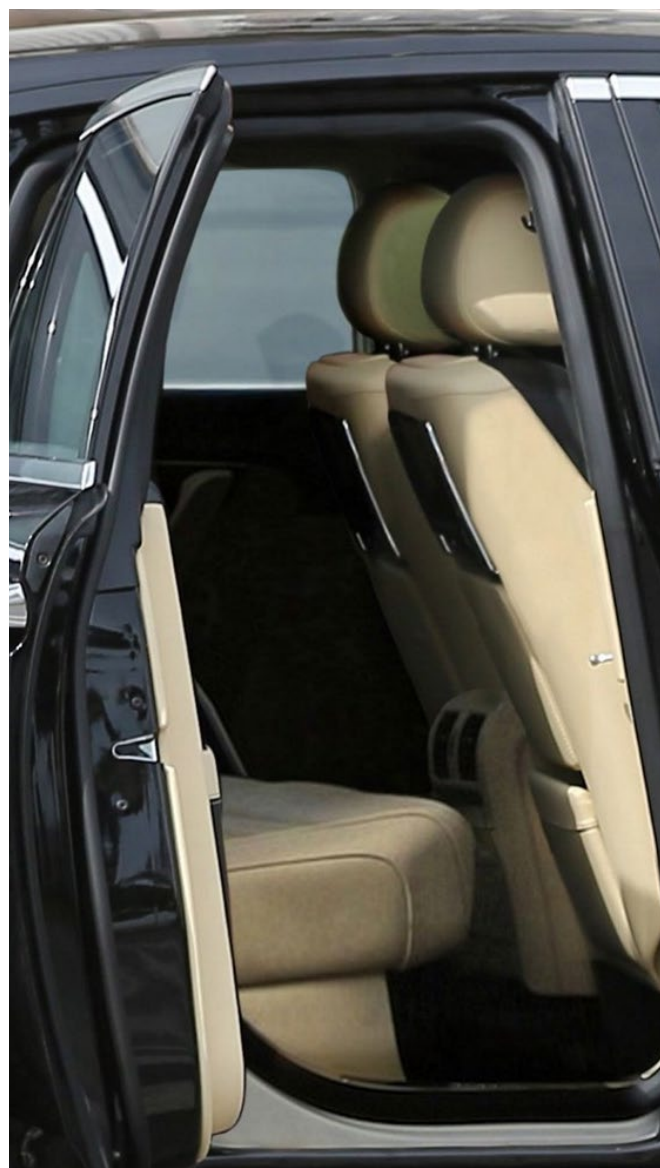
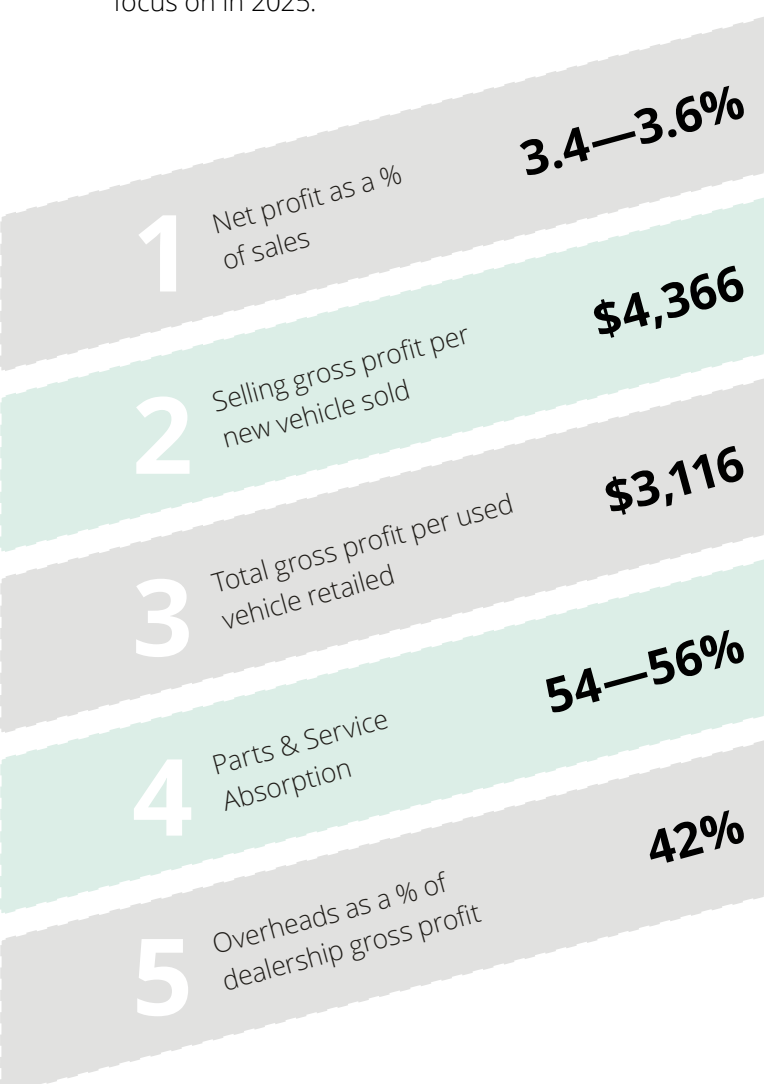
Luxury market benchmarks

Our dealership benchmarks help dealers assess their performance against a hypothetical, high-performing business running a similar operation.

Luxury dealers tend to focus more on margin than volume.

As has often been the case, dealers in the luxury segment were less impacted by increased market saturation in H2 2024. Nevertheless, they were not immune to falling demand, with profitability retreating on 2023 levels, as margins declined in both new and used. A higher proportion of aged new stock (+90 days) rose as the primary concern for these dealers, with high interest rates combined with higher priced vehicles resulting in higher floorplan costs. Service sales were higher for this segment, with parts and F&I contribution remaining steady. Fixed expenses rose slightly, primarily driven by rent and admin salaries.

For Luxury dealers, these are the top five metrics to focus on in 2025:



About these benchmarks

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These benchmarks are a measure of best practice drawn from the top 30% of dealers in the ProfitFocus database, which features more than 2,000 dealers.

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Total dealership

Trading summary

Net profit as % of sales	3.4-3.6%
Days to dealership breakeven*	24

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	43%	11-13%
Used	11%	9-10%
Parts	13%	21-23%
Service	33%	69-71%
	100%	14-16%
Front end (vehicle operations)	55%	
Back end (fixed operations)	45%	
Finance and insurance income	8% of total gross	
Other income and incentives	6% of total gross	

Orientation = Where does the gross come from? GP% = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$18,201
Net profit per employee per month	\$4,116

Vehicle operations

Product	New	Used
Gross profit per unit*	\$6,600-\$6,900	\$3,650-\$3,800
Used/new ratio (retail)	n/a	0.4
Days supply	60-70	65-70
Stock turns p.a.	5-6	5-6
Gross ROI**	120%	61%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People	New	Used
Units per sales staff per month	9-12	10-14
Gross profit per salesperson per month	\$61,255	\$38,778

Finance and insurance (F&I)

F&I product	New	Used
Finance penetration	27-29%	24-26%
Finance income per contract	\$2,400-\$2,600	\$2,000-\$2,300
Finance per retail unit sold	\$656	\$452
Insurance per retail unit sold	\$104	\$94
F&I selling gross per vehicle retailed		\$631

People	
Vehicles retailed per F&I staff per month	32-36
Salaries and commissions as a % of income	31%
F&I income per dept employee per month	\$31,392

Fixed operations

Parts department	Sales mix %	GP %
Retail/counter	2%	26%
Wholesale/trade	28%	13%
Workshop	30%	34%
Warranty	22%	13%
Internal	14%	14%
Other Sales	4%	17%
Total	100%	21-23%
Operational benchmarks		
Days supply		55-60
Stock turns p.a.		6-7
Monthly sales per employee		\$158,805
Monthly gross per employee		\$35,109
\$ Sales per \$ salary		\$21.4

Service department	Sales mix %	GP %
Labour		
• Retail	57%	83%
• Warranty	13%	71%
• Internal	30%	81%
Total labour sales	100%	79%
Sublet sales		10%
Total gross profit (% sales)		69-71%
Operational benchmarks		
Performance index (productivity x efficiency)		90-95%
Monthly labour sales per technician		\$32,281
Monthly labour gross per technician		\$23,528
Parts/labour ratio		\$0.83
Ratio of chargeable to non-chargeable		1.0-1.2
Parts and service absorption		54-56%
Retention—relative service size**		\$3,053

** Labour sales per new retail unit sold per month

Department profitability

Vehicle operations	New		Used	
	% Gross	\$/Unit	% Gross	\$/Unit
Gross profit*	100%	6,600-6,900	100%	3,650-3,800
Sales staff salaries and comms	12.7%	1046	17.0%	652
Manager salaries and comms	4.5%	370	8.0%	306
Aftermarket salaries and comms	1.1%	88	0.2%	6
Other salaries	2.6%	213	3.7%	141
Pre-delivery costs	8.4%	691	–	–
Free service/policy	0.4%	31	–	–
Used warranty	–	–	0.7%	26
Advertising	5.1%	418	6.8%	262
Training	0.4%	30	0.2%	7
Floorplan	10.2%	839	8.3%	318
Demonstrator expenses	2.0%	167	2.1%	79
Selling gross	52.9%	\$4,366	53.1%	\$2,036
Selling gross profit per salesperson		\$32,378		\$24,297
Selling gross profit per employee		\$16,482		\$11,784

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

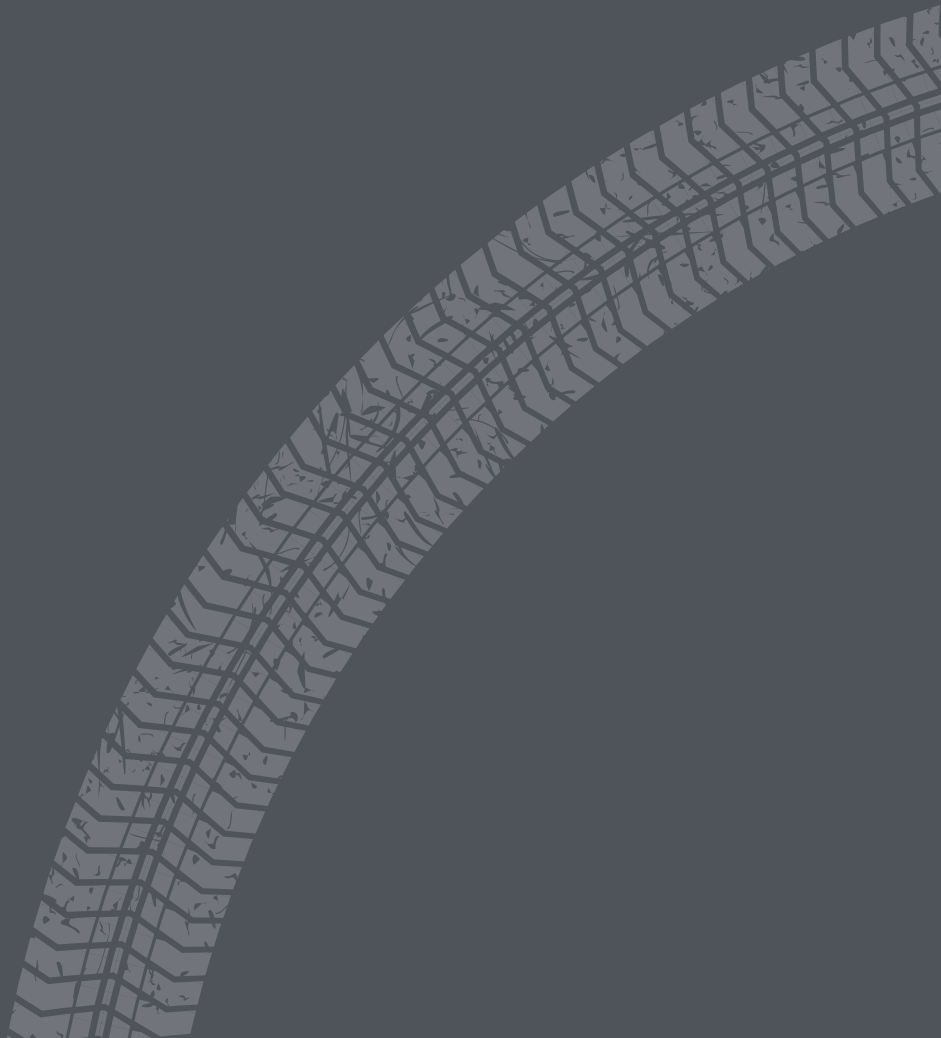
Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	21.9%	27.5%
Advertising and promotion	0.2%	0.5%
Training	0.4%	1.3%
Policy/freight	0.5%	1.3%
Tools and supplies	0.0%	1.1%
Equipment and vehicle maintenance	0.9%	4.1%
Sick/holiday—technicians	–	4.7%
Selling gross profit	80.9%	60.2%
Selling gross profit per technician	–	\$17,852
Selling gross profit per employee	\$28,401	\$9,158

Dealership overheads

	% Gross
Administration and salaries	5.9%
Training	0.1%
FBT (net of contributions)	0.4%
Payroll tax	2.4%
Superannuation	4.3%
Long service leave	0.3%
Rent (or mortgage interest)	10.6%
Rates and taxes	1.9%
Property maintenance/outside services	2.8%
Telephone	0.2%
Insurance (including workers compensation)	2.3%
Office supplies/stationery	0.4%
Professional fees	0.3%
Data processing	1.5%
Bank charges and taxes	0.3%
Interest (overdraft/working capital)	1.0%
Bad debts	0.0%
Depreciation	2.0%
Electricity	0.8%
Travel and entertainment	0.5%
Management fees	1.6%
Miscellaneous	2.5%
Total fixed expenses	41.9%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

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