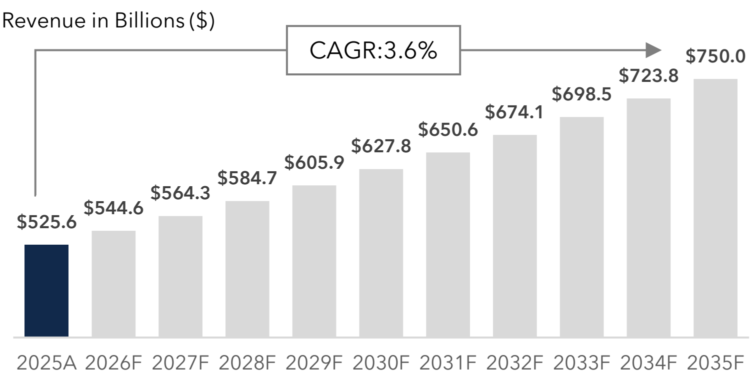
Automotive Components
INDUSTRY REPORT

Automotive Components Market Overview

The automotive components industry is a large, global manufacturing market supplying critical parts to OEMs and the aftermarket for passenger and commercial vehicles. The market spans core systems such as engine, transmission, braking, suspension, and electrical components, and benefits from steady vehicle production, a growing global vehicle parc, and rising component complexity.



Globally, **the automotive parts and components market** is expected to grow from **$525.6B in 2025 to $750.0B by 2035**, representing a **~3.6% CAGR.**[2] Rising vehicle complexity and increasing electronic and software content are driving higher-value component demand as OEMs prioritize safety, efficiency, and connectivity. The transition toward electric and hybrid platforms, alongside tightening emissions and safety regulations and sustainability priorities, is reshaping component design and material adoption. In parallel, a growing vehicle parc and continued manufacturing innovation are expanding aftermarket demand and improving cost efficiency and scale across the automotive components supply chain.

North America is the largest regional market, supported by a strong OEM manufacturing base, a sizable and resilient aftermarket, continuing EV adoption, and stringent regulatory standards, positioning the U.S. and Canada as key contributors to long-term industry growth.

Select Industry Aggregators:

Allison Transmission · APTIV · BorgWarner · DANA · LEAR Corporation · MAGNA · Visteon

Key Trends

Electrification is Reshaping Itself and Component Demand:

Electrification has stalled amid incentive rollbacks, with BEV programs facing 2+ year delays, multi-billion-dollar OEM write-downs, ICE extensions of 36–48 months, and suppressed supplier economics from ~20k per-nameplate BEV volumes versus ~85–90k for ICE. The **U.S. sits at ~8% BEV share in 2025 forecasted to ~13% by 2030** – with 2026 a transitional year as the U.S. market hovers around 16 million units and reacceleration hinges on policy clarity[1]

Rising Electronic and Autonomous Content per Vehicle:

Increasing vehicle sophistication is driving higher content per vehicle through **expanded use of ADAS, sensors, cameras, LiDAR, and connectivity-enabled components**

Digitalization and Industry 4.0 Adoption:

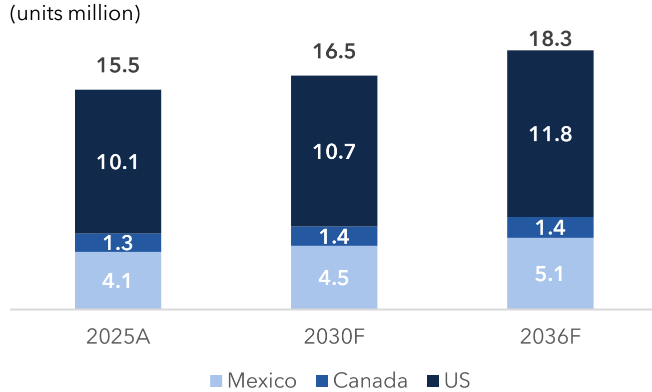
Auto component **manufacturers are deploying AI, IoT, automation, and additive manufacturing** to improve throughput, precision, and time-to-market while lowering unit costs

Sustainability and Green Manufacturing Focus:

OEM, regulatory, and customer pressure is accelerating the shift toward recyclable materials, energy-efficient processes, and lower-emission manufacturing footprints

Structural Production Tailwinds

(units million)



North American vehicle production is expected to increase from **~15.6 million units in 2025 to ~18.3 million by 2036, driven by steady U.S. output growth** (~10.1 million to ~11.8 million units).[3] This higher and more stable production environment drives recurring, program-linked component demand, supporting improved utilization, pricing discipline, and durable, volume-led revenue growth and capacity investment across the region.

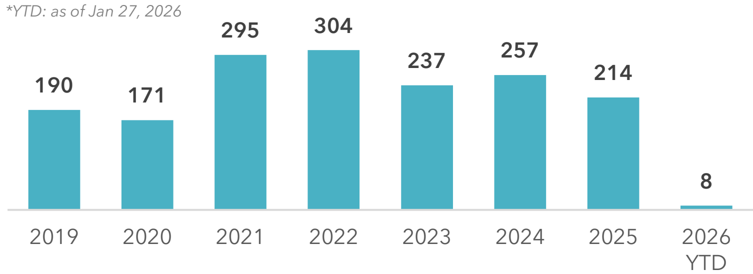
Sources: CP Research; (1) S&P Global Mobility, (2) Market Research Future; (3) North American Automotive Logistics Market Report; OICA / Automotive Logistics

U.S. M&A Landscape – Overview

U.S. automotive components M&A activity normalized post-peak, with deal volumes rising sharply through 2021–22 before moderating in 2023–25 amid supply-chain disruptions, tariff pressures, and capital intensity tied to EV investments. The pullback reflects balance-sheet stress across sub-scale suppliers, OEM rationalization of underperforming EV assets, and heightened cost inflation in semiconductors, aluminum, and battery materials. Notwithstanding near-term volatility, structural drivers, including electrification mandates, autonomous technologies, smart electronics integration, and mobility-as-a-service, continue to underpin strategic M&A, favoring consolidation, technology-led acquisitions, and partnerships to reposition portfolios for the next cycle.

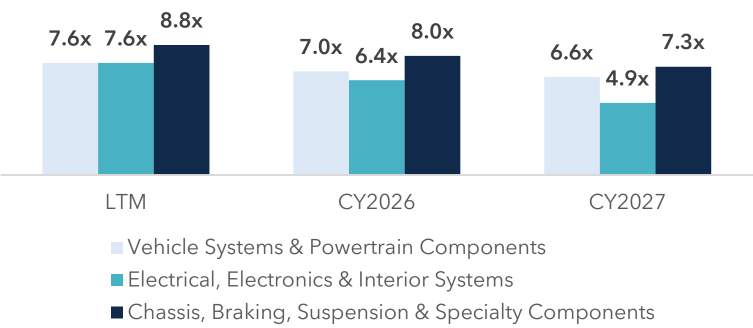
U.S. Automotive Components M&A Activity[4]

**YTD: as of Jan 27, 2026*



Public Company Valuation Trends (Median EV/EBITDA)[5]

**as of Jan 27, 2026*



Vehicle Systems & Powertrain Components: BWA; ALSN; MOD; DAN; PHIN; AXL
Electrical, Electronics & Interior Systems: LEA; VC; THRM; SRI; CVGI; APTV
Chassis, Braking, Suspension & Specialty Components: DORM; SMP; FOXF; MPAA

Select Transaction Spotlight

Sell-Side Advisor	Sell-Side Advisor	Sell-Side Advisor	Buy-Side Advisor
Midwest-Based Commercial Cleaning Equipment Manufacturer Divestiture	Corvette Central has been acquired by Legendary Companies a portfolio company of Irving Place Capital	AmeriTi Manufacturing has been acquired by Kymera International	TriMas Corporation has acquired STRC

Recent M&A Activity[3]

Date	Target	Acquirer	Deal Size ($M)
Jan-26	Dana (Off-highway Business)	Allison Transmission Holdings	$2,700.0
Dec-25	RANDYS WorldWide	-	$124.6
Jun-25	TSM (Industrial Supplies and Parts)	Walor	-
Apr-25	ATCO Products	Nichirin	-
Apr-25	VOXX International	Gentex	$196.0
Apr-25	Wheeler Fleet Solutions	One Equity Partners	$255.0
Jan-25	ACI Automotive	WAI Global	-
Jan-25	AXN Heavy Duty	Randoncorp	-

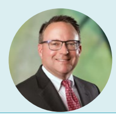
Active Private Equity Groups

Investors	Platforms
Bluepoint	Transtar Holding, Co.
Clearlake	Alkegen; IXS Coatings
Hidden Harbor Capital Partners	Burnout Brands; Dayco
Kinderhook Industries	CAP Continental Auto Parts; Auto-Wares Group of Companies; Greatwater 360 Auto Care; KSI Collision Parts
MidOcean Partners	Arnott Suspension Products; Cloyes
stellex Capital Management	Fenix Parts
SVP Strategic Value Partners	[HOONIGAN]

Contact Us

Ron Miller | Managing Director
616.460.8309 | RonM@Cascade-Partners.com

Shareef Simaika | Managing Director
313.549.3801 | ShareefS@Cascade-Partners.com



Steve Weber | Managing Director
616.520.8783 | SteveW@Cascade-Partners.com

Sources: CP Research; (4) PitchBook; (5) Cap IQ