

## SUCCESSION PLANNING IN THE SWISS CAR TRADE

# Structural Change and Consolidation in the Swiss Car Trade

Mischa Perrenoud, Partner TCFG, 9 July 2026 | Reading time: 6 minutes

The Swiss car trade is selling significantly fewer vehicles today than just a few years ago. For many owners, this is a key reason to start thinking about a possible succession solution. The question is no longer whether they need to address the future of their company, but how and when they want to hand it over or sell it. This shift is not cyclical but structural. Those who understand their starting position early can shape the next steps instead of merely reacting to them.

## The Swiss Car Trade Is Structurally Shrinking

The figures paint a clear picture. In 2019, Switzerland recorded 311,466 new vehicle registrations. By 2025, this figure had fallen to 233,737 — the lowest level in more than 25 years.

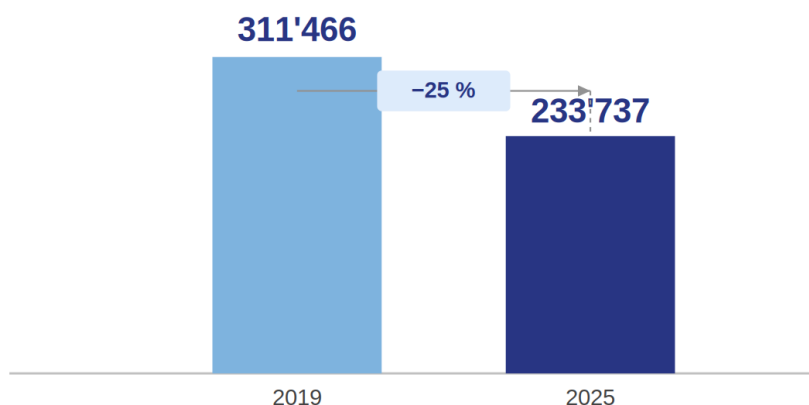


Chart 1: New passenger car registrations, Switzerland 2019–2025 (Source: auto-suisse)

At the same time, electrification is transforming the business. The share of plug-in vehicles reached around 34 percent of new registrations in 2025, while classic combustion vehicles saw declines of up to 30 percent. This affects dealers twofold: pure electric vehicles require less servicing, and aftersales revenues — long a reliable source of income — are coming under pressure.

Added to this is new competition. A number of electric brands from China and the US have entered the Swiss market, almost all of them with their own direct sales model. This allows them to skip an entire distribution layer and save a net 9 to 11 percent. This is putting established manufacturers under pressure — pressure that is passed on to dealers.

## The Agency Model Is Shifting the Balance of Power

Under the agency model, which several manufacturers are pushing forward, dealers become intermediaries. Pricing authority shifts to the manufacturer. In return, dealers no longer bear inventory costs and inventory risk. As a result of the agency model, gross margins are falling from 12 to 16 percent to fixed commissions of around 6 to 8 percent.

The model has two sides. It relieves dealers of entrepreneurial risk and allows them to differentiate more strongly through service. At the same time, it noticeably limits their room for manoeuvre. Profitability remains concentrated among those who move large volumes. At the same time, manufacturers are demanding investment in charging infrastructure, digital showroom standards and service quality. For smaller family businesses, these barriers to entry are often no longer affordable given shrinking margins.



*Image: The succession solution at Auto Schmid AG is a current example of the increasing consolidation in the Swiss car trade. (Source: Auto Schmid AG)*

## A Wave of Consolidation That Is Far From Over

This pressure is driving unprecedented consolidation. On the seller side are independent family businesses that lack critical scale. On the buyer side are national groups such as Emil Frey, AMAG and Merbag, as well as expanding international players: the Swedish Hedin Mobility Group, Germany's Lueg, Austria's Pappas and France's Rossi Group.

Manufacturers themselves are also driving consolidation. Since 2019, BMW has integrated seven dealerships into groups, and Mercedes-Benz six. At the same time, both have withdrawn brand contracts from individual locations. The direction is clear: fewer partners, larger units, more uniform brand management.

Strategic analysis suggests that a further 20 to 30 percent of independent dealers will sell to large groups over the next five years.

## How the Value of a Car Dealership Is Changing

As the business model changes, so does valuation. Since margins in new car sales are declining, the basis for a transaction is shifting increasingly toward the aftersales business and the strategic location of real estate. In several recent Swiss transactions, real estate has been a key value driver, whether as part of the sale or through a long-term lease arrangement.

Valuation levels themselves have remained largely stable since 2021 and stand at around 5.5 times EBITDA for comparable businesses. For individual owners, however, what matters is less the general multiple than the question of which assets, which brands and which properties within their business actually carry the value.



*Image: The acquisition of Auto Schmid AG by Robert Huber AG in spring 2026 is a prime example of the ongoing consolidation in the Swiss car trade. (Source: Robert Huber AG)*

## What Owners Should Weigh Up Now

For owners, developments are increasingly forcing a decision: grow through acquisitions, invest selectively, or hand over the business. Kurt Egloff, owner of KE Advice and former CEO of BMW Switzerland, sums it up: Can I grow with this manufacturer in Switzerland? Do I have a management team that is willing and able to drive this growth? And if an acquisition is not realistic within twelve months, handing over the business is often the clearer path than investing indecisively in the existing operation.

Specifically, it looks as though businesses with new car volumes below 75 to 200 units (depending on the brand) will largely disappear by 2030. For manufacturers, the effort involved becomes too great; for dealers, profitability becomes too thin.

The most important lever remains timing. Those who assess their situation early and soberly can actively help shape the process and negotiate from a position of calm. Those who wait until the manufacturer or a group sets the pace lose exactly this room for manoeuvre.

*“An early, clear assessment helps dealers become clear about their own situation. Only then can they help shape the process instead of having to react to everything that happens.”*

— Kurt Egloff, Owner of KE Advice, Industry Expert & Former CEO of BMW Switzerland

## The Role of TCFG

TCFG advises owners in the premium segment through these steps and works exclusively with Kurt Egloff for this purpose, combining sector expertise that is rare in the market. In recent years, TCFG has completed several succession solutions in the industry, including the sale of the following businesses: [the Auto Marti Group to Pappas](#), [the ACW Group to the Facchinetti Group](#), and, most recently, [Auto Schmid AG](#) and [Bickel Auto AG](#). In each of these cases, it was never just about price, but about continuity for employees and customers and about properly accounting for real estate value.

Those who clarify their own starting position early gain room to manoeuvre. For a confidential discussion about the strategic options for your company, we are at your disposal.

## Frequently Asked Questions About Succession Planning in the Swiss Car Trade

### When is the right time to sell a car dealership business?

There is rarely an ideal time. Experience shows, however, that it is advantageous to start addressing your own situation several years before a planned handover. This leaves enough time to develop the business strategically, plan investments carefully and optimise the company valuation. Those who only act once economic pressure or manufacturer requirements arise often have significantly less room to manoeuvre. Early preparation therefore generally increases both the pool of potential buyers and the chances of a successful sale.

### How is a car dealership valued?

The valuation of a car dealership is based on several factors. In addition to earning power and EBITDA, the stability of the aftersales business, the brands represented, market position and the quality of the real estate now play an important role. Due to structural change in the Swiss car trade, real estate and long-term secured service revenues are becoming increasingly important. The value that can actually be achieved therefore always depends on the individual situation of the business and the strategic interests of potential buyers.

### **Which buyers are currently active in the Swiss car trade?**

The market is increasingly shaped by larger dealer groups. Key buyers include established Swiss companies such as Emil Frey, AMAG and Merbag, as well as international groups seeking to expand their presence in Switzerland. At the same time, various manufacturers are pursuing targeted consolidation strategies and favour larger dealer groups with multiple locations. For owners, this means that the buyer landscape is changing and that a professional approach to potential investors is becoming increasingly important.

### **What role does real estate play in the sale of a family business?**

For many dealerships, real estate represents a significant part of the company's value. Depending on the situation, it can be sold together with the business or leased to the buyer on a long-term basis. Which solution makes sense depends, among other things, on succession planning, the tax situation and the personal goals of the owner. Early analysis makes it possible to structure the sale of the family business optimally and to take both business and private interests into account.

### **How long does a business succession in the car trade take?**

A business succession can rarely be completed within a few months. From the initial strategic analysis through the company valuation to the completion of the transaction, the process often takes 9 to 15 months. More complex succession solutions can take longer. Early planning creates the greatest flexibility and makes it possible to identify the right buyer and carefully prepare the handover process.

### **About the Author**

Mischa Perrenoud is a Partner at TCFG and advises entrepreneurs, business-owning families and investors on company sales, succession solutions and strategic transactions. He has many years of experience advising mid-sized companies across various industries and supports owners through all phases of a business succession.

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