

# CWA Carwash M&A Report

2024 Annual Edition

Car Wash Advisory™  
*Strictly Private & Confidential*



[www.carwashadvisory.com](http://www.carwashadvisory.com)

# Table of Contents

<b>1</b>	<b>Executive Summary</b>	<b>03</b>
<b>2</b>	<b>State of the Industry</b>	<b>05</b>
<b>3</b>	<b>Key Industry Players</b>	<b>10</b>
<b>4</b>	<b>M&amp;A Activity</b>	<b>14</b>
<b>5</b>	<b>Valuations</b>	<b>19</b>
<b>6</b>	<b>About CWA</b>	<b>23</b>



SECTION

# 01 Executive Summary

# Executive Summary

---



*Despite all that's changed, the reasons to be in the carwash industry have not*

The car wash industry has experienced a truly transformative past five years. A massive influx of investor interest and institutional capital has fueled exponential growth, driving the rapid adoption of operational and technological advancements, alongside unprecedented levels of new builds and developments. In many ways, the industry today is nearly unrecognizable compared to just five years ago.

Investor activity, particularly from financial sponsors, appeared relentless. The broader market seemed bewitched by the allure of the industry. From an outsider's perspective, it was as though they had unearthed the very definition of a diamond in the rough—hidden just beneath a thin layer of dirt, overlooked by many yet tantalizingly within reach. With this shared mentality, private equity investors converged en masse, pouring capital into the sector in a frenzy. The industry's potential appeared boundless, offering gains and opportunities that captured the imagination of both investors and operators alike. This surge of interest and activity became almost axiomatic, as the car wash industry seemingly embodied everything institutional investors seek: scalability, profitability, and untapped potential.

Spurred on by institutional investment, the industry underwent a near-renaissance in operational practices, equipment, and technology. These past five years saw the most significant and widespread adoption of unlimited wash membership programs to date. Innovations such as license plate recognition systems and the strategic use of social media marketing further elevated operational standards. The pace and scale of these advancements were unmatched, in many ways redefining what was possible within the industry.

Beyond the investor activity and technological improvements, the period also saw an unprecedented surge in new car wash developments across the country. These new builds, coupled with the sector's evolving operational and technological landscape, reshaped the industry at an astonishing pace.

The past five years have ushered in monumental changes—each significant in its own right and collectively transformative. It would be easy to believe the industry has become something entirely new, but that is not the case.

When I founded Car Wash Advisory in August 2019, it wasn't due to any clairvoyance or premonition. My decision was born from a deep admiration for the industry and its people. From my first exposure, I was captivated by the strength, resilience, and genuine nature of those who make up this sector. To this day, the car wash industry remains home to some of the most value-driven and remarkable individuals I have ever met. Despite the dramatic surface-level changes of the past five years, this defining characteristic of the industry remains as true as ever.

This industry, along with its irreplaceable operators and supporters, has given me opportunities and experiences over the past five years that I wouldn't trade for the world. For this, I am deeply grateful and forever indebted. Through publishing content like this report, I hope to repay this debt in the best way I can—by paying it forward and contributing to the ongoing growth and understanding of this incredible industry.

Sincerely,

*Harry H. Caruso*

SECTION

## 02 State of the Industry

# The Canvas: Saturation vs. Whitespace



Regardless of how measured, significant whitespace still present throughout the United States

## Summary & Thoughts

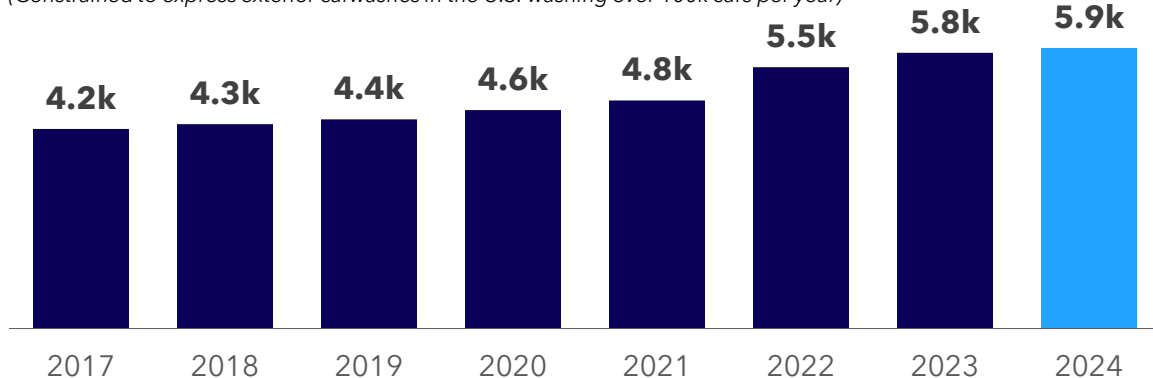
One of the most frequently asked and debated questions in the car wash industry is whether the U.S. market is saturated. Is there still ample whitespace to grow? This question lies at the very core of many critical decisions. For individual operators, their perspective on this issue often determines whether to double down on existing operations or embark on a new build. For institutional investors, this view fundamentally shapes the investment thesis underpinning their very investment in and exposure to the industry.

The short answer is that the country is not saturated with express exterior car washes. While there are undoubtedly specific regions—and even localities—where saturation is severe, it would be misleading to generalize this as a nationwide truth. Viewing the market through a broad-stroke or thematic lens can be particularly hazardous, especially for investors executing densification-based strategies. Saying a specific area of the country, a state, a region, or even a town is or isn't saturated often lacks meaning without proper context or nuance. So very much is site specific that such broad statements are almost always toothless.

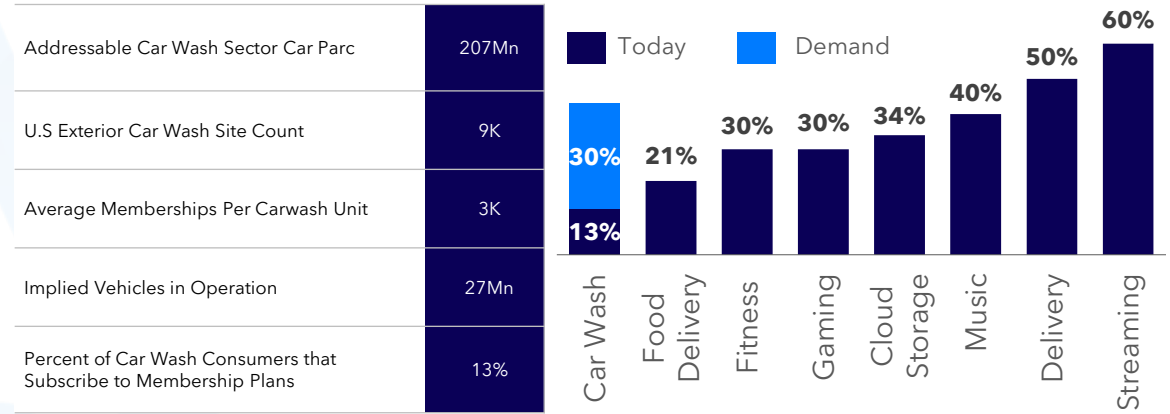
There are several methodologies for assessing the current level of market saturation, each with its own limitations and deficiencies. Regardless of the approach taken, the data suggests that there is still +50% growth potential for incremental express exterior car washes in the U.S. The more challenging—and ultimately more impactful question is determining which types of parties and groups are best suited to capture and capitalize on this remaining whitespace. These "knights" of the industry will define the next phase of growth.

## Express Exterior Carwash Sites

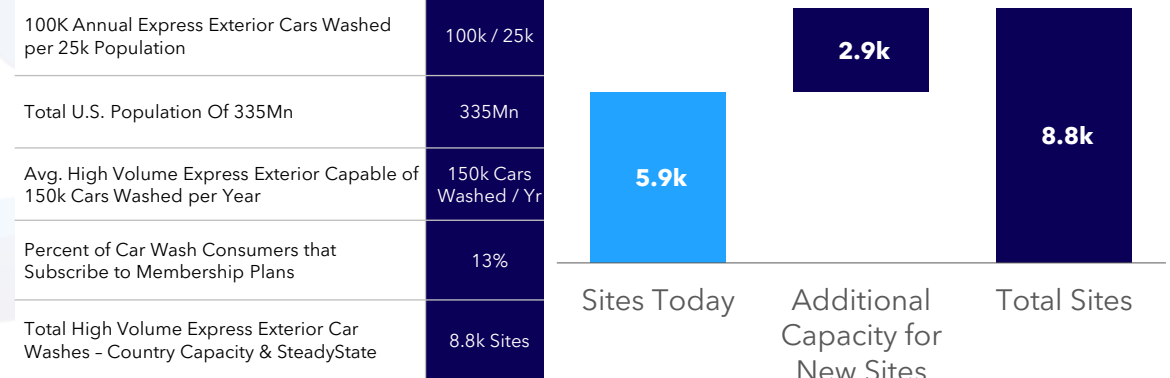
(Constrained to express exterior carwashes in the U.S. washing over 100k cars per year)



## Membership-Based Approach



## Population-Based Approach



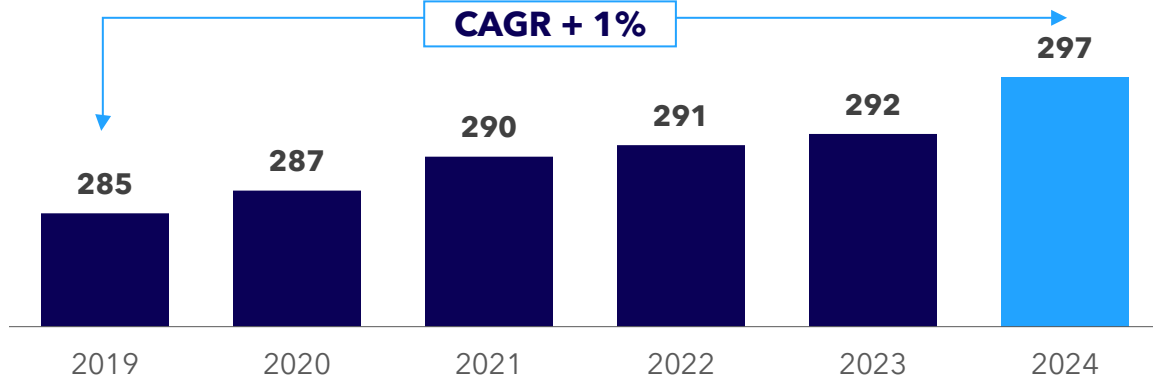
# Industry Tailwinds: Automotive Trends Point Positive



Persistent positive automotive tailwinds provide a beneficial backdrop for the carwash sector

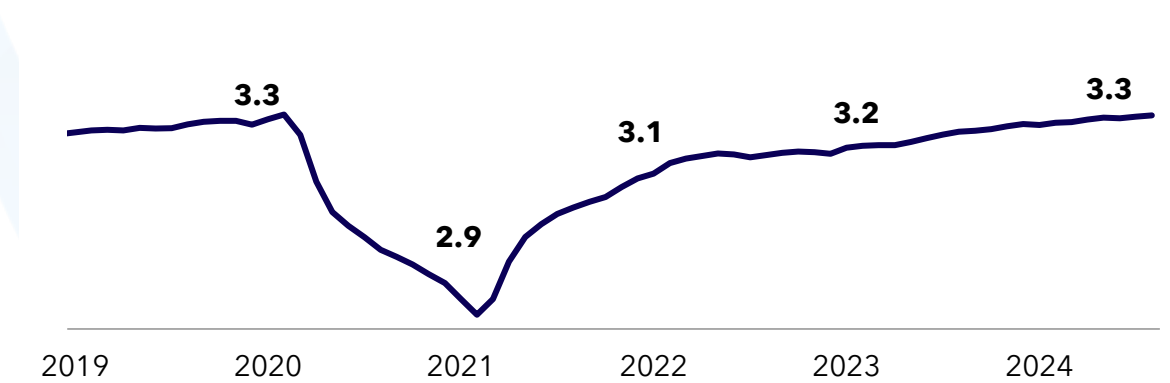
## Car Parc Growth

(In millions of vehicles)



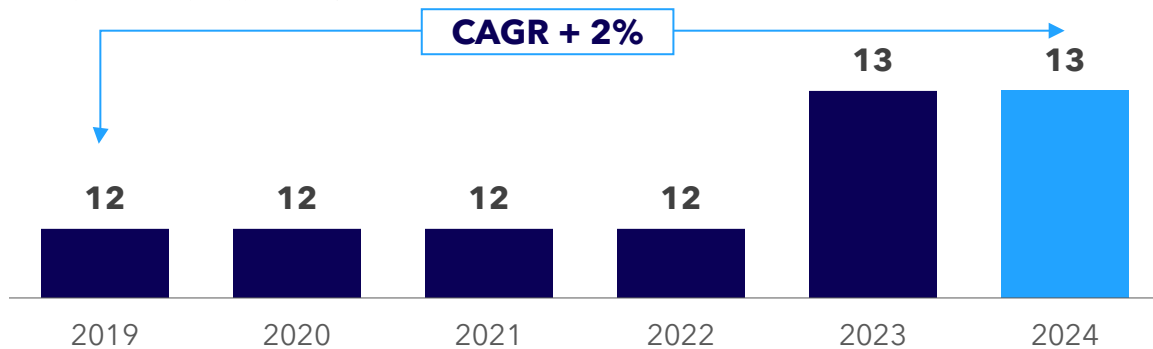
## Miles Driven

(In trillions of miles)



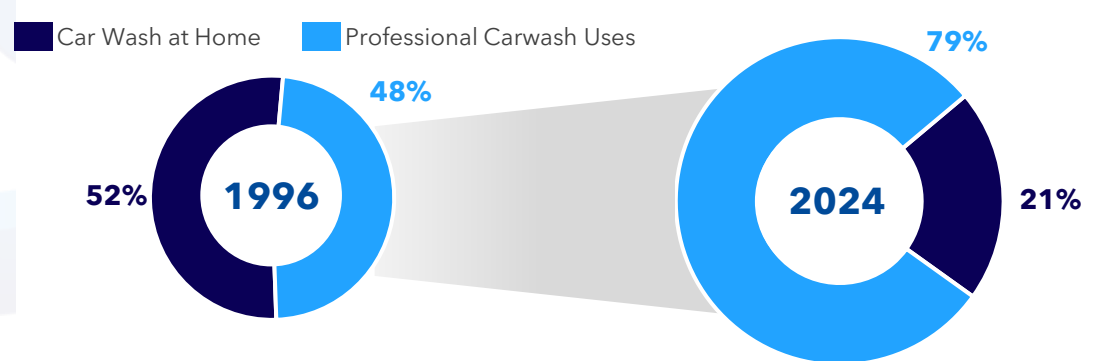
## Aging Vehicles

(Average vehicle age by years in operation)



## Continued Adoption

(% consumer adoption in the U.S. measured by population)



# Fragmentation: Still Broken



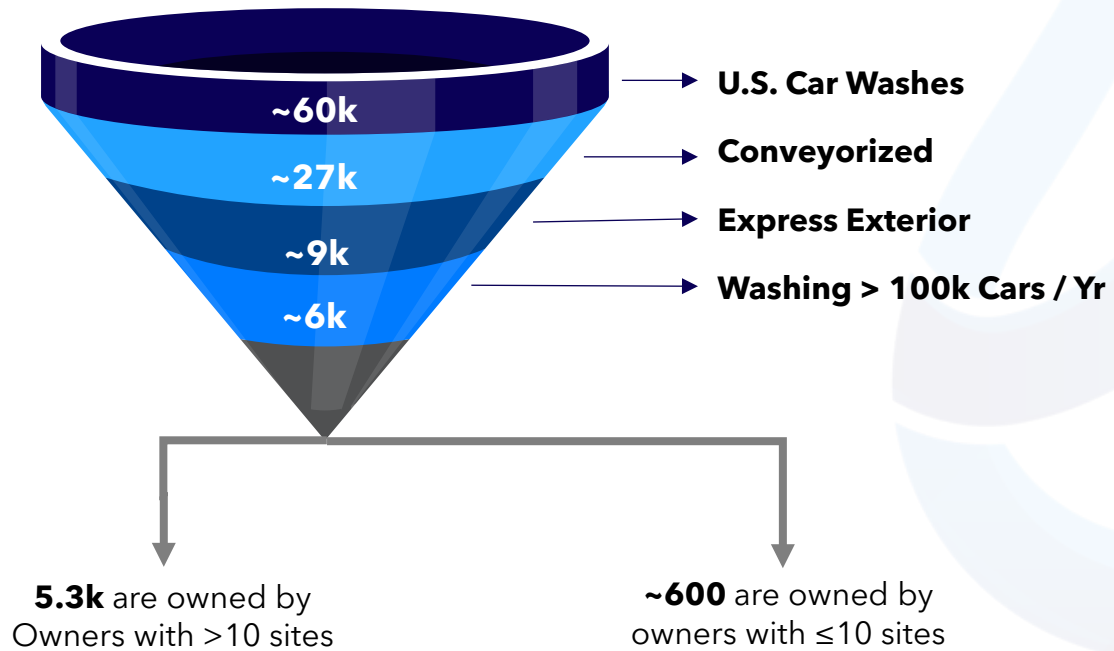
Although still fragmented, perhaps the puzzle had a smaller piece count than once commonly believed

## Investable High Volume Express Exterior TAM

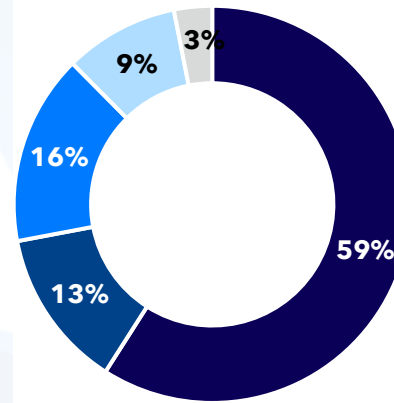
Constraining the total population of carwash sites throughout the U.S. to express exterior conveyORIZED tunnels washing greater than 100k cars per year. The result paints a more accurate and meaningful picture of the universe and size for the institutional investor world at large interested in the carwash industry.

## Distribution of Company Size

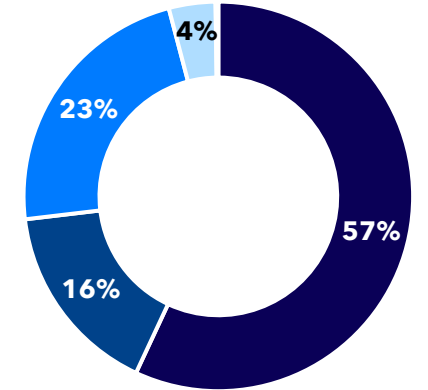
(Of high volume express exterior car washes in the U.S.)



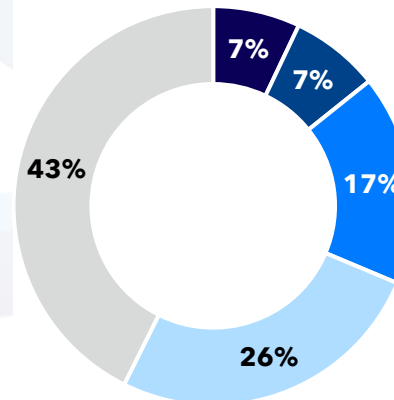
### Company Count Today



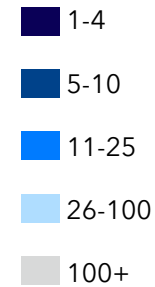
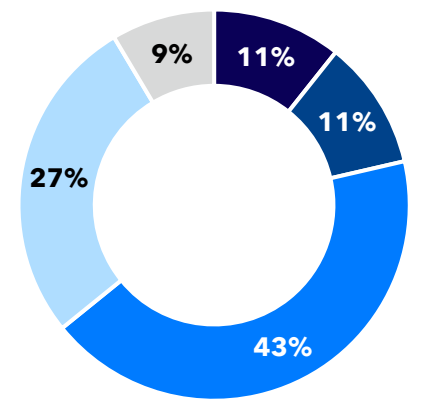
### Company Count Stabilized



### Site Count Today



### Site Count Stabilized



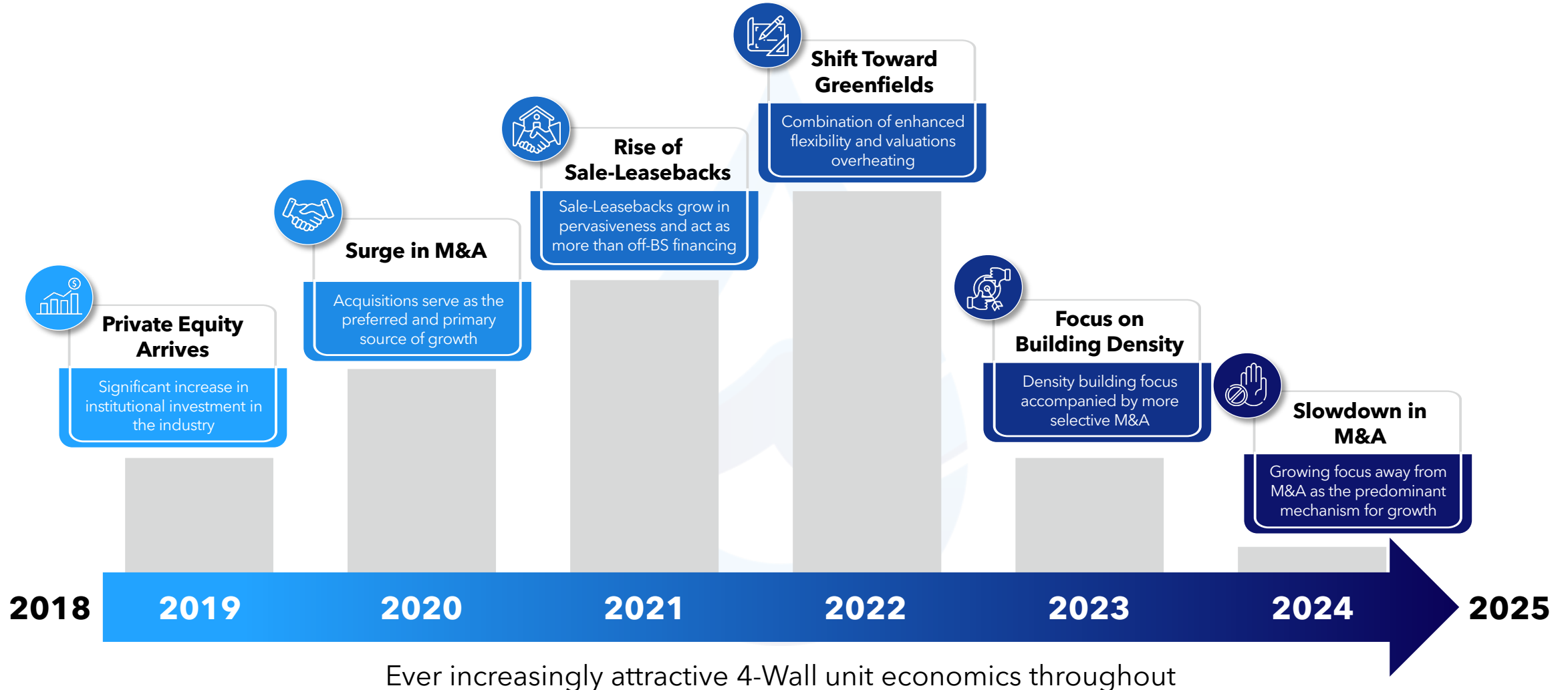
Note(s):  
High volume refers to washes washing over 100k cars per year  
Stabilized figures represent Car Wash Advisory's opinion



# Trend Timing: Painting With Broad Strokes



Overzealousness, maybe | Unwarranted and unsubstantiated, certainly not



SECTION

# 03 Key Industry Players

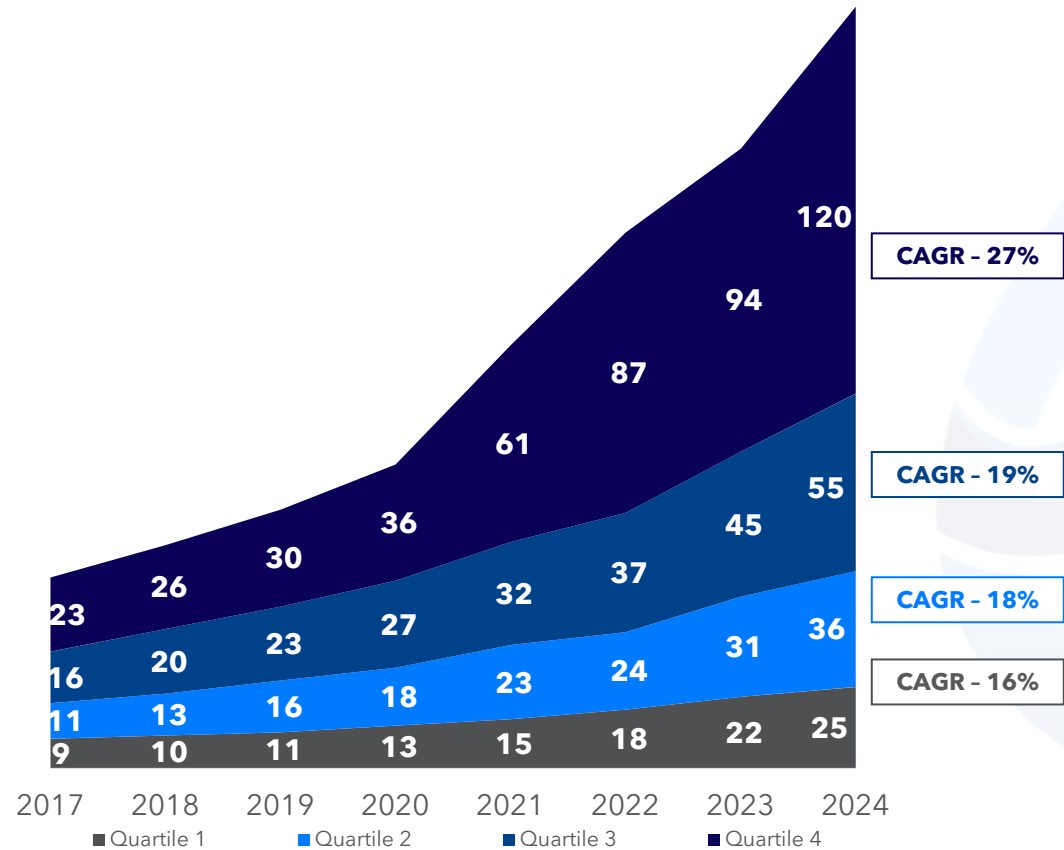
# What It Takes to Be a Top Car Wash Company



A seemingly ever rising bar with future incremental raisings now contingent on consolidation among the consolidators

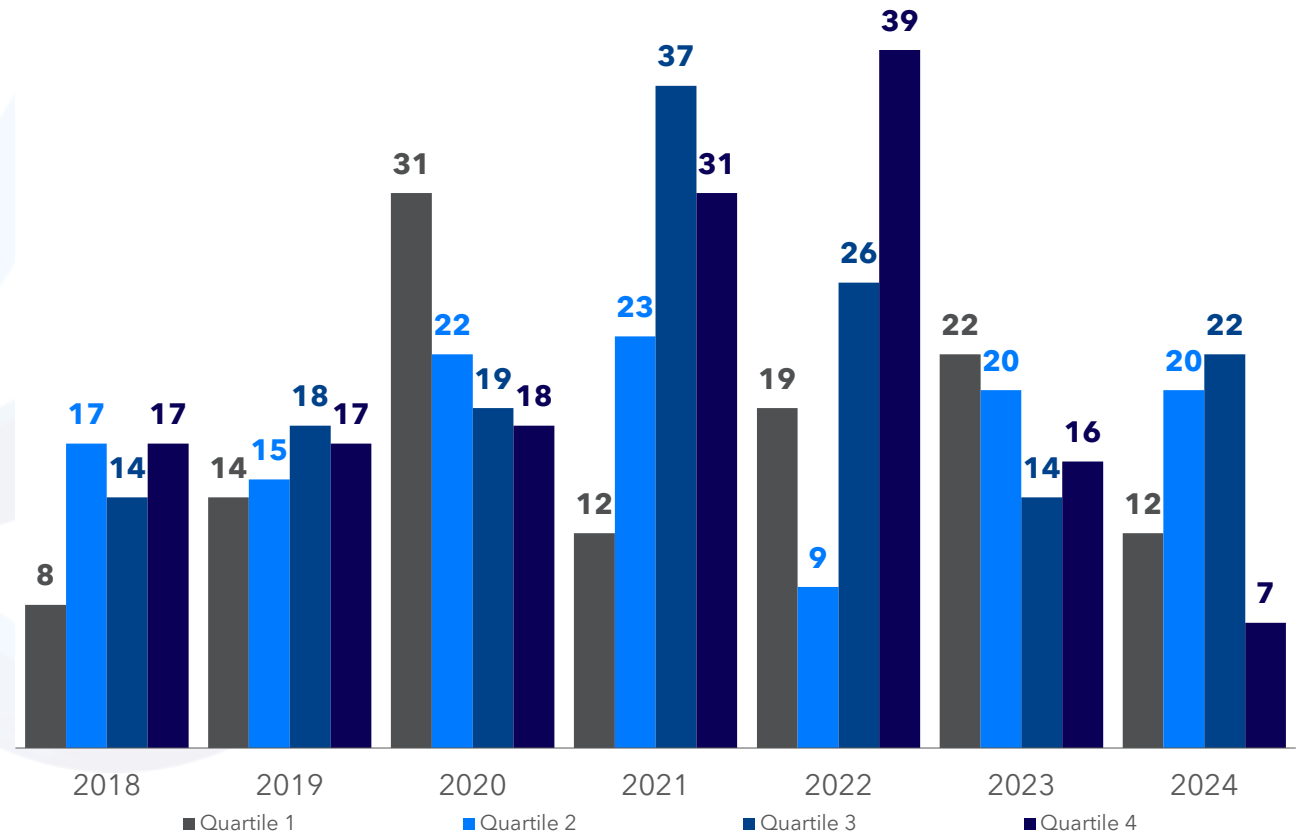
## Top 50 Carwash Companies by Quartile Over Time

Displaying the *minimum* site count to be in each quartile of the top companies. Nine sites were needed to be in the first quartile in 2017, in 2024 it takes 25 sites.



## Annual % Change in Average Site Count per Quartile

Displaying the relative % change by year of the *average* site count in each quartile of top companies.



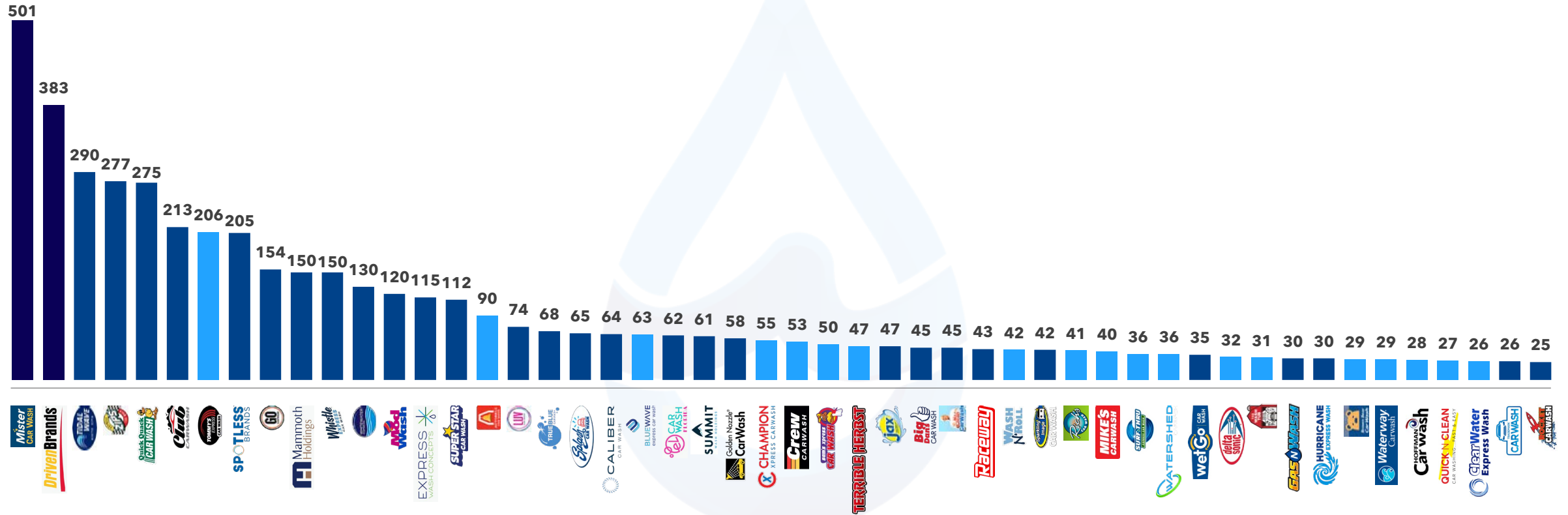
Note(s):  
 Quartiles represent the equal company count size-based cohorts grouped on a site count basis of the top 50 conveyorized carwash companies by year.

# The Landscape



Several carwash companies edging towards the invisible line of historical go-public transactions

Publicly Listed    Independent    Financial Sponsor



Note(s):  
 Figures displayed represent total operational site count  
 For continuously updated ranking of entire car wash universe see Car Wash Advisory's [Top Car Wash Companies](#) webpage

# Major Players



Carwash company disbursement viewed through another lens

Rank	Company	Sites
1	Mister Car Wash	501
2	Driven Brands	383
3	Tidal Wave Auto Spa	290
4	ZIPS Car Wash	277
5	Quick Quack Express Car Wash	275
6	Club Car Wash	213
7	Tommy's Express Car Wash	206
8	Spotless Brands	205
9	GO Car Wash	154
10	Mammoth Holdings LLC	150
11	Whistle Express Car Wash	150
12	WhiteWater Express Car Wash	130
13	ModWash	120
14	Express Wash Concepts	115
15	Super Star Car Wash	112
16	Autobell Car Wash	90
17	LUV Car Wash	74
18	True Blue Car Wash	68
19	Splash Car Wash	65
20	Caliber Car Wash	64
21	BlueWave Express Car Wash	63
22	El Car Wash	62
23	Summit Wash Holdings	61
24	Golden Nozzle Car Wash	58
25	Champion Xpress Carwash	55

Rank	Company	Sites
26	Crew Carwash	53
27	Sam's Xpress Car Wash	50
28	Jax Kar Wash	47
29	Terrible Herbst	47
30	Big Dan's Car Wash	45
31	Mr. Clean Car Wash	45
32	Raceway Express Car Wash	43
33	Sparkling Image Car Wash	42
34	Wash N' Roll	42
35	Rich's Car Wash	41
36	Mike's Car Wash	40
37	Surf Thru Express Car Wash	36
38	Watershed Carwash	36
39	WetGo Car Wash	35
40	Delta Sonic	32
41	The Wash Tub	31
42	Gas N Wash	30
43	Hurricane Express Wash	30
44	Brown Bear Car Wash	29
45	Waterway Carwash	29
46	Hoffman Car Wash	28
47	Quick N Clean	27
48	ClearWater Express Wash	26
49	Trademark Car Wash	26
50	Rocket Carwash	25

Rank	Company	Sites
51	Soapy Joe's Car Wash	25
52	Wash Masters Car Wash	25
53	Washville Car Wash	25
54	Fast 5 Xpress Car Wash	24
55	Glide XPRESS Car Wash	24
56	Prestige Car Wash	24
57	Ultra Clean Express	24
58	Flagstop Car Wash	23
59	Mighty Wash	23
60	Mr. Magic Car Wash	23
61	ScrubaDub Auto Wash Centers	23
62	Splash Car Wash & Oil Change	22
63	Thoroughbred Express	22
64	Woodie's Wash Shack	22
65	WOW Carwash	22
66	Carnation Auto Spa	21
67	Dirty Dog's Car Wash	21
68	Tagg-N-Go	21
69	Drive & Shine Car Wash	20
70	Flash Car Wash	20
71	Sgt. Clean's Car Wash	20
72	TruShine Car Wash	20
73	Francis & Sons Car Wash	19
74	Fuller's Car Wash	19
75	Shiny Shell Car Wash	19

Rank	Company	Sites
76	Washman Car Washes	19
77	Blue Tide Car Wash	18
78	Bubble Down Car Wash	18
79	Elephant Super Car Wash	18
80	Kaady Car Wash	18
81	Ronny's Car Wash	18
82	Big Peach Car Wash	17
83	Bliss Car Wash	17
84	Buddy Bear Car Wash	17
85	Fast Eddie's Car Wash & Oil Change	17
86	Gate Express Car Wash	17
87	Zax Auto Wash	17
88	Haffner's	16
89	Rainforest Carwash & Oil Change	16
90	Shammy Shine Car Washes	16
91	Car Spa	15
92	Mach-1 Express Wash	15
93	Rocky Mountain Car Wash	15
94	Breeze Thru Car Wash	14
95	Carriage House Car Wash	14
96	EDGE Express Car Wash	14
97	Metro Express Car Wash	14
98	Pelican Pointe Car Wash	14
99	The Auto Spa	14
100	Valet Auto Wash	14

Note(s): See Car Wash Advisory's [Top Car Wash Companies](#) webpage for an even larger and more comprehensive ranked list.

SECTION

# 04 M&A Activity

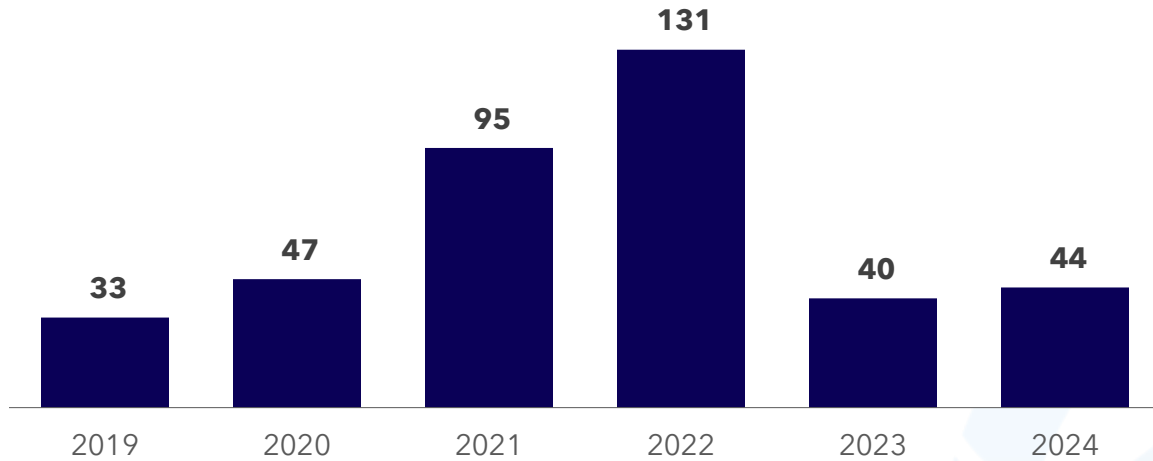
# M&A Activity: A Look Over the Past Five Years



*A rise in fall in transaction count but with persistently increasing average deal size post reversion to historical averages*

## Deal Volume

Measured by number of transactions



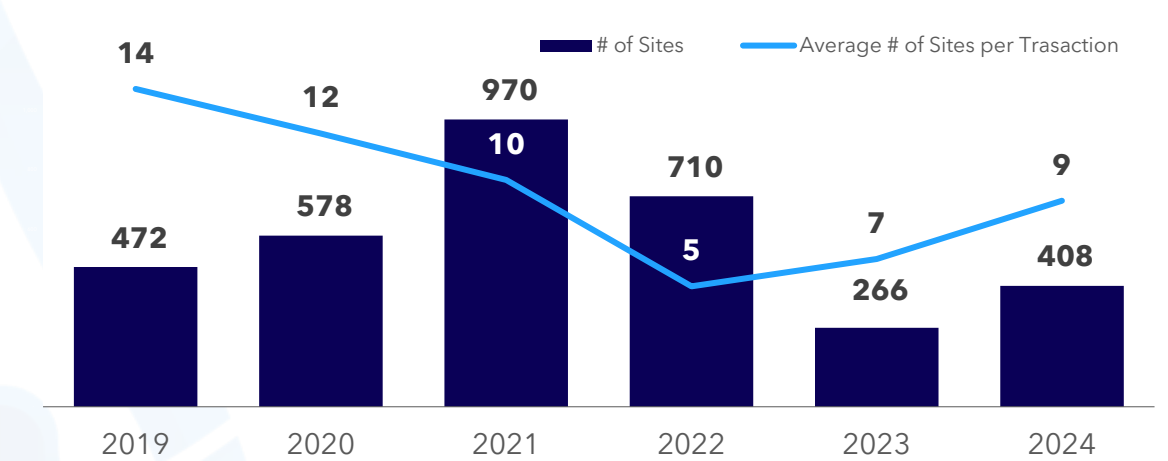
M&A deal activity hit an all-time high level in 2022, soon followed by a rather violent rebound to average levels in the years following.

The meteoric rise through 2022 was primarily a function of increased external investment in the industry from financial sponsors, such as private equity groups and family offices.

The sudden drop and stabilization in 2023 and 2024 is attributable to a handful of factors. What did not cause this was the most commonly cited red herrings, those being a rising interest rate environment and the geopolitical uncertainty accompanying an upcoming election cycle. The true propelling factors were a relatively depleted addressable target market and a widespread and forced performance reevaluation. The latter of which at last substantiated by the average maturity of sponsor-backed carwash platforms in the space reaching a point of measurability.

## Deal Size

Measured by number of sites transacted



Average deal size by year illustrates a significantly different and incrementally informative picture. Despite the significant reduction in transaction counts over the past two years, the total number of sites transacted was impacted significantly less. Even more interesting, 2023 and 2024 both brought an increase in average site count per transaction in comparison to 2022 levels, and both on an absolute and sequential year-over-year basis.

Many owner/operators now owned more sites in 2023 and 2024 than in years passed, heavily influencing the rise in average site count per transaction. Much of this was caused by owners being encouraged to grow and tack on sites as quickly as possible during the 2022 run-up, seeing first-hand the handsome premium in multiples and valuations that the market rewarded to operations of scale and size. This resulted in many operators that had two-to-three sites prior to the late 2010's now having five to ten sites by the time 2023 and 2024 rolled around.

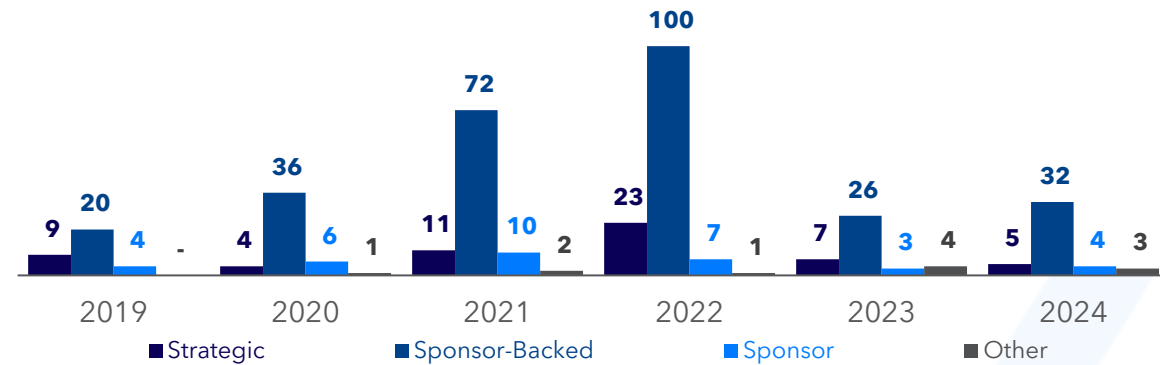
# Acquiror Profiling: Who and How Many?



Breadth and depth of active buyers correlates closely to deal activity measured by transaction count

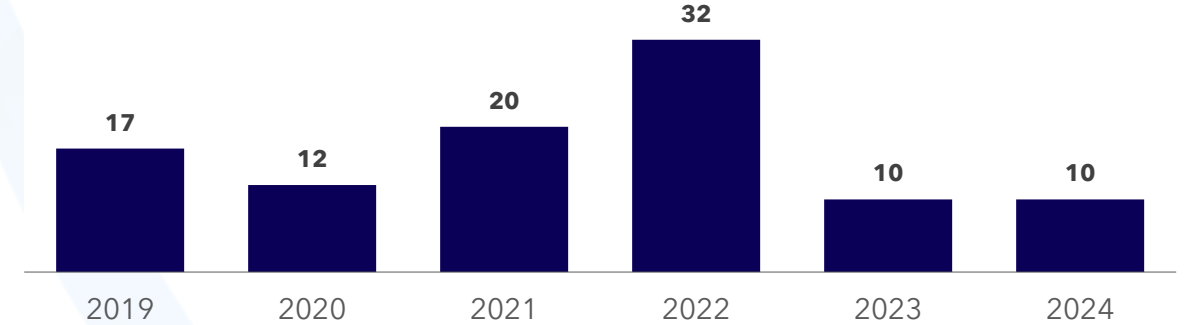
## Transaction Count by Acquiror Type

(Measured by number of transactions)



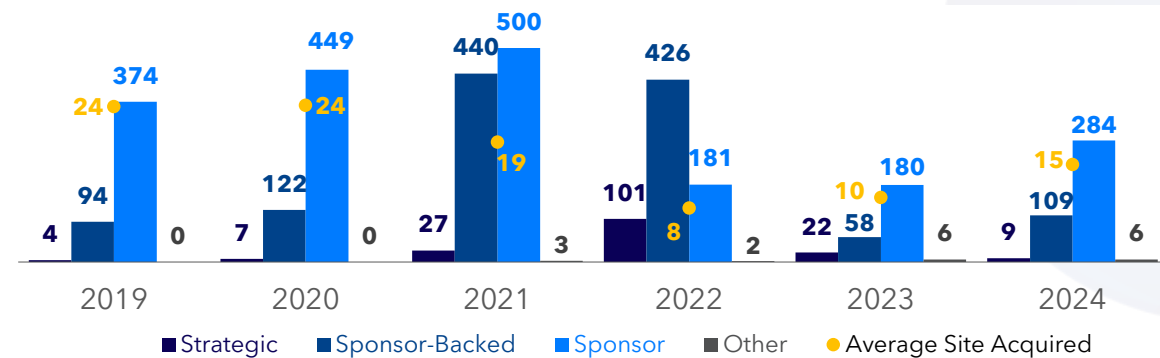
## Active Acquiror Population

(Measured by unique acquiring entities excluding individual buyers)



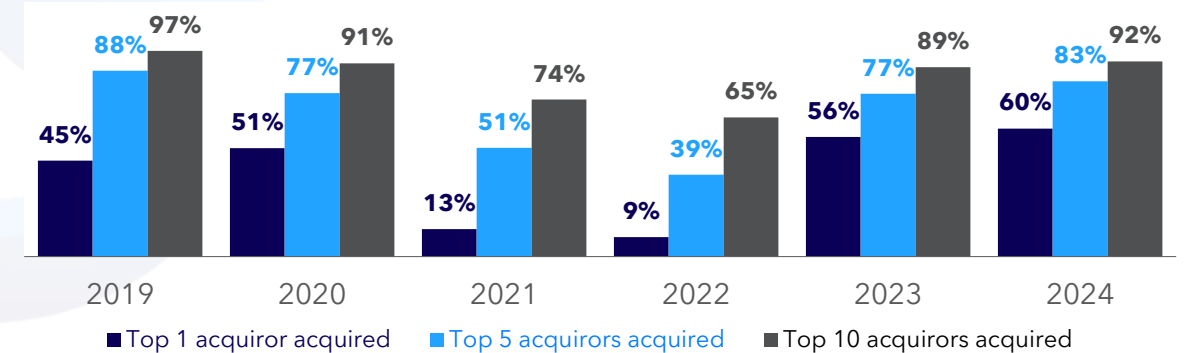
## Number of Sites Acquired by Acquiror Type

(Measured by site count)



## Concentration Among Acquirors

(Measured by percent of total sites acquired)



Note(s):  
Figures exclude go-public transactions.



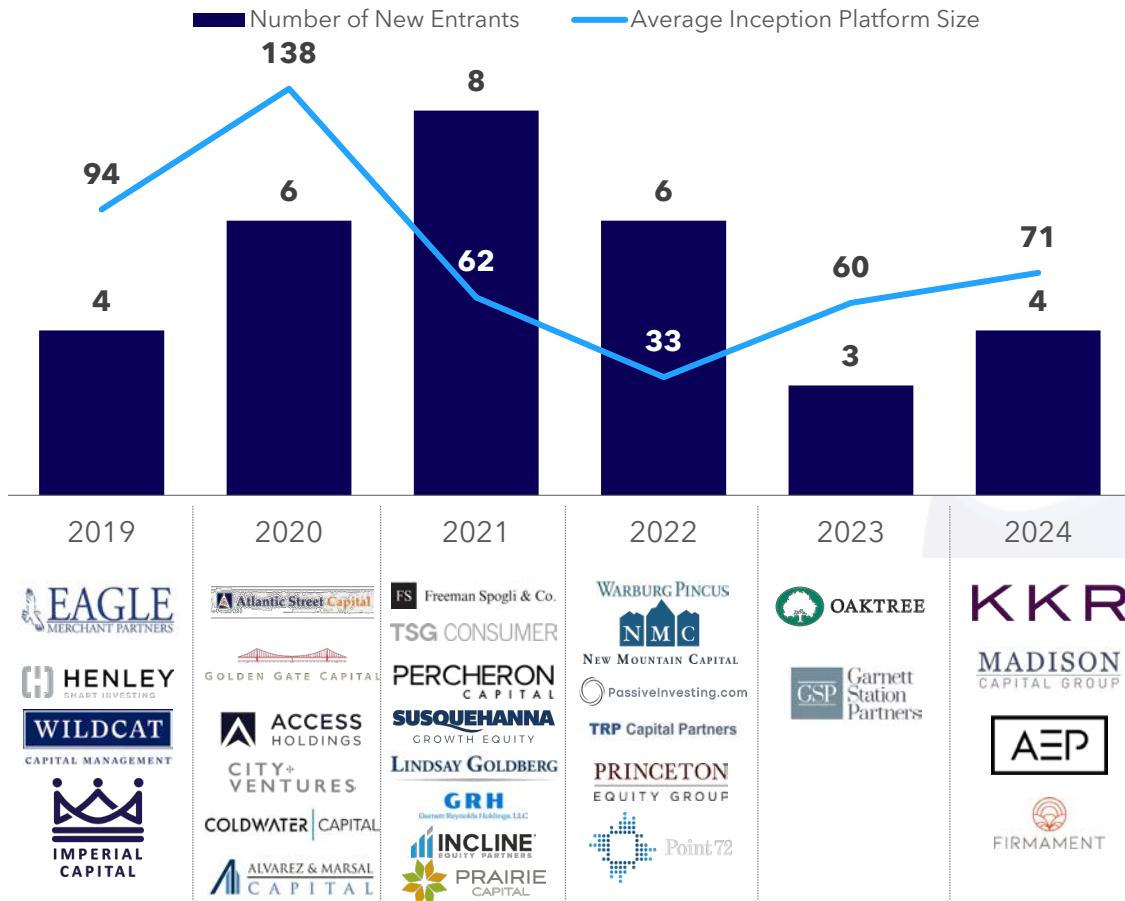


# Financial Sponsors and Their Platforms

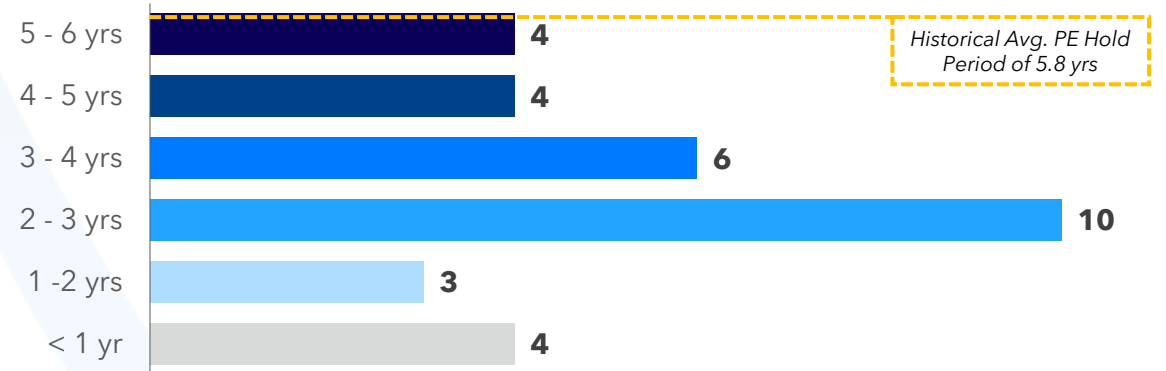


Sponsors continue entering the industry causing the average time till an expected exit to stagnate on an average basis

## Financial Sponsor Entrants



## Financial Sponsor Investment Duration



## Future of Financial Sponsors

Over the past five years, more than 30 financial sponsors have entered the carwash industry, prompting the inevitable question: what does the future hold? The central question—one for which data is scarce—is under what mechanism the majority of these financial sponsors will eventually exit.

Historically, successful financial sponsor exits in the carwash industry have been few and far between. Over the past two decades, let alone the past five years, the number of such exits pales in comparison to the influx of new entrants. While Mister Car Wash and Driven Brands/ICWG leveraged public markets to achieve liquidity, their post-IPO performance has been volatile, leaving open the question of how sponsor-backed carwash platforms currently in private markets will secure their exits.

The most likely and pragmatic answer is that many of these sponsors won't exit in the near term—certainly not within the next one to two years. Continuation vehicles and alternative financing structures have recently gained traction as viable options within the broader financial sponsor community, reflecting a growing trend toward delayed or nontraditional exits.

While there may still be room for one additional publicly traded carwash company, only time will tell. It's far more likely we see the take-private of one, if not both, of the currently publicly traded companies.

The prospect of consolidation among the consolidators appears unlikely within the next 12 months, and perhaps even beyond on a grander scale. However, it wouldn't be surprising if one or two pairings of the very largest players combined. If this was to occur, we would expect muted mid-size deal volume over the next twelve-to-eighteen months as these resulting combined entities grapple with integration post transaction.

SECTION

# 05 Valuations



# Valuations: Unraveling the Tangled Equation



*Public and private markets continue to move closer to a consensus on fair-value and appropriate valuation metrics*

The carwash industry's rise in popularity has created significant confusion, uncertainty, and fluctuations in valuations over the past five years. For decades prior to this recent boom, performing carwashes traded at relatively stable and predictable levels, though valuations were often more opaque from the perspective of external investors. Historically, carwashes traded at 4-6x EV/EBITDA multiples (inclusive of real estate). Aside from the years of the last carwash rollup cycles, this was the steadfast and predictable standard of the industry.

Over the past half-decade, several factors have driven radical shifts and changes in valuations. Key events and influencers include the public offerings of Mister Car Wash and Driven Brands, increased involvement by institutional investor groups and funds, and the widespread use of sale-leaseback arrangements across the industry. These developments have caused tremendous commotion and confusion regarding what underpins true fair value in the industry at large. As a result, there has been a strong desire for clarity on "appropriate" multiples and valuations, which in turn has led to heightened volatility and widespread misinformation.

One of the largest contributors to the misinformation surrounding carwash valuations has been the inclusion of a disproportionately large number of "in-development" or "greenfield" sites in the average mid-sized acquisition. This was unprecedented and significantly altered the valuation dynamics.

Another major factor was the increasing trend of acquisitions without real estate ownership. Many targets had already utilized sale-leaseback options, which became prevalent in the industry over the past five years.

There is no denying the volatility and, quite frankly, the wild ride that carwash valuations have experienced during this time. However, when normalized on a pro forma mature expected basis—though challenging to quantify and often overly optimistic—valuations generally hovered around a far more stable future multiple of 10-12x EV/EBITDA. This was despite inflated expectations fueled by the rise in new builds and increased local competition that squeezed many of the acquired targets.

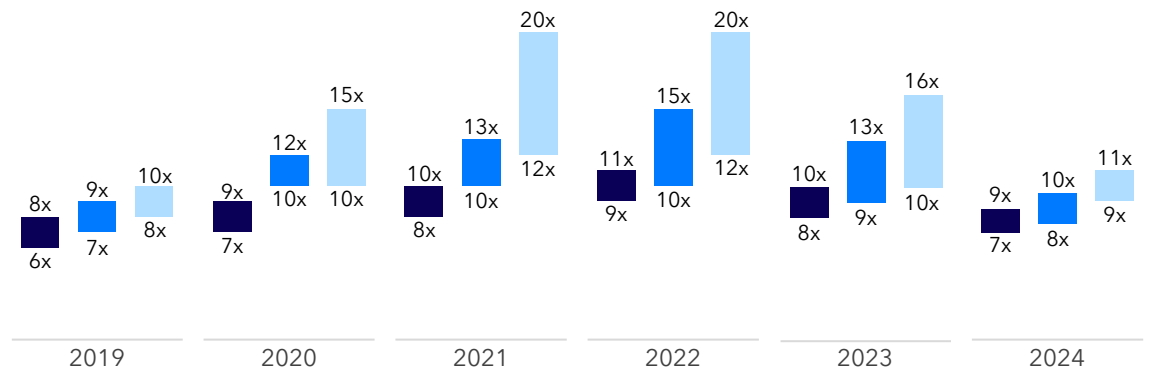
## Visual Valuation Construct

*Measured by number of sites transacted*



## Private Market Car Wash Valuations by Year

*(Trailing 12 months EV/Adj. EBITDA)*



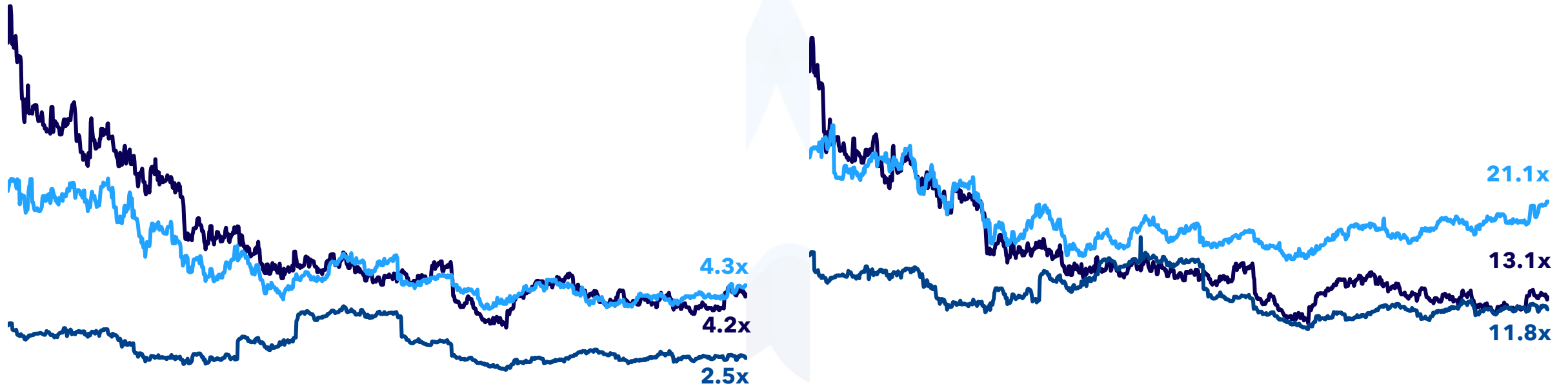
# Publicly Traded Valuations



Public market valuations reflect a shift in the growth story

## EV/NTM Revenue

## EV/NTM EBITDA



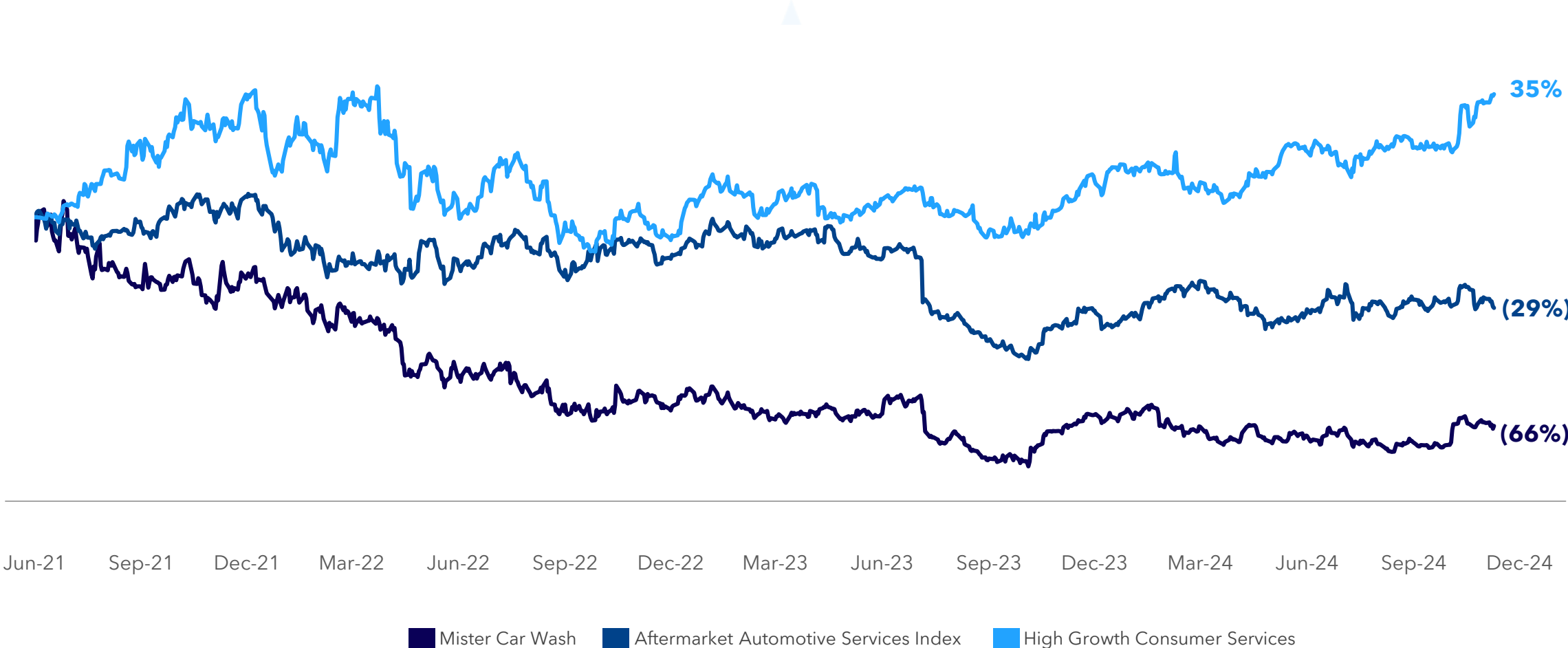
■ Mister Car Wash 
 ■ Aftermarket Automotive Services Index 
 ■ High Growth Consumer Services

Note(s):  
 Aftermarket Automotive Services Index comprises of average of Monro, Driven Brands, and Valvoline  
 High Growth Consumer Services comprises of Planet Fitness, European Wax Center and Costco  
 Source(s): Bloomberg

# Share Price Performance



Divergence among the groups being apparent, stabilization on an individualized basis appears promising



Note(s):  
Aftermarket Automotive Services Index comprises of average of Monro, Driven Brands, and Valvoline  
High Growth Consumer Services comprises of Planet Fitness, European Wax Center and Costco  
Source(s): Bloomberg

SECTION

# 06 About CWA

# Leading Car Wash Investment Bank



Select Car Wash Advisory sell-side advisory transactions

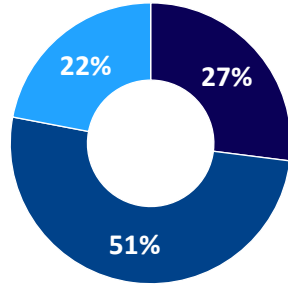
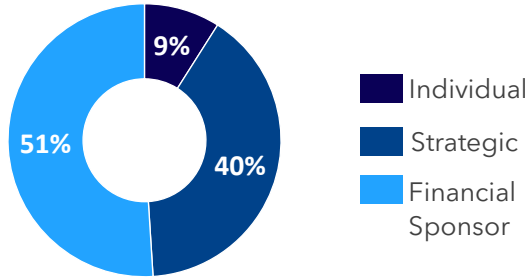
## Our Focus

Exclusively and entirely focused on sell-side M&A Advisory and Capital Markets Advisory

### Sell-Side M&A Transactions by Acquiror Type

By Transaction Value

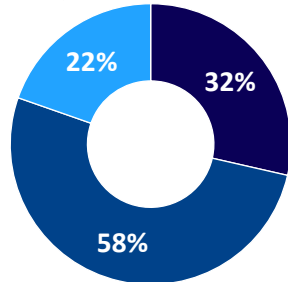
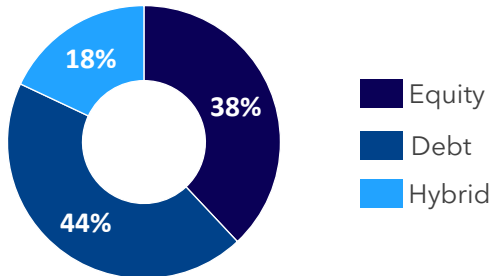
By Transaction Count



### Capital Markets Transactions by Type

By Transaction Value

By Transaction Count



## Select Transaction Experience

<p>Sale of</p> <p>Acquired by:</p> <p>10 site(s)   Michigan   2024</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Pennsylvania   2024</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   New York   2024</p>	<p>Sale of</p> <p>Acquired by:</p> <p>19 site(s)   Michigan   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Florida   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Pennsylvania   2023</p>
<p>Acquired by:</p> <p>1 site(s)   Tennessee   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>10 site(s)   Illinois   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Texas   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Louisiana   2023</p>	<p>Sale of</p> <p>Acquired by:</p> <p>2 site(s)   Delaware   2022</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Pennsylvania   2023</p>
<p>Sale of</p> <p>Acquired by:</p> <p>7 site(s)   South Carolina   2022</p>	<p>Sale of</p> <p>Acquired by:</p> <p>5 site(s)   Ohio   2022</p>	<p>Sale of</p> <p>Acquired by:</p> <p>9 site(s)   Florida   2022</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Pennsylvania   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>2 site(s)   Maine   2021</p>	<p>Financing for</p> <p>1 site(s)   Michigan   2021</p>
<p>Sale of</p> <p>Acquired by:</p> <p>3 site(s)   Virginia   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Pennsylvania   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>1 site(s)   Michigan   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>5 site(s)   Pennsylvania   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>3 site(s)   Ohio   2021</p>	<p>Sale of</p> <p>Acquired by:</p> <p>3 site(s)   New York   2020</p>



# About Car Wash Advisory



The leading and premier investment bank focused solely and exclusively on the carwash industry

## CWA Snapshot

-  **18** Years carwash industry experience
-  **12** Years investment banking and capital markets experience
-  **2019** Year Founded
-  **+\$1B** Carwash transaction value advised
-  **+\$250M** Carwash capital raised
-  **3k+** Strategic and financial relationships
-  **1k+** Carwash valuations engagements completed

## Our People

### Harry H. Caruso

| Email: [harry@carwashadvisory.com](mailto:harry@carwashadvisory.com)



**Harry H. Caruso** is the Founder of Car Wash Advisory. With over 10 years of investment banking experience and over 12 years of capital markets experience, Harry has completed M&A advisory and capital markets transactions totaling over \$4.5B in transaction value. Prior to founding Car Wash Advisory, Harry worked at Citi doing Healthcare Investment Banking, AvantCredit on the Capital Markets team, Column Park Asset Management as a direct cross-capital structure senior investment associate, and founded and sold Parallel Laboratories, a machine learning company focused on neural network investment dataset creation.

### Dennis Zimmeroff

| Email: [dennis@carwashadvisory.com](mailto:dennis@carwashadvisory.com)

**Dennis Zimmeroff** is a senior member of the executive team at Car Wash Advisory, functioning on the daily as a Managing Director for the firm. Dennis brings over twelve years of carwash experience, including nearly a decade spent on the M&A team at one of the nation's largest operators.

### Amanda Abbott

| Email: [amanda@carwashadvisory.com](mailto:amanda@carwashadvisory.com)

**Amanda Abbott** is the functional backbone of Car Wash Advisory, bringing extension administrative and support background and history towards keeping everything running smoothly at Car Wash Advisory.

### Harshit M. Bhandari

| Email: [hb@carwashadvisory.com](mailto:hb@carwashadvisory.com)

**Harshit Bhandari** works as a Senior Analyst with us. He earned his MBA degree from a reputed University in India and is associated with us since the last 2 months.

## Contact Us

Contact us to explore how our investment banking services can help you achieve your business objectives. Discover the current value of your car washes and gain insights into the debt, equity, and financing options available to strengthen your capital structure. We are here to be your trusted partner.

[Contact Us Today](#)

## Our Difference

- 1 Hyperspecialized Focus**  
Solely and Exclusively Carwashes
- 2 Intentionally Narrowed Service Offerings**  
Sell-Side M&A | Debt and Equity Capital Raises
- 3 Wall St. Investment Banking**  
Structure | Effectiveness | Professionalism

## Other Resources to Explore

 [Car Wash Advisory's Top Carwash Companies](#)

 [Car Wash Advisory's Carwash M&A Database](#)