

M&A & Capital Markets

in and of the Carwash Industry

The Car Wash Show 2025

Presented by Car Wash Advisory™





In 2019, I founded Car Wash Advisory with a belief in the people behind the washes... and the washes too.

*Six years later, that belief is stronger than ever – and the opportunity? **Even greater.***

Today's Agenda

- 1 Brief History
- 2 State of the Industry
- 3 M&A Landscape
- 4 Valuations
- 5 Capital Markets
- 6 Looking Forward





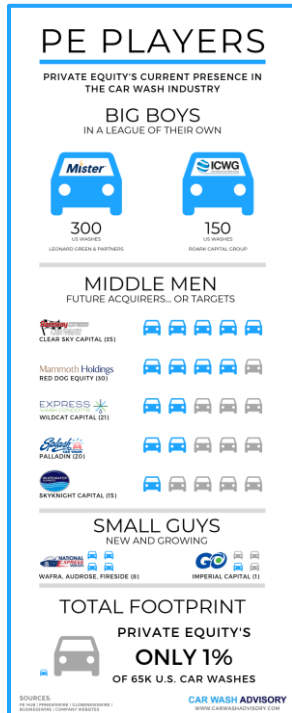
Brief History

A Lot of Change

Snapshot of Recent Years

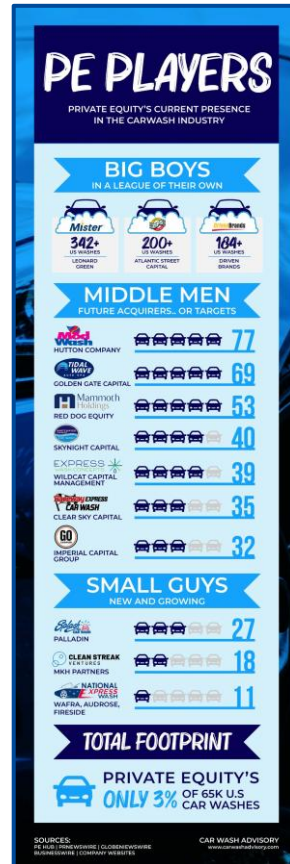


2019



1. Less Large Players
2. Sparse PE
3. No Public
4. No National Obsession
5. Little Attention

2022



1. Growing Number of Ever-growing Players
2. Significant PE Presence
3. MCW Public
4. Nationwide Fervor
5. No End in Sight

2025



1. Movement in all directions
2. Majority PE-Backed
1. Stress in select major operators
2. Uncertainty and slowdown

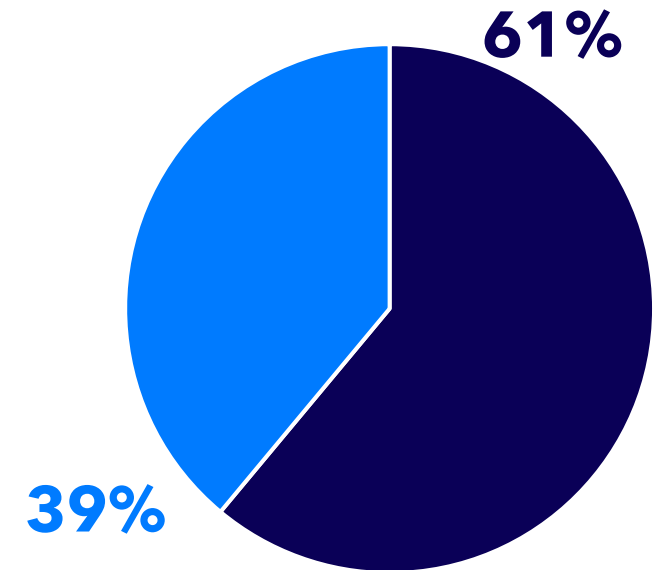
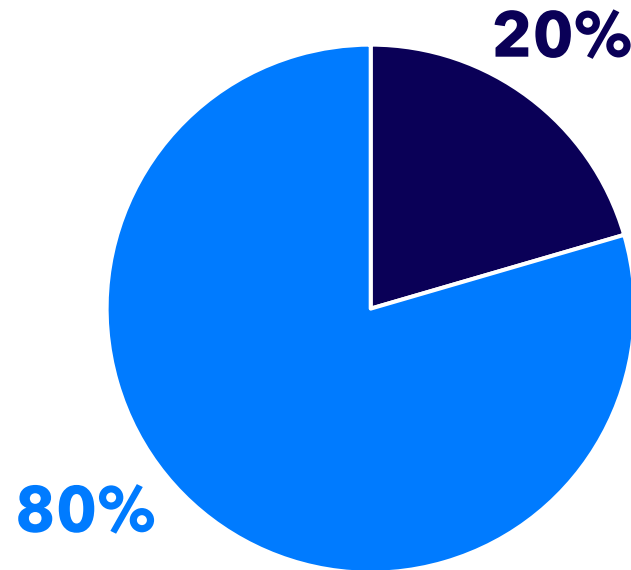
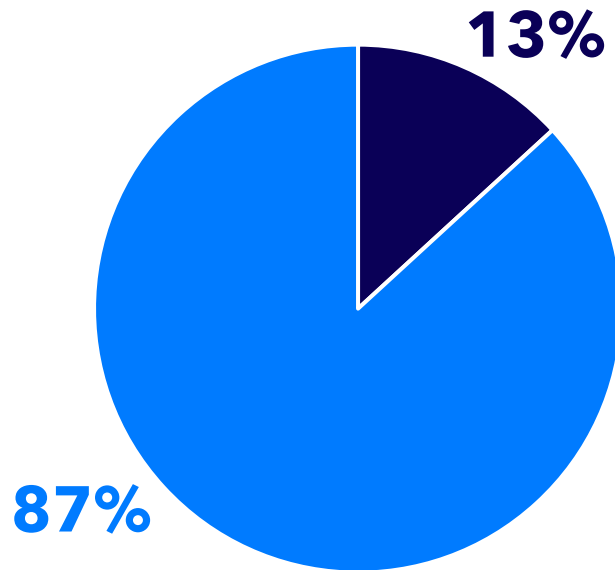
Changing Roles of Different Parties



2019

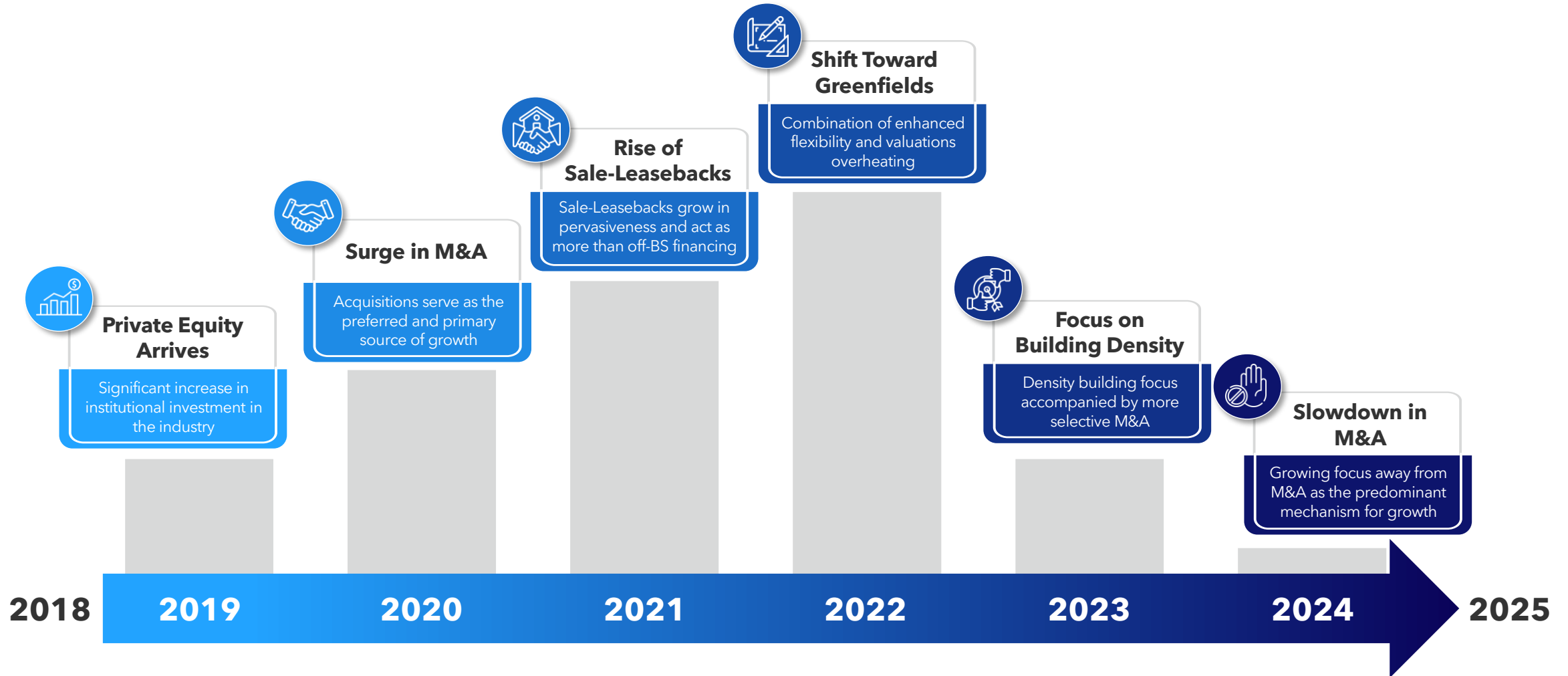
2022

2025



■ PE Owned ■ Independently Owned

Major Themes





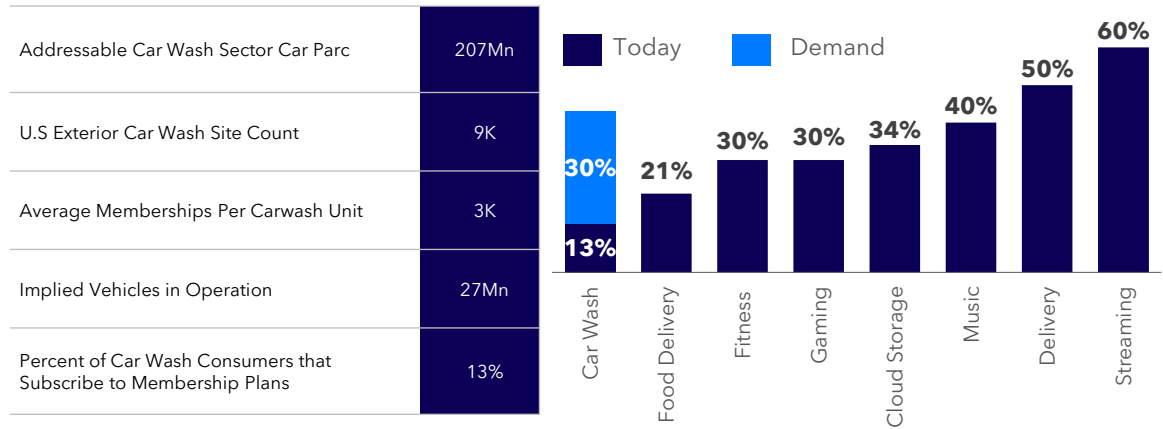
State of Industry

Where We Stand Today



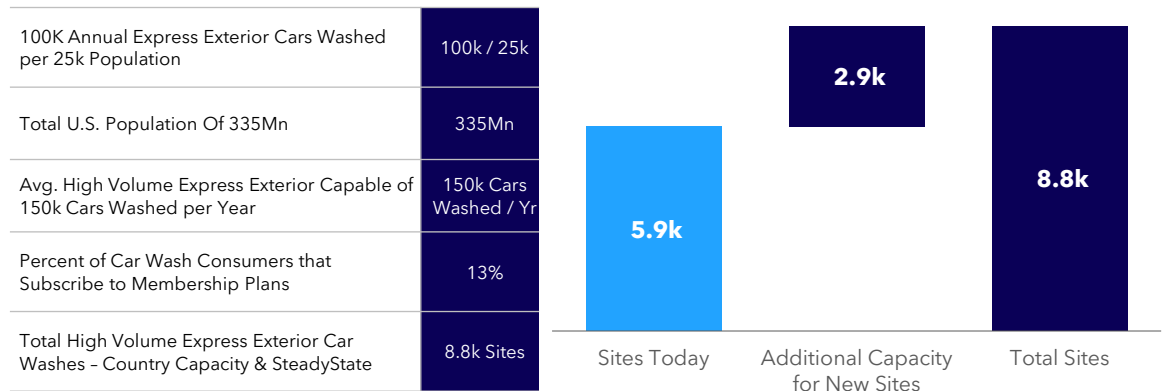
Market Saturated?

Membership-Based Approach



NO

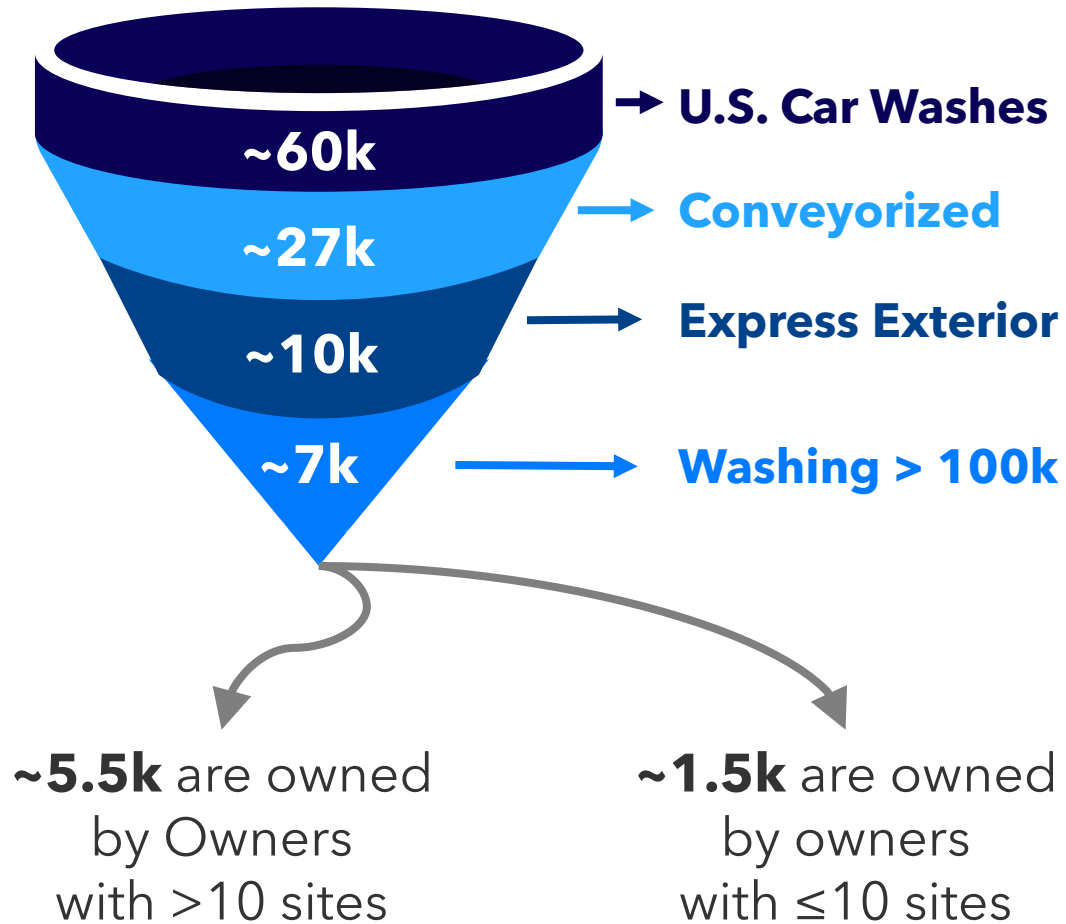
Population-Based Approach



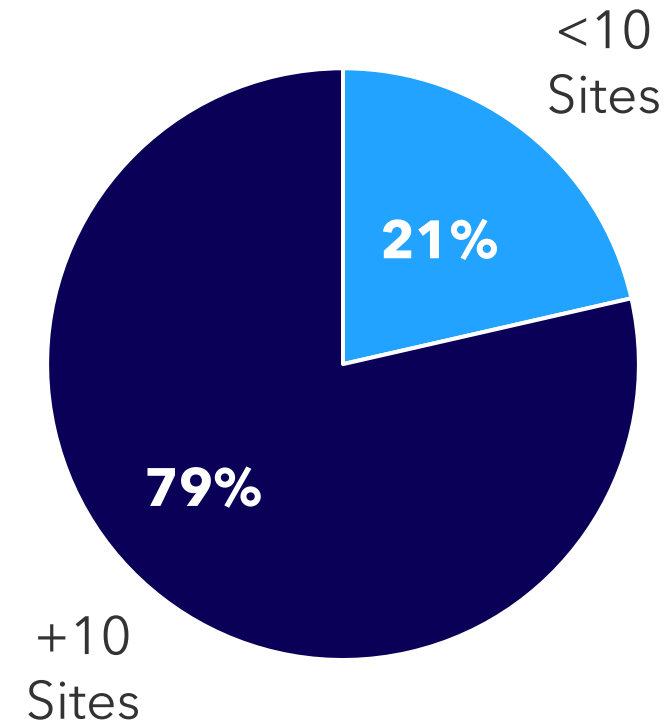


Still Fragmented?

True Market Size



Ownership by Site Count





Still Attractive?

- Unmatched Margins
- Membership and Predictability
- No Notable Seismic Threats
- Human Capital is Catching Up



Is It All Falling Apart?



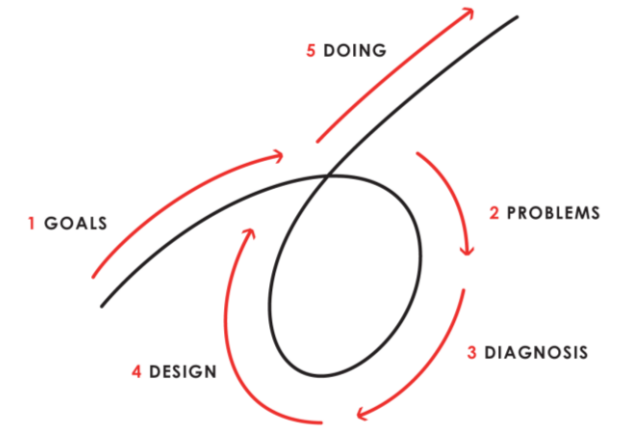
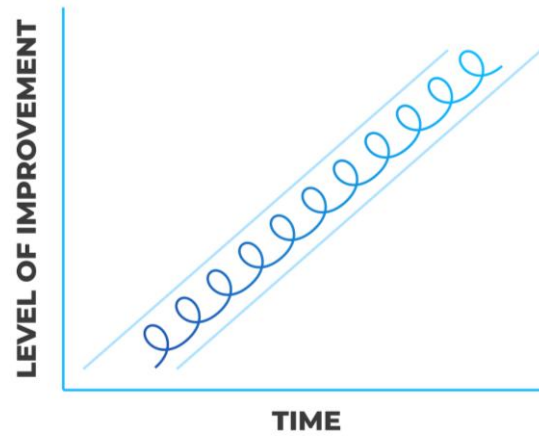
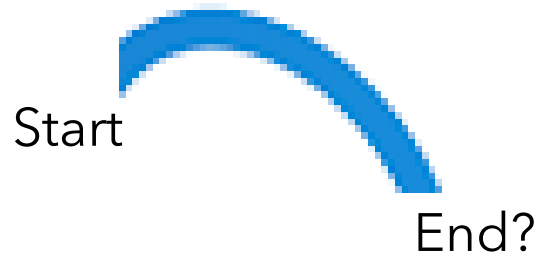
Other Operators

Heavy Sale-Lease-Back Reliance			Some
Scaling Difficulties			Some
Growth for Growth's Sake			Some
Operations Outpaced Oversight			Some

Grew faster than market conditions afforded them forgiveness



Negative Headlines... Progress





Recap: State of the Industry Today

- Whitespace - **Yes**
 - No matter how you measure it
- Fragmented - **Yes**
 - Still is today
- Attractive - **Yes**
 - In Most Ways
- Falling Apart - **No**
 - Don't be fooled



M&A Landscape

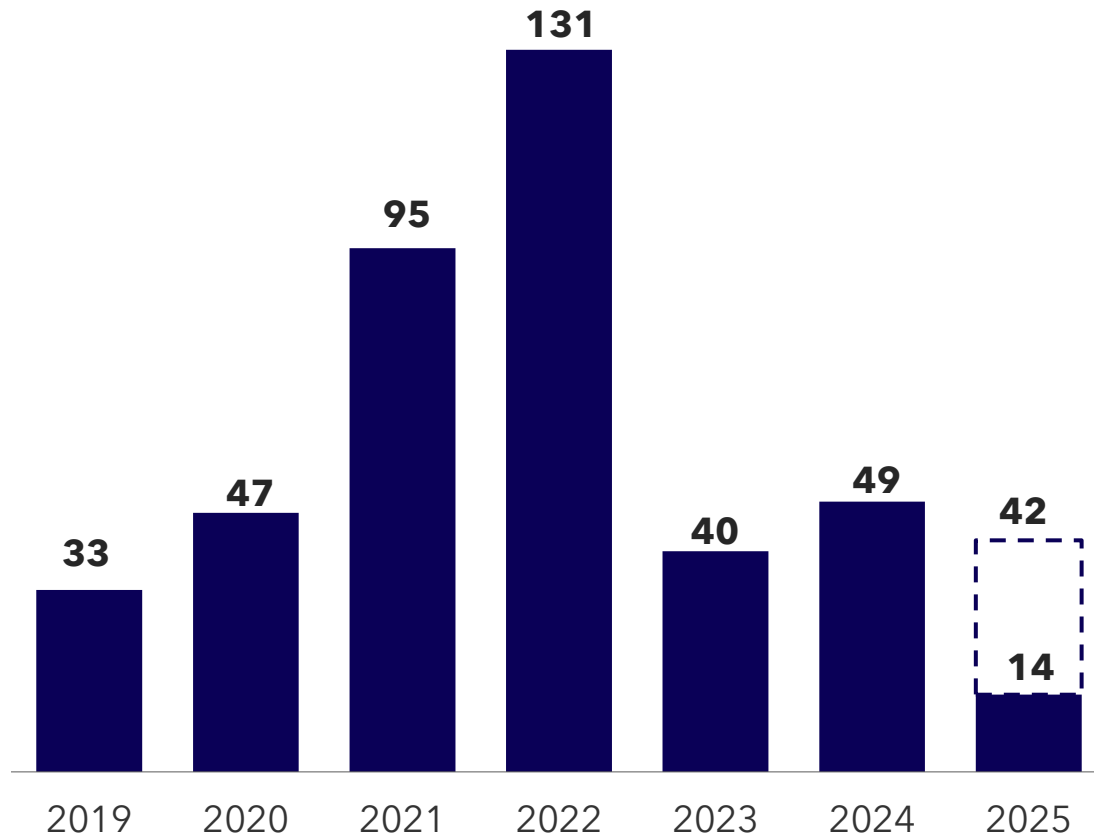
Behind the Headlines



Deal Volume

of M&A Deals

Measured by number of transactions



What Happened?

The Meteoric Rise

1. Money Came In
2. New Builds Rising

... but ... everything has it's limits

The Great Correction

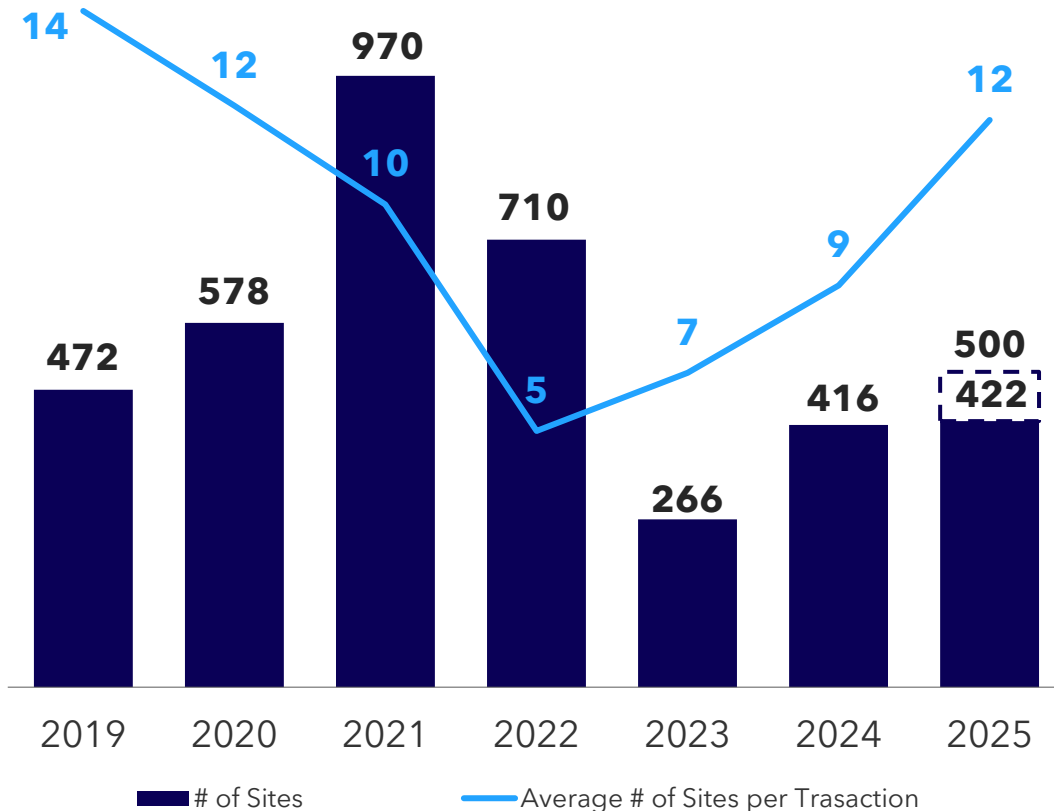
1. Interest Rates Rise
2. Fewer Targets
3. Ever-rising Valuation Expectations
4. Hints of Distress & Non-Performance



Deal Size

Sites / Deal

Measured by number of transactions



What Happened?

The Meteoric Rise

- Bought till no more to buy, starting w/ largest
- Target base depleted
- Capital constraints tightened

The Great Correction

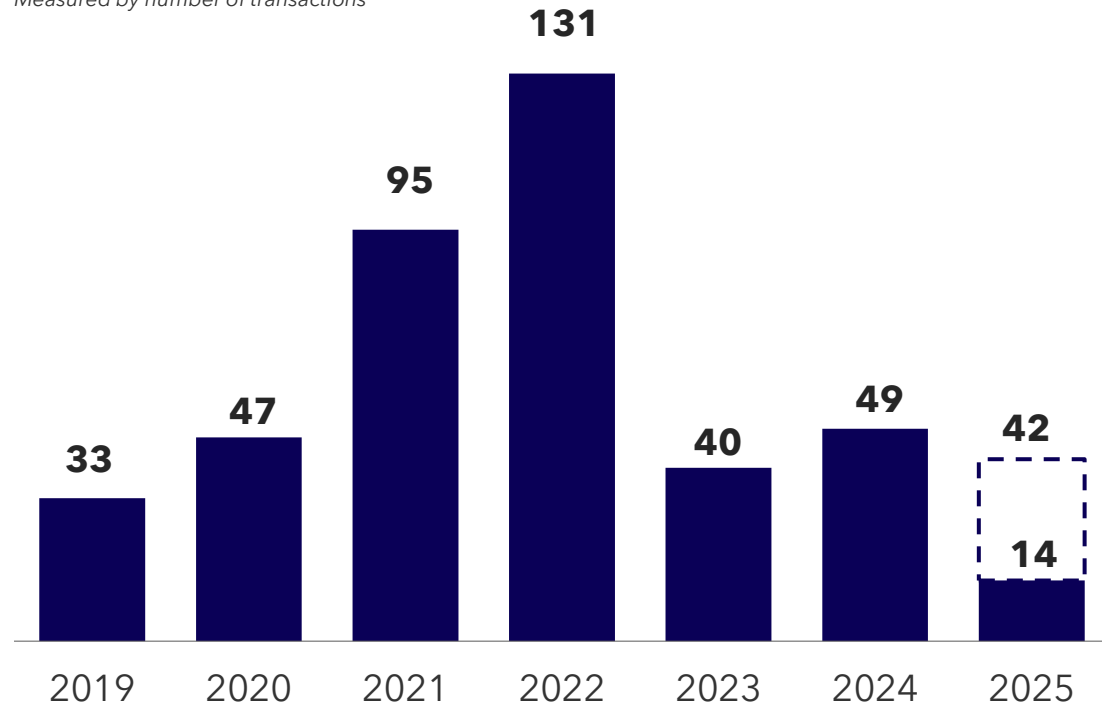
- No longer buying *everything*
- Some transactions still made sense
- Average age of operations being acquired shrinking
- Early stage flips need out



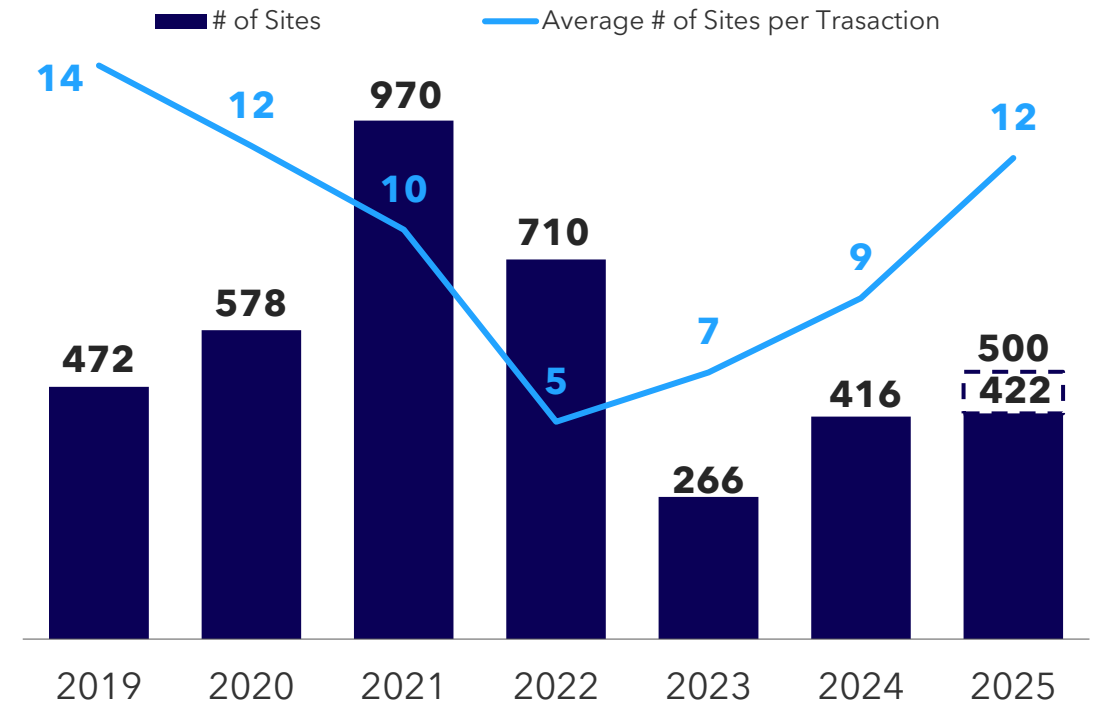
Putting It All Together

of M&A Deals

Measured by number of transactions



Sites / Deal



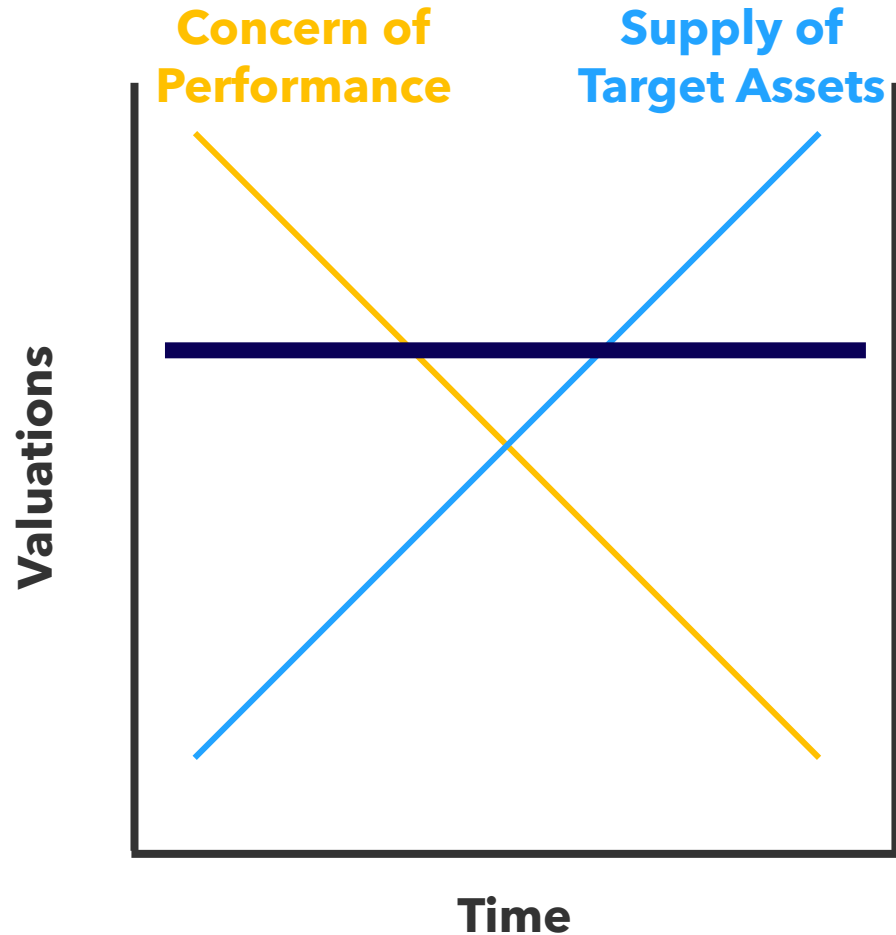
A full cycle... Almost...



Valuations

Clarity Through the Noise

Valuation Dynamics

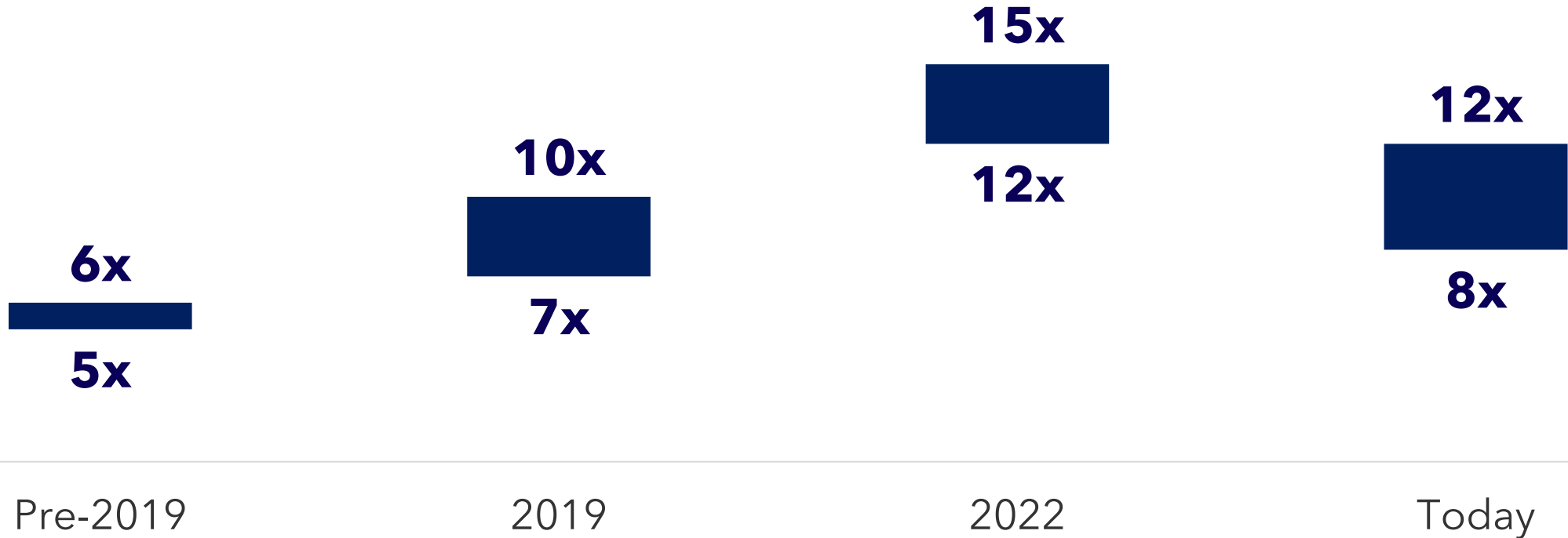


- Liquidity and volume is what has shrunken
- Valuations more stable | Fallen less than believed to

Historical Valuations



Restricting to RE owned, 5 - 20 sites



Larger Variance - Great vs. Not

Closer To The Top Than the Bottom



Capital Markets

Availability & Cost of Capital

Capital Markets Over Past Five Years



Pre-2019

Smaller Scale

- Low, if at all
- General reversion from

Larger Scale

- Bespoke and infrequent

All

- Heavily borrower and individual credit based

2022

Smaller Scale

- Actively seeking

Larger Scale

- Actively seeking
- Introduction of REITs

All

- Indiscriminate, not specific borrower/credit based

2025

Smaller Scale

- Beginning to pull back

Larger Scale

- Presentation and more dependent

All

- More indiscriminate, not specific borrower/credit based

Drivers of Capital Markets



	Absolute	Relative
Macro <i>Economy's Impact on Industry</i>	<p>↓↑ Consumer spending</p> <p>↓↑ Interest rates</p>	Carwash Better Than Average
Industry Specific <i>Carwash Industry Conditions</i>	<p>↑ Core model threats</p> <p>↓↑ Competition / saturation</p>	Carwash Better Than Average



Looking Forward

2025+

Themes for the Years to Come



1. Pruning of Portfolios
2. Consolidation of Consolidators
3. Slowed New Builds
4. Continued Small Operator Viability

1. Pruning of Portfolios



First Degree Effects

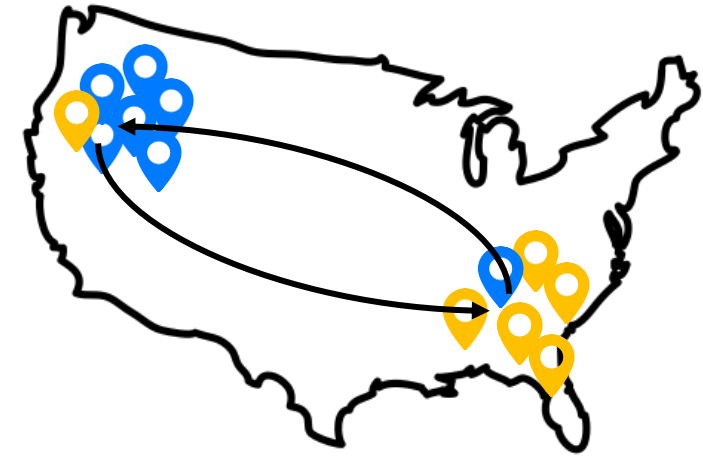
- Shared costs
- Multi-site membership utilization

Second Degree Effects

- Fixed talent pool
- Company culture

Results

- Increase in transaction volume
- Strong get stronger



Heavy emphasis on market leadership and dominance

Believe late 2025 will be start to, but will heavily continue through at least 2027

2. Consolidation of Consolidators



What We Know

- Seeing first of it today
- More to come
- Weak target makes easier

Currently Unanswered

- Staying power yet to be seen

Result

- Result is an increase in transaction volume



3. New Builds - Continue Slow



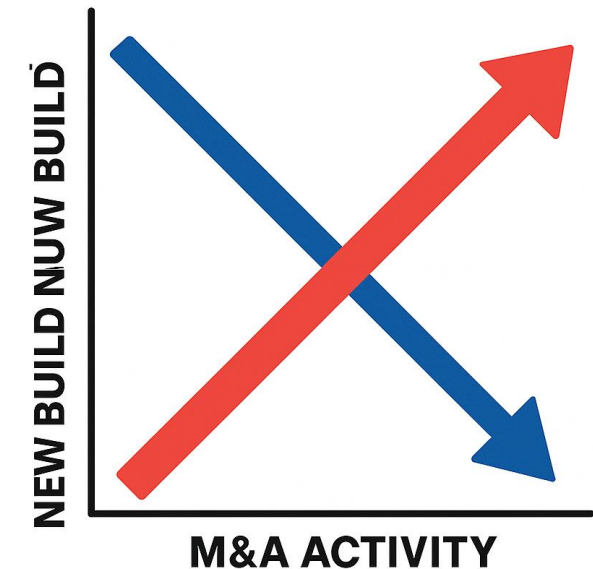
What We Know

- Some mutual exclusivity - New Builds vs. M&A
- Tariff effect
- Saturation fears
- Valuation expectation reduction?

Result

- Result is more transactions

INVERSELY CORRELATED



4. Continued New Player Viability

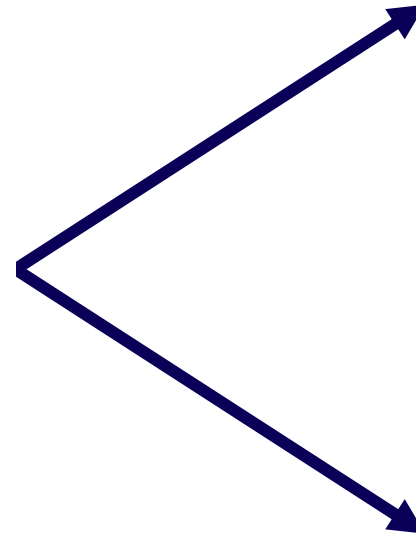
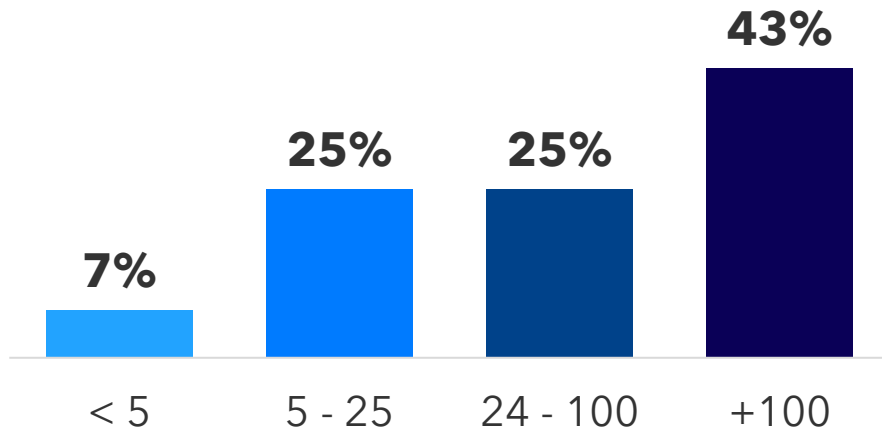


Not all things last forever... but do some things?

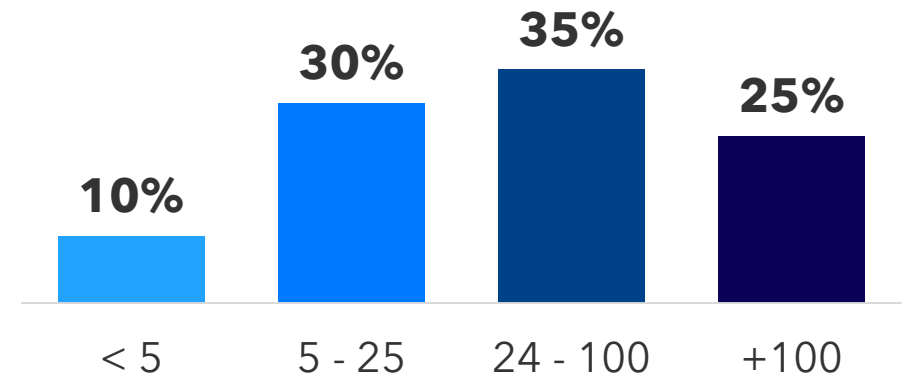
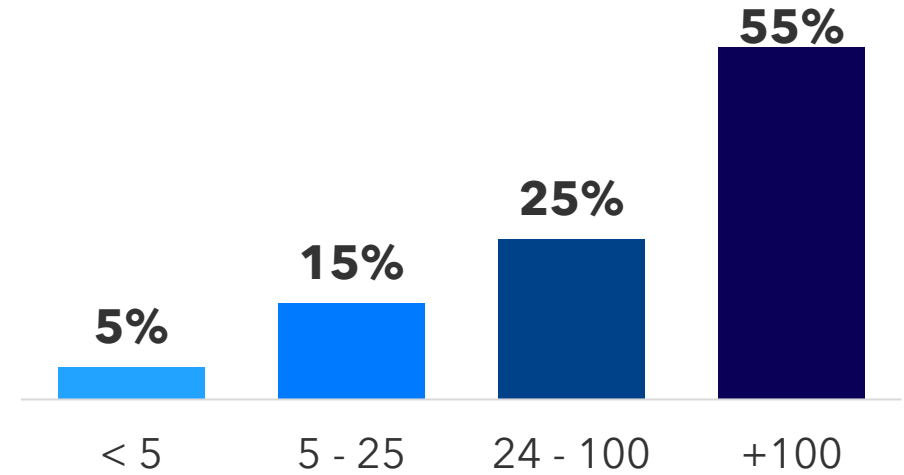
Where We'll Be in 2030?



TODAY



2030



Car Wash Advisory



The Leading Car Wash Investment Bank

Our History

18 Yrs carwash industry experience

12 Yrs investment banking & capital markets

2019 Year Founded

+\$1B Carwash transaction value advised

+\$250M Carwash capital raised

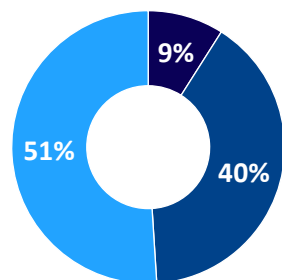
3k+ Strategic and financial relationships

1k+ Carwash valuation engagements

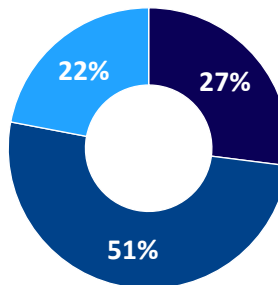
Our Focus

Sell-Side M&A Transactions by Acquiror Type

By Transaction Value



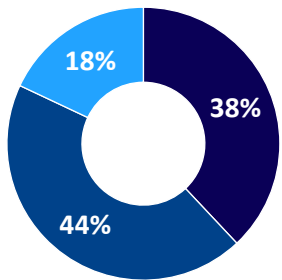
By Transaction Count



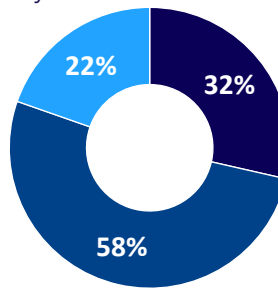
■ Individual ■ Strategic ■ Financial Sponsor

Capital Markets Transactions by Type

By Transaction Value



By Transaction Count



■ Equity ■ Debt ■ Hybrid

Select Transaction Experience

Sale of Acquired by: 10 site(s) | Michigan | 2024

Sale of Acquired by: 19 site(s) | Michigan | 2023

Sale of Acquired by: 3 site(s) | Tennessee | 2023

Sale of Acquired by: 2 site(s) | Delaware | 2022

Sale of Acquired by: 7 site(s) | South Carolina | 2022

Sale of Acquired by: 5 site(s) | Ohio | 2022

Sale of Acquired by: 9 site(s) | Florida | 2022

Sale of Acquired by: 2 site(s) | Maine | 2021

Financing for 1 site(s) | Michigan | 2021

Sale of Acquired by: 3 site(s) | Virginia | 2021

Sale of Acquired by: 5 site(s) | Pennsylvania | 2021

Sale of Acquired by: 4 site(s) | Ohio | 2021

Let's Talk

Our Services

- Sell-side M&A Advisory
- Capital Raises & Restructuring

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Thank You!



***Don't hesitate to
Reach Out***