

CWA CARWASH M&A REPORT

2025 Annual Edition



TABLE OF CONTENTS

1	Executive Summary	03
2	State of the Industry	04
3	Key Industry Players	05
4	M&A Activity	09
5	Valuations	11
6	About CWA	12



Nominee:
Investment Bank Of The Year
Niche Focus



EXECUTIVE SUMMARY

A MARKET IN TRANSITION, NOT IN RETREAT

The car wash industry is entering a markedly different phase than the one that defined the prior half-decade. For those who have lived through the most recent cycle, and for those who remember the ones before it, this shift should feel less like an ending and more like a return to rhythm. Industries, much like capital markets themselves, move in cycles. What matters most is not whether those cycles turn, but how participants adapt as they do.

The past five years were defined by unprecedented investor enthusiasm, rapid consolidation, aggressive new-build activity, and historically elevated valuation multiples. That era reshaped the industry in lasting ways. In 2025, the effects of that reshaping are now being fully absorbed. The market has transitioned into a period where capital efficiency, operational discipline, and asset quality matter more than growth for growth's sake. This transition has not stalled activity - it has refined it.

Transaction volume and size has largely stabilized at levels consistent with long-term historical norms. This underscores the replenishment of smaller-scale platforms and operations throughout the industry - from new market entrants and returning operators forming new brands and companies. Well-capitalized buyers are increasingly focused on densification, operational synergies, and selective bolt-on acquisitions, while sellers who expanded aggressively during the peak years are navigating more complex exit dynamics. This divide and bifurcation - evident across valuations, liquidity, and buyer behavior - has become one of the defining characteristics of the current market.

The events of the past year further reinforced this reality. Distress, divestitures, sponsor-to-sponsor transactions, and strategic combinations all featured prominently, highlighting the breadth of deal structures now shaping the industry. Importantly, buyer participation expanded meaningfully in 2025, even as overall deal volume remained relatively flat. This divergence signals a deeper and more competitive buyer universe for scaled platforms than in prior cycles - particularly for assets with strong memberships, high throughput, and durable margins.

The broader automotive industry offers a useful parallel. Across collision repair, quick lube, and adjacent service categories, consolidation has continued, but with heightened selectivity and a sharper focus on unit economics and operational scalability. Similar dynamics are now firmly embedded in the car wash sector. Durable consumer demand remains intact, but success increasingly favors operators with the systems, data infrastructure, and balance-sheet flexibility required to compete at scale.

Looking ahead, the industry is not approaching a pause, but rather the beginning of its next chapter. New builds continue at a healthy pace, while underperforming or transitional portfolios present compelling opportunities for disciplined acquirers. At the same time, premium assets continue to command premium valuations, reinforcing a pronounced "K-curve" across the sector. Sponsor exits are approaching for many platforms formed during the last cycle, and while outcomes will vary, the market is steadily working toward a clearer equilibrium between growth, risk, and return.

Despite all that has changed, the foundation of this industry remains unchanged. At its core, the car wash sector is a resilient service business, powered by operators whose daily work delivers consistency, reliability, and value to millions of consumers. As the industry matures, so too does the opportunity - for investors seeking clarity, for operators pursuing thoughtful scale, and for the next generation of owners who will define what the modern car wash platform ultimately becomes.

Sincerely,

Harry H. Caruso

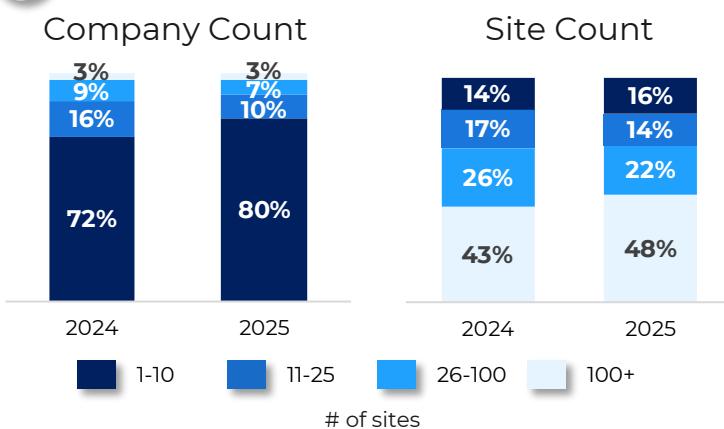


STATE OF THE INDUSTRY

KEY THEMES OF THE YEAR

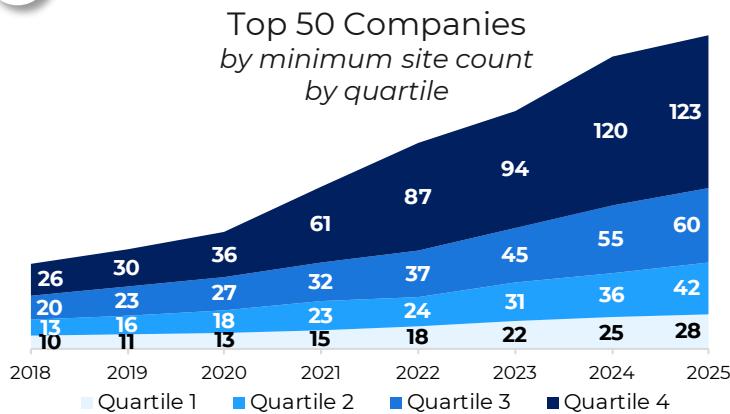
A new phase of relative stability has crystallized, providing greater forward visibility into the car wash industry's future

1 Replenishing Population of Smaller-Scale Carwash Companies



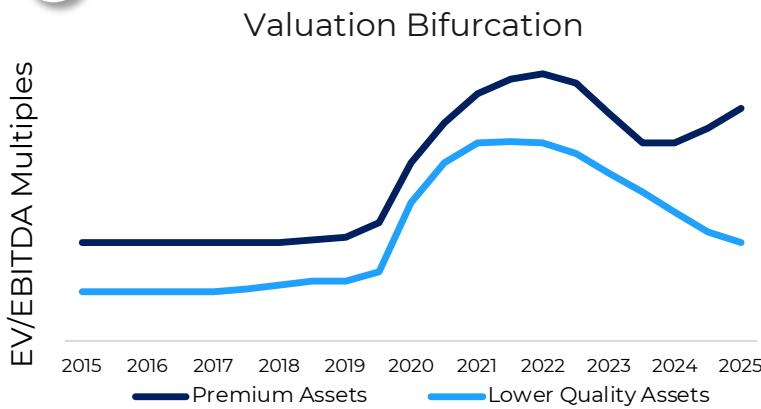
- Despite stabilized and persistent M&A deal activity, the population of smaller-scale multi-site carwash companies continuously replenish via new entrants and growing smaller operators
- New capital continues to enter the industry, along with new operators and owners, drawn by the attractive unit economics and profitability, existence of significantly underserved markets and whitespace available, and the lack of prohibitive barriers

2 Stabilizing Separation Between Various Sized Operators



- The minimum site count requirement for qualifying as a top 50 express carwash company (as measured by site count) has nearly tripled over the last seven years
- Spreads between quartiles has consistently increased over the past years
- Deaccelerating growth in the relative spread between quartiles was more pronounced in 2025 than any year prior, further confirming the continued relative maturation of the industry

3 Diverging Valuations and Liquidity Based on Asset Quality



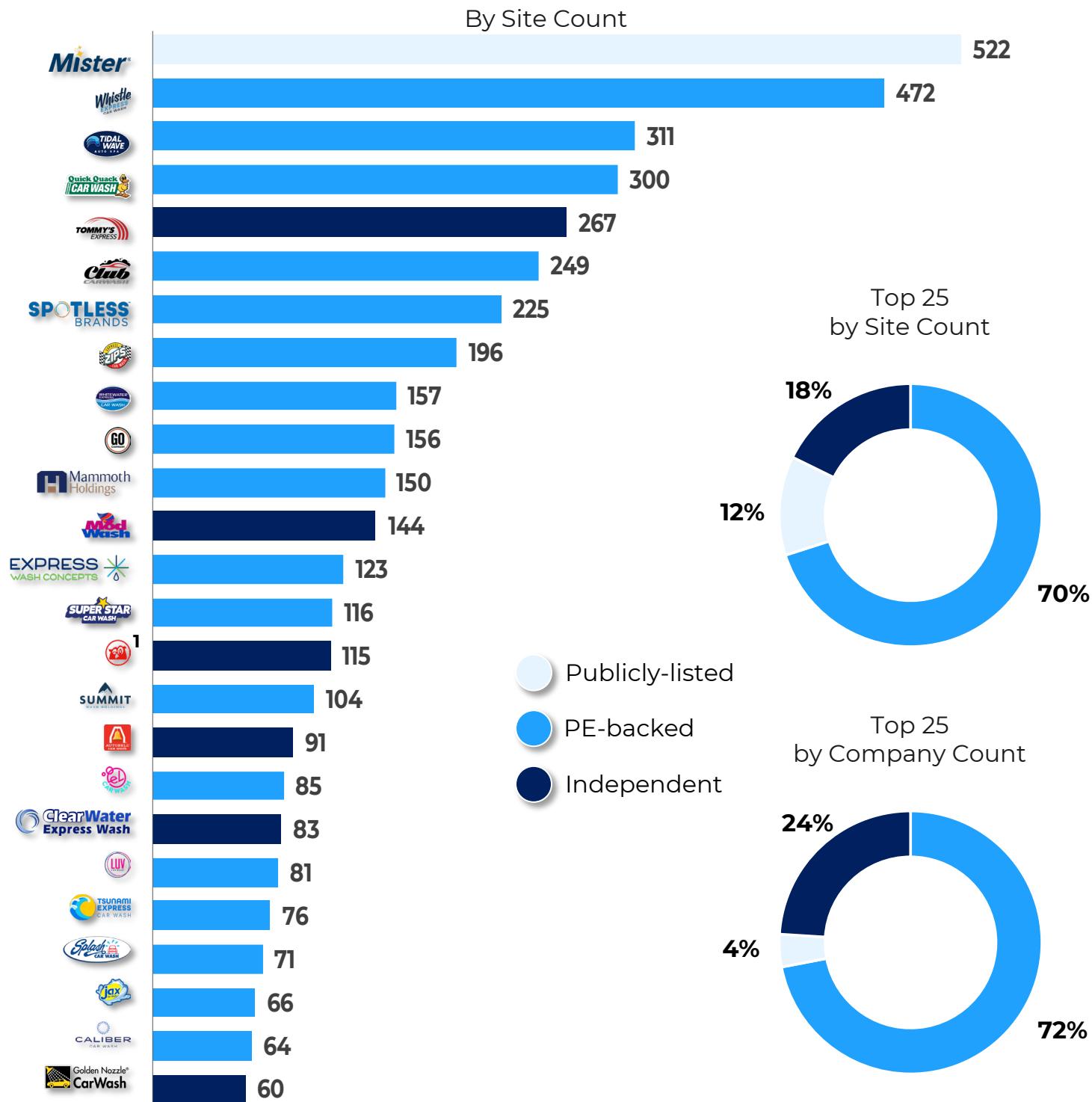
- Premium assets and platforms remain highly sought after, while lower-quality assets have seen a sharp decline in both valuations and buyer interest
- This K-curve dynamic reflects an industry in which capital providers have rapidly deepened their understanding of the space, becoming significantly more discerning in a short period of time.
- This divide is expected to continue in 2026



KEY INDUSTRY PLAYERS

LARGEST 25 CARWASH COMPANIES

The largest operators are predominantly private equity–backed



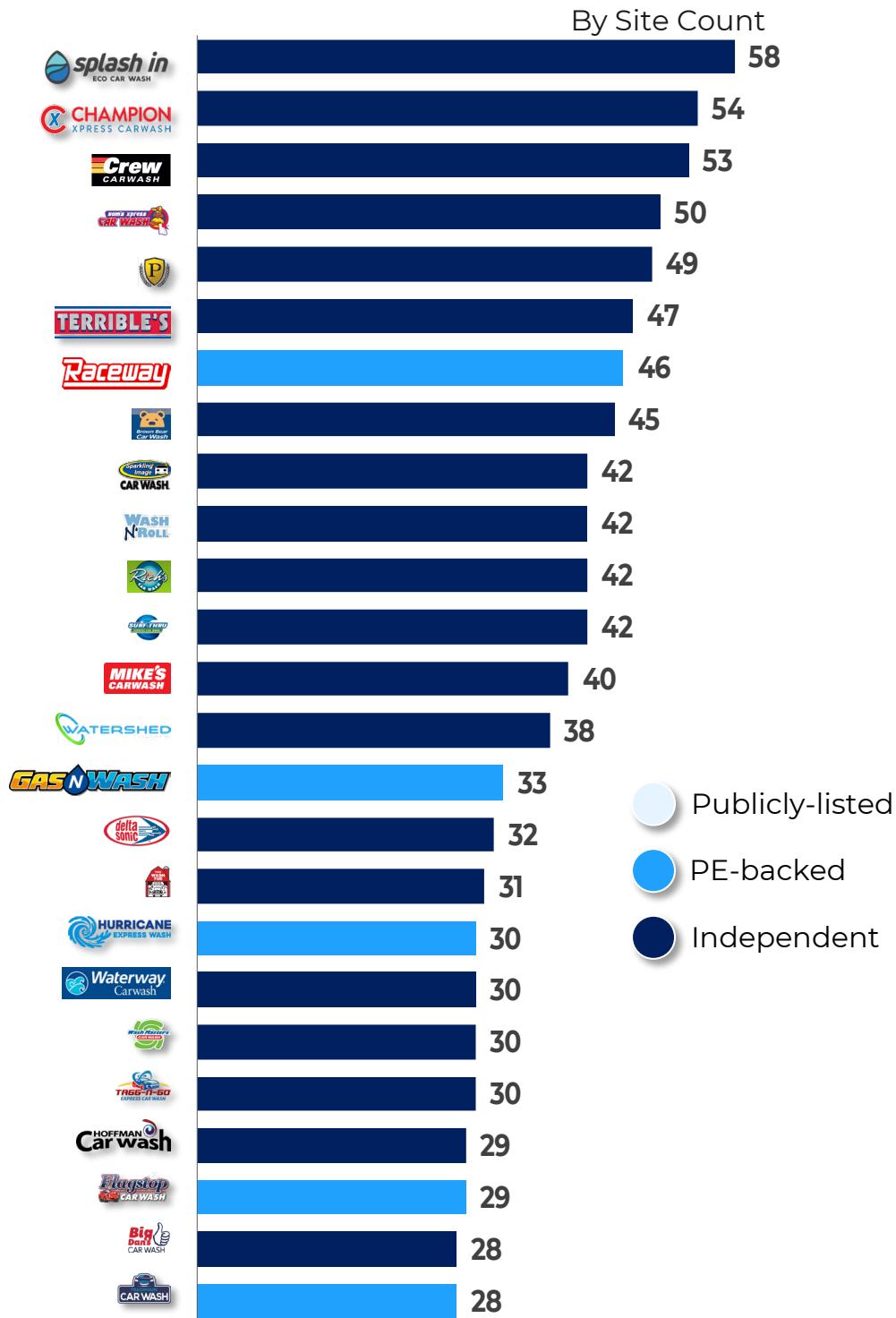
(1) Car wash is not Alimentation Couche-Tard's core business unit. Its car wash business is not of the size and magnitude to classify as a public.



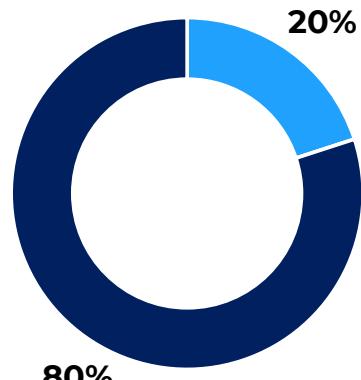
KEY INDUSTRY PLAYERS

NEXT 25 LARGEST CARWASH COMPANIES

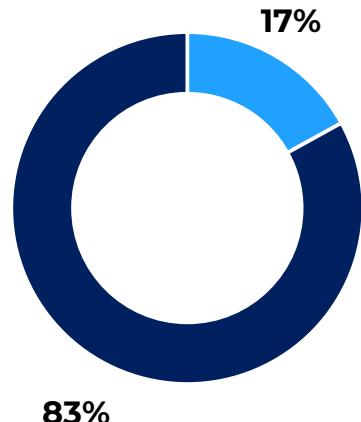
Mid-scale operators remain largely independent



Top 26 – 50
By Site Count



Top 26 – 50
by Company Count

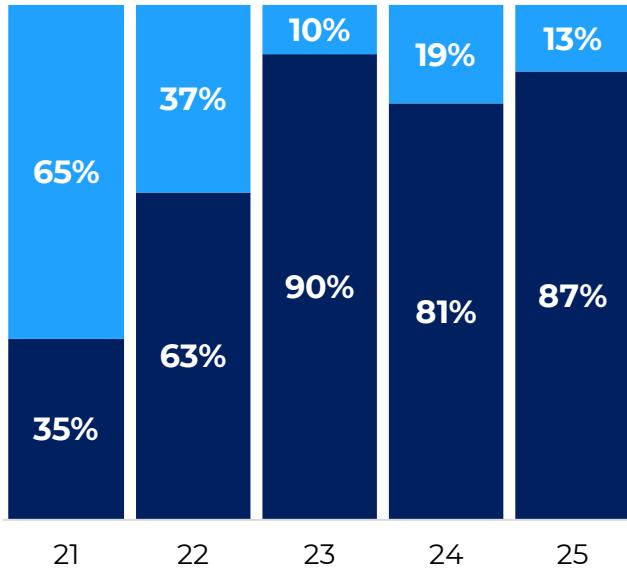


KEY INDUSTRY PLAYERS

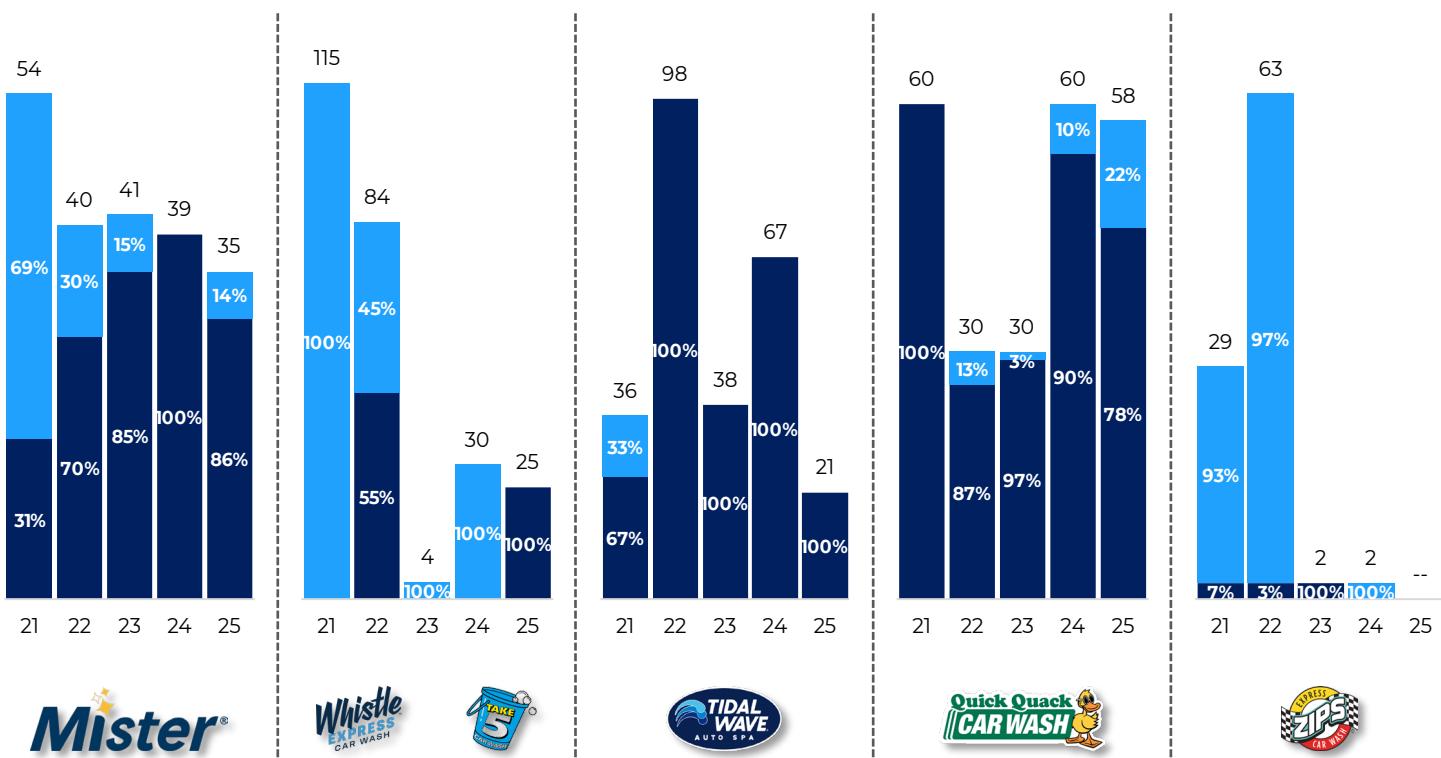
GROWTH ENGINE OF LARGEST PLAYERS

New builds have remained the primary growth driver at scale

Growth Engine of Top Five



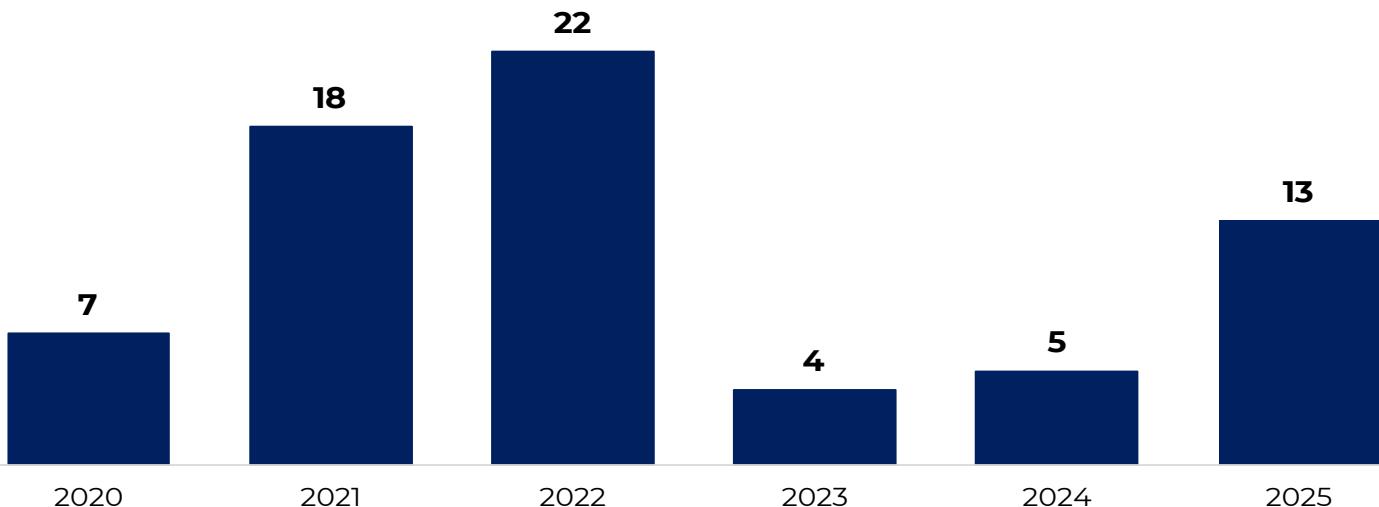
- 2021 marked the last year primary site count growth was meaningfully driven by M&A
- Primary factors influencing the pendulum-like swing include:
 - Disconnected valuation expectations versus ability to pay
 - Shrinking pool of actionable, high-quality acquisition targets
 - Capital constrained consolidators momentarily stalled waiting for current sites to mature
- 2026 is expected to continue this trend



ACTIVE ACQUIRORS OF MID-TO-LARGE SCALE TRANSACTIONS

Active acquirors of 5+ site transactions historically tracked overall industry volume; 2025 marks a notable divergence

5+ Site M&A Transactions by Year



In 2025, buyer participation expanded meaningfully despite relatively flat transaction volume. This divergence reflects a growing cohort of well-capitalized platforms with both the financial capacity and strategic intent to pursue mid-to-large scale acquisitions. For owners and current sponsors in the space, this signals the existence of a deeper, more competitive buyer universe existing today for scaled platforms than recent years.

Note: "Active acquirors" defined as buyers completing at least one 5+ site acquisition in the given year

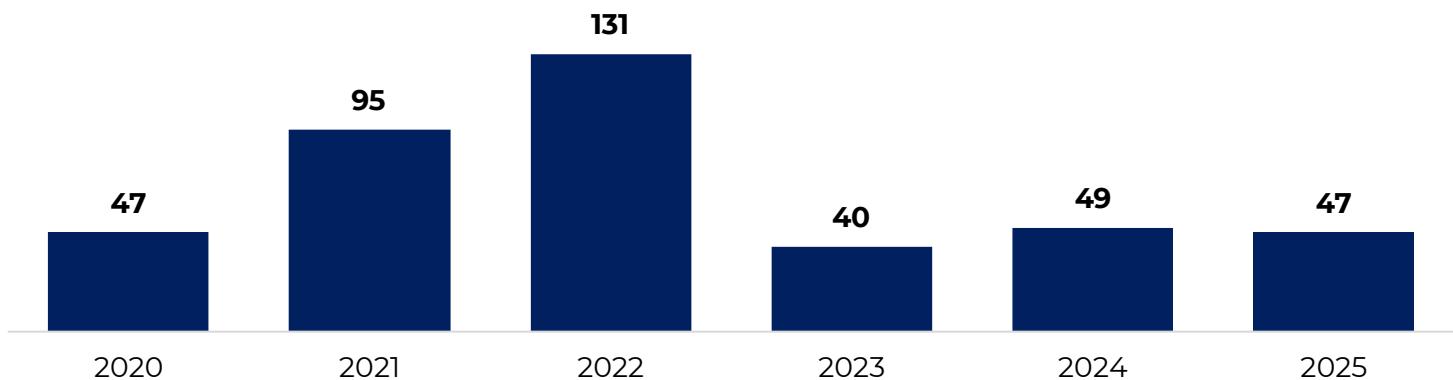


M&A ACTIVITY

VOLUME AND DEAL SIZE

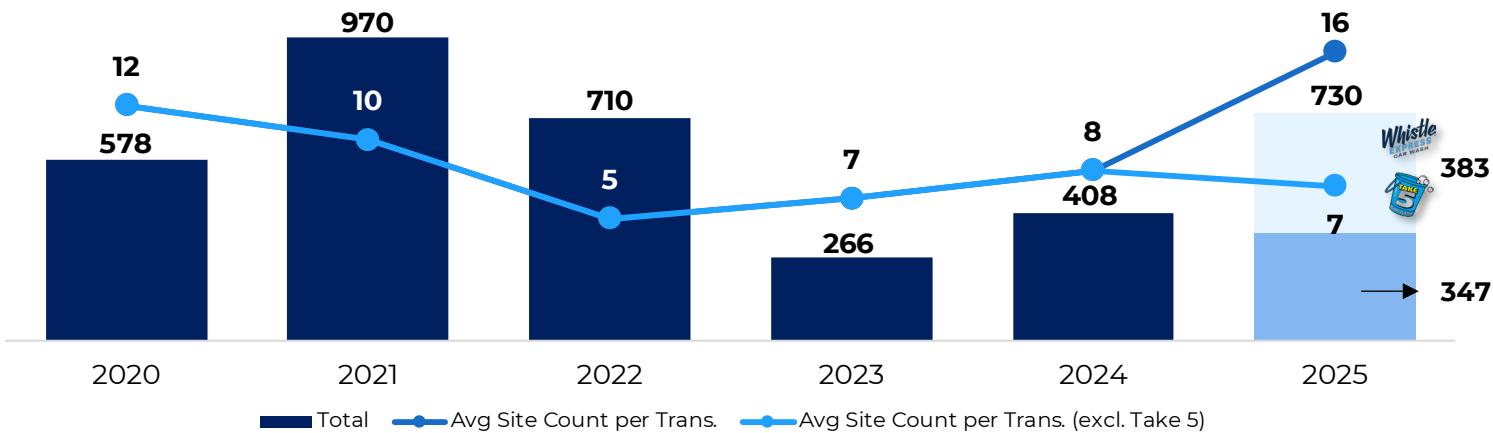
Both transaction volume and average site count per deal have stabilized

Deal Volume



M&A deal volume has stabilized since the years leading to 2022. Deal volume has contracted since the 2022 peak, due to both the tightening of consolidator balance sheets while waiting for immature sites to reach tangible accretion, and the number of attractive and valuation actionable targets diminished. We expect this current stabilized level to persist throughout 2026 with the number of transactions in the industry staying roughly flat in comparison to the three years prior.

Sites Transacted



Transaction size, measured by site count per transaction, has stabilized over the last three years. Despite the total number of sites transacted remaining above 250 sites per year, over the past three years, there have been far fewer new platform acquisitions and new financial sponsor entries into the industry.



M&A ACTIVITY

VARIED TRANSACTION TYPES

Transaction activity spanned the full range of deal structures

New Platform



- Argosy Private Equity entered the industry in early 2025 with their acquisition of Mr. Splash, a 6-site group in Madison, Wisconsin
- This signaled the continued viability and attractiveness of smaller-scale inception platforms, with 2025 beginning on a positive note through the entry of a new sponsor

Distressed



- Whistle Express tripled its site count when it acquired all 360+ Take 5 Car Wash sites from Driven Brands for ~\$385M
- This transaction saw the industry drop a publicly-traded benchmark and gave Whistle an important turnaround opportunity

Sponsor to Sponsor



- In April 2025, AEA Investors acquired a majority stake in Splash Car Wash from Palladin Consumer Partners
- This marks the first true sponsor-to-sponsor majority exit in the last few years, sparking optimism for 25+ site groups nearing their respective exit horizons

Divestiture



- Whistle has been actively divesting non-core Take 5 locations, like the 13 Utah sites sold to Quick Quack in October of 2025
- This emphasizes the theme that many groups are focusing on densification rather than non-contiguous platforms in disconnected geographies

Strategic



- At the end of 2025, ClearWave Express Wash closed the full acquisition of BlueWave Express, uniting their respective 28 and 55 site portfolios after a 2+ year partnership
- This transaction provided a much-needed data point on middle-market debt and debt-like solutions available to the industry

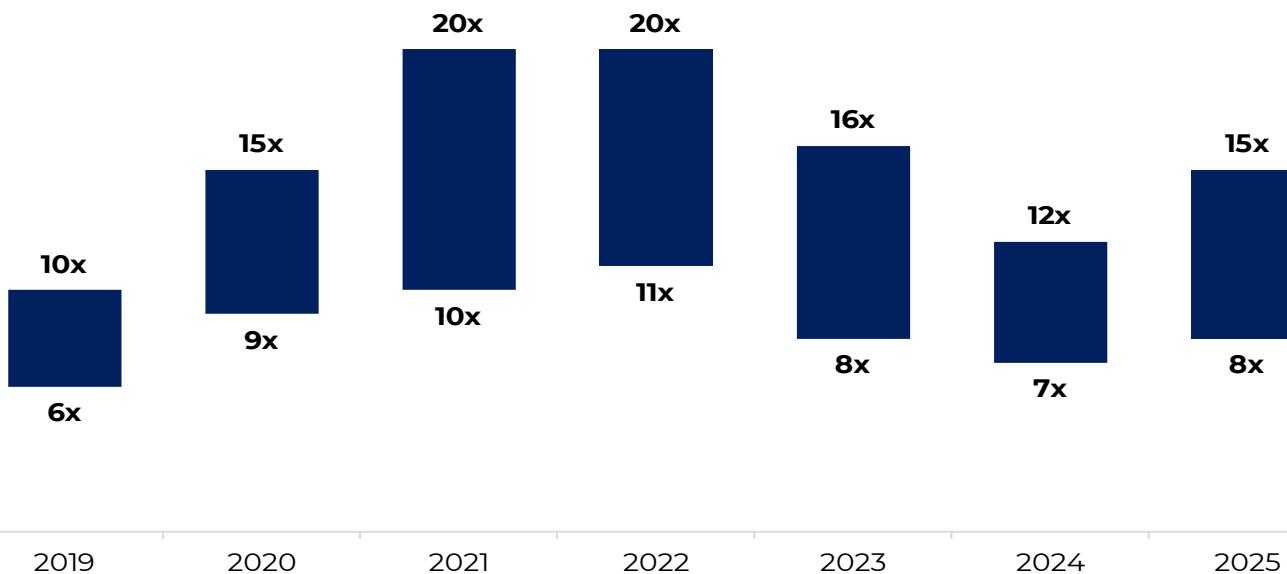


VALUATIONS

THE SIGNAL THROUGH THE NOISE

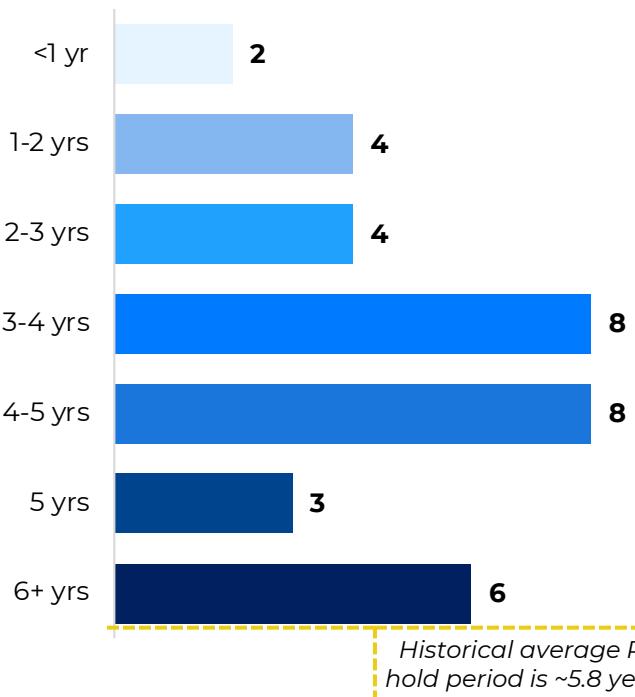
Valuation ranges have stretched but remain well above 2019 level

EV/EBITDA Multiples¹



- Heightened scrutiny of asset quality continues to widen the spread between high and low market multiples
- Premium assets - washing 125k+ cars annually, maintaining high membership counts, and generating ~50%+ margins - continue to command premium valuation multiples and strong buyer demand
- Turnaround opportunities and underperforming assets have seen widening bid-ask spreads, as consolidators grow more reluctant to pay for future earnings at underperforming sites
- Sponsor exits are approaching. Platforms that paid high multiples and utilized sale-leasebacks may face more complex decisions, potentially leading to large refinancings and/or continuation vehicles, while best-in-class operators continue to command premium values and strong liquidity in exit processes
- Well-capitalized operators see renewed opportunity, as normalized pricing and lower interest rates can create attractive entry points

Financial Sponsor Investment Duration



⁽¹⁾ 4-wall trailing twelve-month EV/ Adjusted EBITDA multiples.
Source: CWA Private Transaction Data, Public Comparables



CAR WASH ADVISORY

INDUSTRY-LEADING INVESTMENT BANK

Select Transactions & Active Engagements

Pending

Project Cirrus

Express Car Wash Platform
56 Sites

Capital Advisor

Pending

Project Elite

Express Car Wash Platform
9 Sites

Sell-Side Advisor

Capital Raise for

Project Mustang

Invested in by

Undisclosed Party

25+ sites | CA | 2025

Sale of



Acquired by



2 sites | NY | 2025

Sale of



Acquired by



3 sites | CO | 2025

Sale of



Acquired by



10 sites | MI | 2024

Sale of



Acquired by

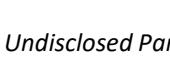


19 sites | MI | 2023

Sale of



Acquired by



3 sites | TN | 2023

Sale of



Acquired by



7 sites | SC | 2022

Sale of



Acquired by



5 sites | OH | 2022

Sale of



Acquired by



2 sites | DE | 2022

Sale of



Acquired by



9 sites | FL | 2022

Sale of



Acquired by



2 sites | ME | 2021

Sale of



Acquired by

Undisclosed Party

3 sites | VA | 2021

Sale of



Acquired by



5 sites | PA | 2021

Sale of



Acquired by



3 sites | OH | 2021

Sell-side advisory and capital solutions across leading car wash platforms



CAR WASH ADVISORY

INDUSTRY-LEADING INVESTMENT BANK

The dedicated CWA deal team – [contact us today!](#)



Harry Caruso

Founder & CEO

Harry@carwashadvisory.com

(203) 858-6875



Willie Wright

Analyst

Willie@carwashadvisory.com

(443) 902-4988



Amanda Abbott

Executive Assistant

Amanda@carwashadvisory.com

(332) 209-4246

AVANT

Caruso & Co.

citibank

COLUMN PARK
ASSET MANAGEMENT

PARCELL
SOLUTIONS

TAG Calibrations

LEHIGH
UNIVERSITY

HAIG
PARTNERS

MARLINSPIKE

UNIVERSITY OF
RICHMOND

reveal

ASU Arizona State
University

TheChicagoSchool

UKG

Car Wash Advisory focuses specifically on the \$50 - \$500M deal size range



Certainty

We engineer certainty. We don't simply "run a process" - we design transactions to reach resolution.



Disciplined Engagement Selection

We are selective about the engagements we accept, aligning only where we have high conviction in achieving a successful outcome.



Purposefully Focused

We're built for focus, not headcount - and designed for resolution, not volume.

[Other resources to explore](#)



[Top Car Wash
Companies List](#)



[Largest Car Wash
Transactions](#)



[2024 Annual
M&A Report](#)



[Car Wash
Advisory Podcast](#)

