

Car Washes

5.23.2022

NAICS CODES: 811192

SIC CODES: 7542

Industry Overview

Companies in this industry provide cleaning, washing, and waxing services for cars, trucks, vans, and trailers. Major companies include Autobell Car Wash, Mister Car Wash, and Zips Car Wash (all based in the US), along with Mr Wash Car Wash (Germany) and Uhoda (Belgium).

There are over 60,000 retail car wash locations in the US, while there are nearly 70,000 in Europe, according to the International Carwash Association (ICA). Germany is home to a particularly high number of commercial car washes. Global sales of new cars are a key industry growth driver. China, the US, Japan, India, and Germany are the top markets for new car sales by volume, according to the International Organization of Motor Vehicle Manufacturers (OICA).

The US car wash industry includes about 16,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of nearly \$10 billion. The industry includes full- and self-service car wash facilities, as well as truck and bus washes and vehicle detailing services.

Competitive Landscape

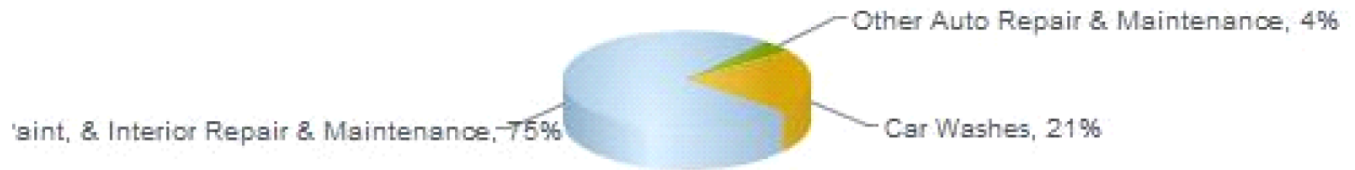
Demand is driven by new car sales and growth in consumer income. The profitability of individual firms depends on favorable location and efficient operations. There are few economies of scale. Chains have advantages in advertising and customer recognition. Small firms can compete successfully by having good locations. The industry is highly fragmented: the 50 largest US companies hold about 20% of the market.

A key source of competition comes from do-it-yourself consumers who prefer to wash their cars at home, also known as "driveway washers."

Products, Operations & Technology

Major services are exterior wash, exterior and interior cleaning, waxing, underside cleaning, vacuuming, and premium detailing. Detailing services consist of intensive interior and exterior cleaning, as well as waxing and polishing by hand. Some facilities offer vehicle maintenance and repair and safety inspection services and sell automotive products. Automotive body, paint, and interior repair and maintenance account for 75% of the industry revenue; while car washes account for 20% and other automotive repair and maintenance with around 5%.

Revenue by Service - Service Annual Survey (2019)



There are three types of car washes: a **conveyor** or "tunnel" wash system, where the car is pulled through a tunnel lined with washing equipment; an **in-bay automatic** or "rollover" wash system, where the car is parked in a bay (usually with the customer inside) and the washing equipment moves over the car; and a **self-service** or "wand" wash system, where the car is parked in a bay and the customer manually washes the car with provided equipment. Self-service and roll-over locations typically have several bays, while one-conveyor tunnel locations are common. Automatic car washes can be **touchless** or friction-based washes, or a combination of both.

In-bay automatic and self-serve car wash systems require only minimal supervision, but conveyor systems require from one to fifteen **attendants**. Conveyor systems may handle as many as 130 cars per hour. Typical equipment includes sprayers, pumps, miters, dryers, detection devices, and conveyors. Demand is typically highest on Saturday. Operators of conveyor car washes that require customers to exit their vehicle often have waiting rooms with amenities such as Wi-Fi, bathrooms, and snacks and beverage stations beyond traditional vending machine offerings. They typically sell products such as air fresheners, floor mats, and other car accessories.

Water is the primary raw material; detergents and waxes are also used. Car washes must have a wastewater collection and treatment system to avoid the flow of detergents, road salts, oils, and other contaminants directly into municipal sewers. "Reclaimed" water is increasingly used in regions of the country with tight water supplies.

Technology

Industry technological improvements are directed at efficiently using water and energy. Equipment has evolved to increase the power of water sprays and reduce the amount of water needed. Car washes can also save water by using new biodegradable chemicals. New car cleaning solvents and sprays that function as "quick detailers" -- using much less water than traditional detergents -- have come to market in recent years. Vehicle finishes have evolved over the years and so have waxes and paint protection products. These products offer a barrier between external fallout and the exterior of the car's finish. Protection products have also changed due to environmental laws that regulate materials to be used for painting cars.

Technology can also be used in automated pay stations that work with POS systems, giving car wash operators total cash control, a fast-moving line, and consistent interaction with customers. Radio Frequency Identification (RFID) tags allow customers to automatically go through to the tunnel without stopping at the pay station. License plate recognition (LPR) technology, which is equipped with advanced optical character recognition, enables a customer's license plate to be detected and read. Mobile car wash apps let consumers request a wash on-demand via their smartphone or tablet. Car wash apps can store payment and vehicle location information, making the process of booking a car wash quick and efficient. **Mobile car wash apps** let consumers request a wash on-demand via their smartphone or tablet. Car wash apps can store payment and vehicle location information, making the process of booking a car wash quick and efficient.

Sales & Marketing

Individuals are the major type of customer, but other businesses with car fleets may also have contracts with car washes. Local advertising - newspaper, radio, and online directories - is the primary marketing tool. Direct mail and local/cable TV advertising are used selectively.

Companies may use charity car wash events as a promotional tool. Coupon books or other customer loyalty programs that give price discounts to frequent users are common. Prices typically range from about \$5 to \$20, according to Vehicles HQ. Comprehensive detailing services can cost several hundred dollars.

Finance & Regulation

Cash flow is highly seasonal in regions with harsh winters, with revenue highest in winter months. Receivables and inventories are usually low, although locations with large commercial business customers with car fleets may have

higher receivables. Revenues are often closely linked to gas prices, as many car washes dispense gas or are located at gas stations. According to the International Carwash Association, over 2 billion cars are washed every year in North America, while Europe has about 1 billion. The retail sales in North America are estimated to be \$15 billion.

Investment in land, buildings, wastewater systems, and equipment is substantial. An increase in rates for water and sewer services may raise operating costs for car washes. The industry is labor-intensive: annual revenue per employee in the US is about \$60,000. In weak economies, car washes typically respond to slower demand by restricting hours to cut labor costs.

Many car washes are franchises, with equipment, supplies, branding, and management training provided by the franchiser in exchange for an initial franchise fee plus a share of revenue, typically around \$35,000. The capital investment required to start a new Mr. Clean Car Wash franchise location is approximately \$3 million. Some franchisers help their franchisees get start-up financing.

Working Capital Turnover by Company Size

The working capital turnover ratio, also known as working capital to sales, is a measure of how efficiently a company uses its capital to generate sales. Companies should be compared to others in their industry.



Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available at www.microbilt.com.

Regulation

The industry in the US is subject to local, state, and federal regulations regarding the recycling and disposal of water. Some car washes operate "underground injection control" (UIC) wells to dispose of wastewater. Water conservation is an issue in drought-prone areas such as the West. Some localities have incentive programs regarding reclaimed water and water conservation. Car washes also may be subject to local rules governing employee wages and hours.

International Insights

There are over 60,000 retail car wash locations in the US, while there are nearly 70,000 in Europe, according to the International Carwash Association. Major companies based outside the US include Mr Wash Autoservice (based in Germany) and Uhoda (Belgium). International Car Wash Group is based in the US but operates in Europe and Asia/Pacific under the IMO Car Wash banner.

Global sales of new cars are a key industry growth driver. China, the US, Japan, India, and Germany are the top markets for new car sales by volume, according to OICA (the International Organization of Motor Vehicle Manufacturers). Germany is home to a particularly high number of commercial car washes due to a large number

of automobiles and environmental legislation that prevents motorists from washing cars at home to prevent pollution from runoff.

The most pressing issues confronting the global car wash industry include discretionary income, gas prices, environmental concerns, and water. In countries facing droughts, car washes are under pressure to conserve water. The Australian Car Wash Association (ACWA) encourages car wash operators in that country to recycle water and has developed a voluntary ratings system to identify how much water a car wash uses.

In emerging economies, the car wash industry faces challenges such as labor laws, restrictive regulations, and unfavorable lending environments, causing a shortage of investment capital. The high cost of water may also be a significant barrier to entry. Such market challenges often dictate the type of car wash equipment being installed. Motorists are more likely to choose jet washes over more expensive **tunnel washes**, while hand washing is a growing segment, in part due to lower startup costs. Companies may choose to invest in less-expensive jet wash systems to better weather a changing market.

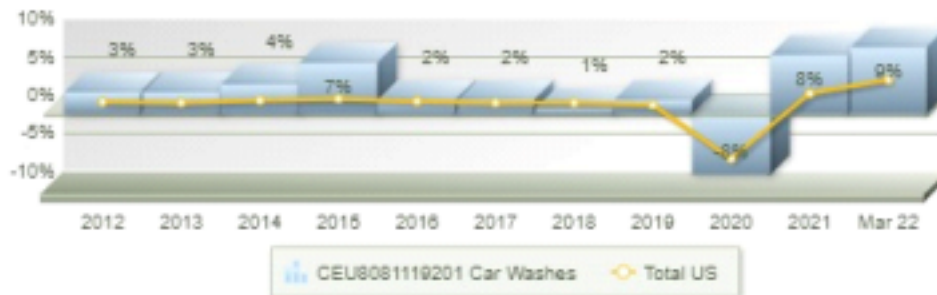
Regional Highlights

In the US, regional weather differences can significantly affect car wash volume, from drought in the Southwest to heavy snow in the Northeast. States with the most car wash establishments include [California](#), [Texas](#), [Florida](#), [New York](#), and [Illinois](#). Within regions, car wash demand tends to vary with population growth. The states that gained the most people between 2020 and 2021 were [Texas](#), [Florida](#), [Arizona](#), [North Carolina](#), and [Georgia](#).

Human Resources

Few skills are required for most jobs at car washes, and pay for the industry as a result is **significantly lower** than the average for all US workers. Many employees work part-time, as demand is highly uneven throughout the day and week.

Industry Employment Growth Bureau of Labor Statistics



Average Hourly Earnings & Annual Wage Increase Bureau of Labor Statistics



Industry Growth Rating



Demand: Driven by new car sales and consumer income
 Need efficient operations and favorable location
 Risk: Higher water and sewer costs

Quarterly Industry Update

5.23.2022

Trend: Self-Serve Car Washes - The self-serve business model in car washes can encourage growth in the industry, taking advantage of technological developments to improve customer service and operations. Auto Laundry News has detailed the various new technologies implemented in the self-serve segment: numerous payment options, improved bay selections, and simplified advanced technology systems. Other factors contributing to the segment's growth are the development of new car washes and increased investment despite current economic downturns. The self-serve offering has significant appeal as labor requirements are minimal, if nonexistent; the only employees needed include part-time janitors and maintenance personnel due to its nature. As the self-serve segment remains promising, investment and installations may continue as a means for growth.

Industry Impact - Car wash companies may invest in self-serve segments equipped with technologies that enhance customer service to sustain growth.

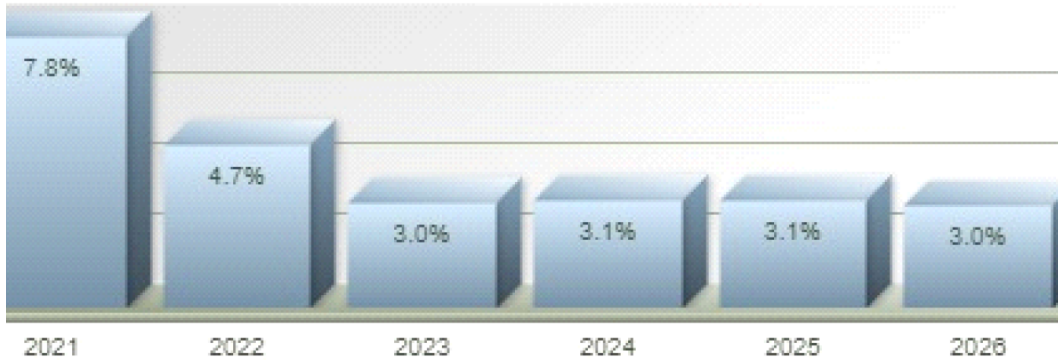
Industry Indicators

US consumer spending on services, an indicator of luxury services spending like car washes, rose 2.3% in March 2021 compared to the same month in 2020.

The average US retail price for diesel and regular gas, which influences consumers' use and wear of their automobiles, rose 36.1% and 54.1% respectively in the week ending May 24, 2021, compared to the same week in 2020.

Industry Forecast

Revenue (in current dollars) for US car washes is forecast to grow at an annual compounded rate of 3% between 2021 and 2026, based on changes in physical volume and unit prices. Data Published: December 2021



First Research forecasts are based on INFORUM forecasts that are licensed from the Interindustry Economic Research Fund, Inc. (IERF) in College Park, MD. INFORUM's "interindustry-macro" approach to modeling the economy captures the links between industries and the aggregate economy. [Forecast FAQs](#)

Industry Drivers

Changes in the economic environment that may positively or negatively affect industry growth. Data provided by First Research analysts and reviewed annually.

Consumer Spending Change in overall level of consumer spending on goods and services

Government Regulations Changes in federal, state, or local government regulations or business-related policies

Critical Issues

Consumer Income Affects Revenue - Because car washes aren't a necessity, consumers use them less during periods of economic difficulty. Consumers don't stop using car washes altogether but gravitate toward lower-cost services. Car washes typically respond to slower demand by restricting hours to cut labor costs. However, North American and European consumers are choosing to have their cars washed instead of doing it themselves. In 2019, drivers that report having their cars washed frequently at a professional car wash rose to nearly 80%, according to the International Carwash Association.

Revenue Affected by Gas Prices - When gas prices are high, many customers compensate by not using car wash services, which are considered a luxury. Many consumers must budget how much they can spend on total auto expenses, including loan payments, taxes, insurance, gas, and maintenance. The link between gas prices and car wash services is especially strong, as many car washes dispense gas. The US gasoline retail prices averaged around \$3 per gallon in 2021; the US Energy Information Administration (EIA) anticipates declining crude oil prices, particularly in the second half of 2022.

Business Challenges

Water Shortage and Reclamation - Droughts and water shortages among others could result in fewer cars on the road to comply with regulations which would consequently impact the demand for car wash. According to National Geographic, each American uses an average of around 80 to 100 gallons of water daily. As water supply decreases,

the demand for it is expected to increase. With a population projection of around 500 million by 2100, the water stress is expected to increase in the US. However, freshwater scarcity might lead to a rise in automated car washing with water reclaim equipment.

Low Barriers to Entry - Because the initial cost is relatively low and only basic management required, starting a car wash business is fairly easy. Used equipment is readily available at fairly low prices. Adding a car wash is especially easy for owners of gas stations. The easy addition of car washes to the market may intensify competition. The typical investment fee for car washes in Mr Clean ranges from as low as \$35,000 to \$3.5 million. Mobile car washes have a relatively lower investment fee.

Cash Flow Uneven Depending on Weather - Because weather affects the volume of business, short-term cash flow can be very uneven. Some car washes don't open on rainy days, saving labor costs. Business is higher if rain or snow is intermittent because splashed dirt on cars requires more cleaning. However, long periods of rainy or freezing weather result in lost revenue. Some car washes may remain open during winter and provide limited services only.

Labor Issues - Car washes are dependent on skilled workforce and specialists in equipment operations as well as customer care. Failure to retain existing employees and attracting qualified ones could impact the company's financial performance. Labor walkouts could halt operations. Changes in labor policies could also increase the cost for the company.

Business Trends

Greater Industry Automation - More car washes are investing in equipment to speed processes and create a greater volume of business. Automated car washes have systems that make it more environment-friendly than manual washing, which can help reduce freshwater consumption as well as reclaim wastewater for reuse. A rise in the minimum wage to \$15 per hour in some US markets is also driving the increase in automation.

Tighter Restrictions on Home Car Washing - As restrictions on water use become more common in many areas of the US, the need for more efficient car wash operations will mount. Government regulations on water usage in car washes is seen as a restraint for market growth. In California, companies are required to reuse half of the water used during a service. Due to this, operators upgraded equipment resulting in additional cost of investment, according to the International Carwash Association. Increasing environmental awareness may benefit professional car washing, which typically uses less water than driveway washing.

Industry Opportunities

Conservation Efforts Bring Eco-Friendly Options - More car washes are bringing green practices to their business as consumers grow more concerned with environmental issues. Car washes may recycle water by reclaiming the runoff from a wash, filtering it in a large tank, and reusing it in the wash cycle. New car cleaning solvents and sprays that function as "quick detailers" -- using much less water than traditional detergents -- have come to market in recent years.

Extra Revenue by Offering Products - Car washes may be able to boost revenue by selling additional products and services or providing loyalty programs. Aside from automotive accessories, gifts, and snacks, car washes typically offer loyalty cards especially to regular customers. Loyalty card holders may receive discounts and special promos.

Charity Car Wash Promotions - Many car wash companies find that occasional charity car wash events can lead to increased revenue. The revenue donated to charity from a single event is balanced by increased volume due to the free advertising and customer goodwill. In early 2020, Autobell Car Wash provided free interior disinfectant services for over 200,000 cars driven by front line workers.

Payment Technology - Contactless payment is expected to grow further driven by integration in mobile devices, allowing customers to have quick and efficient transactions. Some of the payment technologies applied in car washes include near field communication (NFC) card-reading equipment that captures a customer's card data without the need to enter a PIN or touch a terminal. Some mobile apps allow customers to prepay for a wash at a specified time and activate the service once they are on-site by having a barcode on their phones scanned at a payment terminal or by entering a code on their phones, according to Carwash.com.

Executive Insight

Chief Executive Officer - CEO

Optimizing Resources

Profitability is driven by operating efficiency, using water and energy efficiently, and replacing labor when turnover occurs. As energy costs rise and environmental regulations tighten, car wash owners must make additional capital investments. Businesses are investing in machinery to maximize water reclamation and reduce energy consumption and labor costs while complying with environmental regulations.

Supporting Industry Efforts to Influence Legislation

Car washes face many environmental and employment regulations imposed by federal, state, and local governments. Car wash owners have organized associations at the state and national levels to represent the interests of the industry and decrease the adverse, and sometimes burdensome, impacts of new legislation. California, frequently a trendsetter for social legislation, passed a bill that specifically restricts car wash employee pay practices for part-time employees and requires detailed reporting to a state agency.

Chief Financial Officer - CFO

Managing Seasonal Cash Flow

Outside the Northeast, most customers do the bulk of their car washes in spring and summer, yet fixed costs are relatively even throughout the year. The industry is trying to balance the revenue stream by advertising and providing information campaigns emphasizing the importance of professionally cleaning vehicles throughout the year to prevent the buildup of corrosives such as salt.

Obtaining Financing

Financing is difficult without a Small Business Administration (SBA) guarantee. The car wash industry is very sensitive to interest rates. When interest rates are low, owners upgrade equipment, improve their property, and expand; new investors secure larger loans at low rates to open new car washes. When interest rates increase, investment slows and owners reduce the pace of expansion and improvements.

Chief Information Officer - CIO

Using Water Reclamation Technology

New reclamation technology is enabling owners to build car washes in areas they never would've considered. Businesses are using biotechnology, which is commonly used in wastewater plants, to better deal with such issues as discharge permits and water pollutants. Car wash businesses are expanding into areas with harsher restrictive climates due to such technological breakthroughs. During droughts in the Southwest, many municipalities restrict car washing at home and recommend use of car washes.

Focusing on Efficient Use of Resources

Water and energy costs are the largest variable cost in the industry. Businesses are installing new technological improvements that increase water pressure, reducing the amount of water needed in car washes. Companies are installing energy-efficient blowers with more sophisticated drying controls that reduce energy consumption and don't over-dry in hot weather.

Human Resources - HR

Managing Seasonal Workforce

Generation Y, comprised of teenagers and people in their mid- and early 20s, is the fastest-growing segment of American workers, especially in regard to the car wash industry. Car wash owners find that a key to keeping good workers is to be flexible with time-off requests. Car wash owners are being more sensitive to time off and providing more professional environments, which bring good seasonal employees back.

Increasing Sensitivity to Women's Needs

Women are becoming more involved in car care. Some car washes provide play areas for children. Industry associations have stressed the importance of educating women about car care and maintenance.

VP Sales/Marketing - Sales

Capturing Fleet and Corporate Accounts

Corporate and fleet accounts, such as real estate agencies, auto dealers, company sales forces, etc., can generate consistent volume for car washes, which helps to offset fixed costs. Most companies dealing with the public are aware of the public image presented by their vehicles' appearance. Business-to-business sales generally include executive commitments to service and quality.

Generating Additional Revenues

Many car washes have sales displays with various car products ranging from air fresheners to floor mats targeting customers waiting to have their vehicles washed. They also sell beverages and snacks to the "captive" clientele. Pet washes, which are being installed nationwide, are the latest ancillary product becoming popular at car washes. With 63 percent of US households owning a pet, pet washes are a great source of additional revenue using existing facilities and are an additional incentive to use the car wash.

Executive Conversation Starters

Chief Executive Officer - CEO

How is the company challenged by optimizing its labor, equipment, and water resources?

Companies invest in machinery to maximize water reclamation and reduce energy consumption and labor costs, while meeting environmental regulations.

How involved is the company in legislative issues affecting the industry?

Companies have organized associations to represent industry interests and decrease the adverse, and sometimes burdensome, impacts of new legislation.

Chief Financial Officer - CFO

How successful are the company's efforts to balance revenue during slow seasons? The industry uses ad and information campaigns emphasizing the importance of professional cleanings year-round.

What obstacles has the company faced getting financing for facilities expansion or upgrades? The car wash industry is sensitive to interest rates: when they increase, investment slows and owners reduce the pace of expansion and improvements.

Chief Information Officer - CIO

How important is water reclamation technology to the company's operations?

Businesses are using biotechnology, commonly used in wastewater plants, to better deal with such issues as discharge permits and water pollutants.

What efficiencies could be gained by installing new car wash technologies?

Since water and energy are the largest variable costs, companies are installing new technology to reduce the amount of water and electricity needed to wash and dry cars.

Human Resources - HR

What strategies does the company use to ease seasonal staffing challenges?

Car wash owners are being more sensitive to time off and providing more professional environments, which bring good seasonal employees back.

How does the company attract female consumers?

Companies are urged to educate women on car care and maintenance, and provide onsite conveniences, such as play areas for children.

VP Sales/Marketing - Sales

How effective are the company's efforts to gain corporate and fleet accounts?

Corporate and fleet accounts, such as real estate agencies, auto dealers, and company sales forces, can generate consistent volume for car washes.

How important to the company are additional revenue streams, such as car care products, snacks, and other services?

Many companies sell car care products, snacks, and beverages to waiting customers; offering pet washing services is a developing trend.

Call Prep Questions

Conversation Starters

How vulnerable is the local economy to sudden changes in employment?

Because car washes aren't a necessity, consumers use them less during periods of economic difficulty.

How do higher gas prices affect the company's business?

When gas prices are high, many customers compensate by not using car wash services, which are considered a luxury.

How can water shortages impact the company's business?

Droughts and water shortages among others could result in fewer cars on the road to comply with regulations which would consequently impact the demand for car wash.

What eco-friendly practices is the company implementing?

More car washes are bringing green practices to their business as consumers grow more concerned with environmental issues.

What ancillary sources of revenue look most promising to the company?

Car washes may be able to boost revenue by selling additional products and services or providing loyalty programs.

What types of promotional events does the company use?

Many car wash companies find that occasional charity car wash events can lead to increased revenue.

Quarterly Industry Update

How can the company grow its business while improving its services?

The self-serve business model in car washes can encourage growth in the industry, taking advantage of technological developments to improve customer service and operations.

Operations, Products, and Facilities

How many locations does the company operate?

While there are several chains and franchised operations, most car washes have a single location.

If the company has multiple locations, how large an area does it service?

Most multiple site companies operate in neighboring counties and states. Some have operations nationwide.

What additional services, if any, does the company offer?

Gas and convenience store items are common.

How many vehicles does each location service daily?

A large location may service more than 1,000 cars per day.

How does the firm dispose of wastewater?

Recycling, injection control well, septic tank, and sewer disposal are options.

Does the firm operate a wastewater treatment system?

Recycling or sewer disposal usually requires a treatment system.

What percentage of operating costs is the cost of water?

This varies widely across the country and according to the amount of recycling.

Customers, Marketing, Pricing, Competition

Does the company try to attract a particular type of customer?

Men are more likely to order premium exterior services, women to order interior cleaning.

How many competing locations are in the company's market?

Gas stations often offer in-bay automatic washes.

What is the average revenue per vehicle?

Prices vary from \$10 for a basic wash to more than \$25 for a premium wash and wax. Detailing can cost hundreds of dollars.

What types of advertising does the company use?

Yellow Pages is common. Firms with multiple locations may use local TV or radio advertising.

Does the firm offer "frequent buyer" cards or discount coupon books?

Coupon books that give price discounts to frequent users are common.

Does the firm have contracts with commercial customers?

Fleet operators and car dealers can be major customers.

Regulations, R&D, Imports and Exports

How stringent are local water and sewer regulations?

Water discharge and reclamation is an issue of varying importance and regulation based on locale.

How often does the firm evaluate new car wash technology?

Car wash equipment is evolving to use less water and energy.

Organization and Management

How many full- and part-time workers does the firm employ?

A large location with a conveyor system may have 30 or more employees.

How variable are labor needs during the week and year?

This varies by region of the country.

How does the company hire and retain workers?

Because of low pay, labor turnover is typically high.

Does the company take advantage of federal tax credits for hiring "hard-to-employ" workers? Car washes can take advantage of the Work Opportunity and Welfare to Work tax credits, federal programs for those who hire the hard-to-employ.

Financial Analysis

How seasonal is the company's cash flow?

For the industry as a whole, winter months are best in regions with harsh winters; however, regional cash flow varies tremendously based on weather.

How often does the company install new equipment?

Equipment for conveyor and in-bay automatic systems can cost more than \$250,000.

Is the firm a franchise? If so, what percentage of revenue is paid to the franchiser?

Franchise fees can be around 5% of revenue.

Business and Technology Strategies

How much growth in demand does the company expect?

Demand can come from population growth or from greater use of car wash services.

Does the company plan to expand? By adding locations or expanding an existing one? The profitability of individual firms depends on favorable location and efficient operations.

What new products or services is the company considering offering? Additional services and impulse items can increase revenue.

Does the company plan to add more automated equipment? Labor is the largest cost for most car washes.

Financial Information

COMPANY BENCHMARK TRENDS

Quick Ratio by Company Size

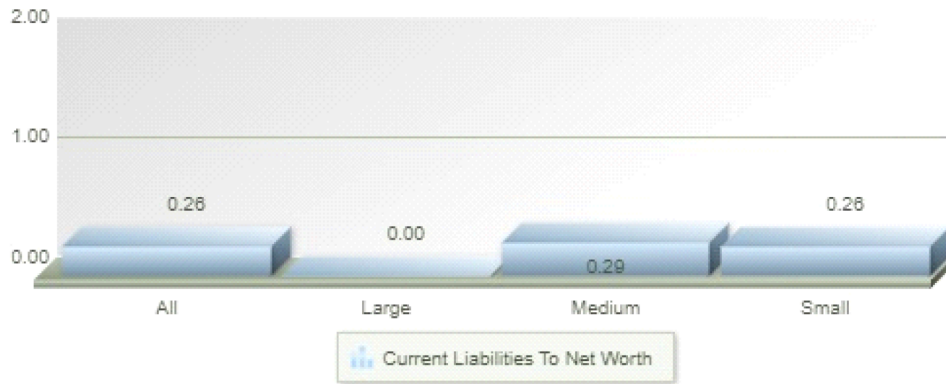
The quick ratio, also known as the acid test ratio, measures a company's ability to meet short-term obligations with liquid assets. The higher the ratio, the better; a number below 1 signals financial distress. Use the quick ratio to determine if companies in an industry are typically able to pay off their current liabilities.



Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available at www.microbilt.com.

Current Liabilities to Net Worth by Company Size

The ratio of current liabilities to net worth, also called current liabilities to equity, indicates the amount due creditors within a year as a percentage of stockholders' equity in a company. A high ratio (above 80 percent) can indicate trouble.



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COMPANY BENCHMARK INFORMATION

Data Period: 0

Last Update December 2017

Table Data Format

Mean

Company Size	All	Large	Medium	Small
Size by Revenue		Over \$50M	\$5M - \$50M	Under \$5M
Company Count	0	1	1	1

Income Statement

Net Sales	0%	3%	3%	3%
Gross Margin	0.0%	2.3%	2.2%	2.2%
Officer Compensation	0.0%	88.2%	88.1%	88.1%
Advertising & Sales	0.0%	93.3%	93.2%	93.2%
Other Operating Expenses	0.0%	6.7%	6.8%	6.8%
Operating Expenses	0.0%	3.2%	3.2%	3.2%
Operating Income	0.0%	15.1%	14.6%	14.6%
Net Income	0.0%	8.6%	8.2%	8.3%

Balance Sheet

Cash	0.0%	2.7%	2.6%	2.6%
Accounts Receivable	0.0%	18.1%	18.3%	18.3%
Inventory	0.0%	59.0%	61.3%	61.1%
Total Current Assets	0.0%	22.9%	20.4%	20.6%
Property, Plant & Equipment	0.0%	100.0%	100.0%	100.0%
Other Non-Current Assets	0.0%	5.0%	5.2%	5.2%
Total Assets	0.0%	13.1%	13.8%	13.7%
Accounts Payable	0.0%	45.4%	45.7%	45.7%
Total Current Liabilities	0.0%	41.5%	40.5%	40.6%
Total Long Term Liabilities	0.0%	92.6%	90.3%	90.3%
Net Worth	0.0%	138.0%	133.1%	133.3%

Financial Ratios

Quick Ratio	0.00	0.32	0.34	0.34
Current Ratio	0.00	4.88	5.25	5.22
Current Liabilities to Net Worth	0.0%	141.2%	146.8%	146.4%
Current Liabilities to Inventory	x0.00	x1.42	x1.51	x1.51
Total Debt to Net Worth	x0.00	x8.89	x9.68	x9.63
Fixed Assets to Net Worth	x0.00	x0.00	x0.00	x0.00
Days Accounts Receivable	0	1	1	1
Inventory Turnover	x0.00	x0.04	x0.03	x0.03
Total Assets to Sales	0.0%	3.6%	3.7%	3.7%

Working Capital to Sales	0.0%	5.2%	5.1%	5.1%
Accounts Payable to Sales	0.0%	7.2%	7.1%	7.1%
Pre-Tax Return on Sales	0.0%	17.3%	17.5%	17.5%
Pre-Tax Return on Assets	0.0%	393.5%	374.0%	374.0%
Pre-Tax Return on Net Worth	0.0%	-	-5,459,117.4%	-5,836,738.3%
		130,532,243.4%		
Interest Coverage	x0.00	x0.09	x0.08	x0.09
EBITDA to Sales	0.0%	3.5%	3.7%	3.7%
Capital Expenditures to Sales	0.0%	0.0%	0.0%	0.0%

Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available at www.microbilt.com.

VALUATION MULTIPLES

Car Washes

Acquisition multiples below are calculated medians using at least 3 US private industry transactions completed between 1/2008 and 12/2020 and are based on middle-market transactions where the market value of invested capital (the selling price) was less than \$1B. Data updated annually. Last updated: December 2020.

Valuation Multiple	MVIC/Net Sales	MVIC/Gross Profit	MVIC/EBIT	MVIC/EBITDA
Median Value	0.5	0.8	3.2	3

MVIC (Market Value of Invested Capital) = Also known as the selling price, the MVIC is the total consideration paid to the seller and includes any cash, notes and/or securities that were used as a form of payment plus any interest-bearing liabilities assumed by the buyer.

Net Sales = Annual Gross Sales, net of returns and discounts allowed, if any.

Gross Profit = Net Sales - Cost of Goods Sold

EBIT = Operating Profit

EBITDA = Operating Profit + Noncash Charges

Industry Websites

Auto Laundry News

Industry news, events, issues.

Canadian Carwash Association (CCA)

News for members and industry information.

Car Wash Equipment & Supplies (CWE & S)

Distributor and service provider of industry equipment and system resources.

Carwash.com

Industry news, monographs, industry studies supplier.

International Carwash Association (ICA)

Research, events, and weekly news.

Midwest Carwash Association (MCA)

Resources and events.

NACS

News on related items like product, gasoline, and auto travel issues.

Southwest Car Wash Association (SCWA)

News and links.

WashTrends Magazine

Latest trends in car wash operations.

Western Carwash Association (WCA)

News and events.

Glossary of Acronyms

UIC - underground injection control

EIA - Energy Information Administration