

## **Investing in the Car Wash Business Section # 2 – Petroleum Sites w/ Car Wash**

*Source: notes taken during a 09.27.07 Business Seminar conducted by Fred Grauer, Executive Vice President – Investor Market, Conveyors, Ryko Manufacturing Company*

### **Capital Required for In-Bay Automatic Petroleum Retail Facility**

- \$130K-\$150K for Equipment
- \$150K-\$200K for Building
- \$ 40K- \$ 50K for additional items (installation, permitting, site services, etc.)
- \$320K- \$400K Estimated Total Cost

### **Petroleum Sites - Car Wash Profit Picture**

- \$.05 - \$.08 gross profit per gallon
- \$6.50 - \$7.00 average sale price per car
- 1 car wash per 75 gal fuel sold if can sell the car wash at the pump island
- 1 car wash per 125 gal fuel sold if sold at C-Store pay point
- Can account for as much as 50% of site profitability
- \$15K+ gross monthly sales not uncommon
- 70% - 80% gross margins
- No direct labor
- Improved site valuations

### **Benchmarking / Revenue per Vehicle - Petroleum / Investor**

- \$2.00 ~ Well below average
- \$3.00-\$5.00 ~ Sub-average
- \$6.35 ~ Average (Meeting minimum expectation level)
- \$7.00 Above average
- \$7.50 Good
- \$8.00 Excellent
- \$9.00-\$11.00 ~ Wow!

### **Best in Class – Petroleum In-Bay Automatics-Revenue per gallon**

- \$0.02 ~ Well below average
- \$0.04 ~ Sub-average
- \$0.06 ~ Average (Meeting minimum expectation level)
- \$1.08 ~ Above average / Exceeding expectations
- \$0.10 ~ Good
- \$0.12 ~ Very good
- \$0.14 ~ Excellent
- \$0.18 ~ Wow! Top 1-2%

### **% of Gross Revenue Used for Variable Expenses (detergents, utilities, maintenance)**

- 40% ~ Well below average
- 30% ~ Sub-average
- 25% ~ Average
- 20% ~ Very good
- 15% ~ Excellent

**EXAMPLE:** \$6.00 Gross Revenue @ 20% (variable expenses of \$1.20) = \$4.80 EBITDA

*Source: ExxonMobil*

### **Number of Paid In-Bay Automatic Washes per Month**

- Year 1990 – 500
- Year 1994 – 1500
- Year 1997 – 1500
- Year 2000 – 1500
- Year 2004 – 2000
- Year 2006 – 2500
- Projected During Year 2008 – 3000
- Projected During Year 2010 – 3500
- Projected During Year 2013 – 4000

*Source: ExxonMobil*