

A close-up photograph of a car's front left side, showing the headlight, side mirror, and a portion of the windshield. The car's surface is covered in water droplets, suggesting it has been washed. The background is blurred, showing some greenery and a white structure.

# Express Car Wash Investing in an IRA

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The Entrust Group ("Entrust") does **not** provide investment advice or endorse any products.

All information and materials are for **educational purposes only**. All parties are encouraged to consult with their attorneys, accountants and financial advisors before entering any type of investment.

# Today's *Agenda*

- ❖ Introducing Car Wash Investments
- ❖ Analyzing Market Headlines
- ❖ Explaining Opportunity Cost
- ❖ Examining Benefits & Red Flags
- ❖ Learning How to Invest in an IRA





# Meet **Your Host**



## Rachel Stolrow



7 Years at Entrust



Educates investors and professionals on tax-preferred retirement accounts



Empowers investors with the essential tools to make informed decisions in alternative investments



# Who Are We?



**Self-Directed IRA Administrators**



**Knowledgeable Staff with  
CISP Certifications**



**Monthly Educational Webinars**



**Annual IRA Academy**





# About Entrust



**\$5B**

Assets Under  
Administration



**45k**

Investors  
Empowered



**40**

Years of  
Service



**1**

Point of  
Contact

# HOW TO INVEST IN CASHFLOWING EXPRESS CAR WASHES

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This information is for educational purposes only and you should consult with your financial, legal and tax team before making any investment decision.





# MY STORY



# Fast forward to today...

**6500+**

MULTIFAMILY UNITS

**2200+**

SELF-STORAGE UNITS

**15**

CAR WASHES

**My results...**

**100%**

FREEDOM OF CHOICE  
IN HOW I SPEND MY TIME

# At PassiveInvesting.com

**\$290M+**   **\$1.4B+**   **28.9%**   **\$51M+**

REHAB WALLET LOANS

PORTFOLIO VALUE

ARR ON FULL CYCLE DEALS

INVESTOR DISTRIBUTIONS

# EDUCATIONAL PURPOSES ONLY

Not financial advice

Not legal advice

Not tax advice

Consult with your Team before  
making any investment decision





# WHY INVEST IN EXPRESS CAR WASHES



# TYPES OF CAR WASHES



**In-Bay Automatic**



**Express**



**Self-Service**

Express Tunnel - 400-500 washes a day with 2-3 FTEs



# BY THE NUMBERS

## The Industry

- \$33B+ industry
  - 3.9% overall growth (express growing the fastest)

## The Customer

- 91.7% of households have 1 vehicle; 22.1% have 3+ vehicles
- 72% use car washes and 51% prefer express car wash
- Average car owner washes car 13x a year - Established behavior
- Recession resilient - Take better care of care in hard times



# INDUSTRY RIPE FOR DISRUPTION

- Early consolidation from “mom & pop” owners
  - Fractionalized - Less than 15% of owners own more than 5 locations
  - No 3rd party management = No “BIG Money”
- Optimization / Scalability
  - Low operational expenses / High margins (40-60%)
  - Optimize expenses through technology and purchasing power (~\$.83 per wash)
- Shift from linear to residual income with high margins
  - Only 14% of car owners have a car wash membership
  - \$25-45 MRR/Customer
  - 1.8x a month
- The opportunity
  - Due to buying power and HRA Management - purchase at 7-10x EBDITA (trade is 12.5-15x)
  - Direct ownership (no franchises)
  - 3 exit plans







# HOW TO INVEST IN EXPRESS CAR WASHES



# 7 PRINCIPLES OF BUILDING WEALTH

## Pillars:

1. Capital preservation
2. Cashflow
3. Equity growth
4. Tax benefits

## Rules / Accelerators:

5. Inflation hedge
6. Leverage
7. Rule #3 to come!



# HOW TO INVEST

## Capital preservation

- Location, location, location, location
  - Growing markets in E/SE, Sub, Street Corner
  - Anchored street corner
  - 20K+ VPD

## Cashflow

- Car wash types (express)
- Direct-ownership (no franchises)
  - Land
  - Brand
  - 3rd party management company



# HOW TO INVEST

## Tax Benefits

- Depreciation (high year 1)
  - Cost segregation analysis
  - Accelerated
  - Bonus depreciation

## Inflation hedge

- Locking in excellent debt
- Optimized equipment and systems allows for adjustable operations
  - Water, electricity, chemicals, FTEs
- Single pay to subscription model
  - Smooths annual cashflow
  - High margins - ~\$.83/wash \* 1.8 per month



# HOW TO INVEST - PASSIVELY

## Equity growth

- No 3rd party management = No “BIG money”
  - Early market consolidation
  - Leveraged buying power
- 3 EGI levers
  - Subscription model, operational efficiencies, added amenities
- Possible exits (path to 14x+ EM)
  - Individual sale
  - Large private equity
  - IPO



PIC 3 Car Wash Location



# OUR STRATEGY

- Strategy
  - 150-200 locations in 5+ years (acquisitions & development)
  - Growth markets with high traffic counts
  - Own land, brand, & 3rd party management
- Cashflow
  - 10% Pref
  - 12-15% COC by year 5
- Equity growth
  - 60/40 to 20% IRR; 40/60 to 30% IRR; 10/90 after
  - Investor is uncapped
- Tax benefits
  - 70-80% year 1 loss
- Exit strategy
  - Individual / portfolio sale - 2-4X EM
  - Private equity roll-up - 4-10x EM
  - IPO - 10-14x+ EM

## CAR WASH ASSETS UNDER MANAGEMENT

Fund	Market	Acquisition Date	Number of Sites	Valuation
PIC Car Wash 1	Fayetteville, NC & Lumberton, NC	22-March	2	\$14,500,000
PIC Car Wash 2	Columbia, SC	22-June	7	\$27,500,000
PIC Car Wash 3	Edgewood, MD, Norfolk, VA, Virginia Beach, VA, Greer, SC	22-Aug	4	\$33,800,000
PIC Car Wash 4	Columbia, SC, Newberry, SC, Ft. Myers, FL	22-Sept	3	\$21,250,225
PIC Development 1	Columbia, SC	22-Oct	2	\$9,125,000
PIC Car Wash 5	St. Augustine, FL, Chattanooga, TN	23-Apr	4	\$29,120,000
PIC Car Wash 6	Greenville, SC, Columbia, SC, Huntsville, AL	<i>Pending Close</i>	8	\$43,200,000
<b>TOTAL</b>			<b>30</b>	<b>\$178,495,225</b>

PassiveInvesting.com Portfolio 8-2023



PassiveInvesting.com

# RED FLAGS - INITIAL CALL

1. No successful background in business
2. Part-time operator
3. Only 1 managing partner
4. No preferred return OR preferred return with GP catch-up
5. Modeling a refinance in the proforma
6. Distributions are return of capital
7. No co-investment from operator
8. Loan is adjustable rate with no cap



# INVEST WITH EXPERTS

1. Knowledge of the strategy
  - 30 express car washes
  - 3500+ multifamily units
  - 6600+ self-storage units
  - \$250M funds lent
2. The expertise and track record to perform
  - 8 full cycle (1031) with 28.9% ARR & 26.1% IRR
  - \$51M+ investor distributions
3. Ability to secure credit and lending for high quality assets
  - \$1.4B+ assets under management
4. Ability to reliably pool capital to close and manage the asset
  - 2200+ repeat happy investors
5. Professional team and network
  - 50+ full-time team members to source, acquire, operate and reposition every asset





# YOUR INVITATION TO ACTION

**PassiveInvestingwithWhitney.com**

Join the Passive Investing Club:

1. Free 1v1 call to discuss your goals
2. Free access to the Passive Investing Made Simple Masterclass and Bootcamps
3. Priority access to our open deals





# Thank You

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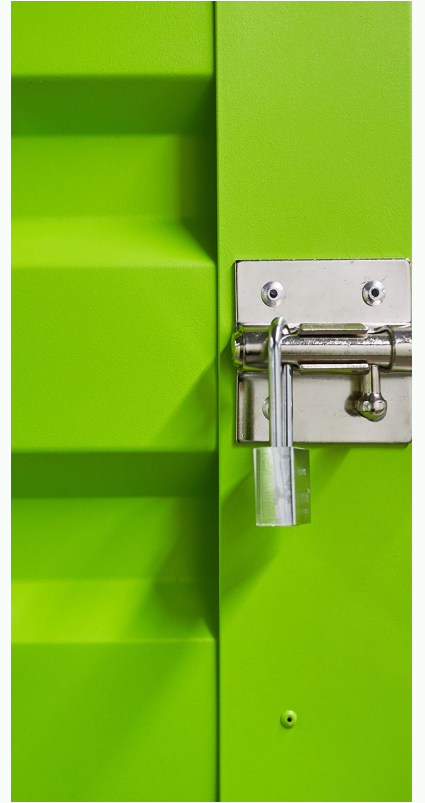


# How it Works in an IRA



# What is a Self-Directed IRA?

A retirement account in which the individual is in charge of making all investment decisions



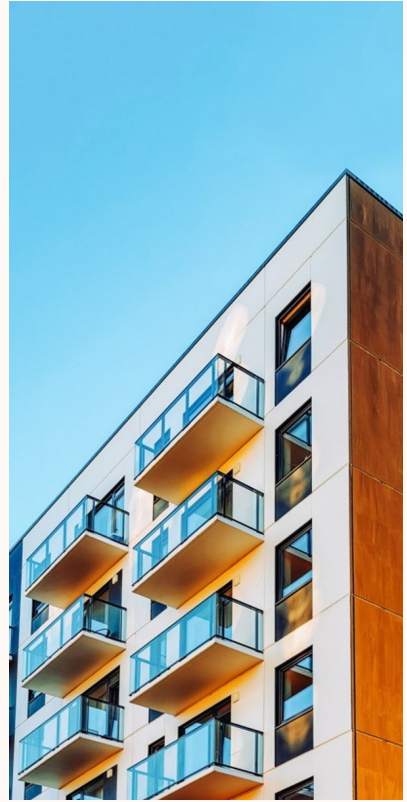
# What is a Self-Directed IRA?

Greater opportunity for  
asset diversification outside  
of traditional stocks, bonds,  
and mutual funds



# What is a Self-Directed IRA?

All securities and investments are held in a retirement account administered by a regulated custodian or trustee





# Getting Started **in 3 steps**



# Getting Started **in 3 steps**



**Open** an  
Entrust Account





# Getting Started **in 3 steps**

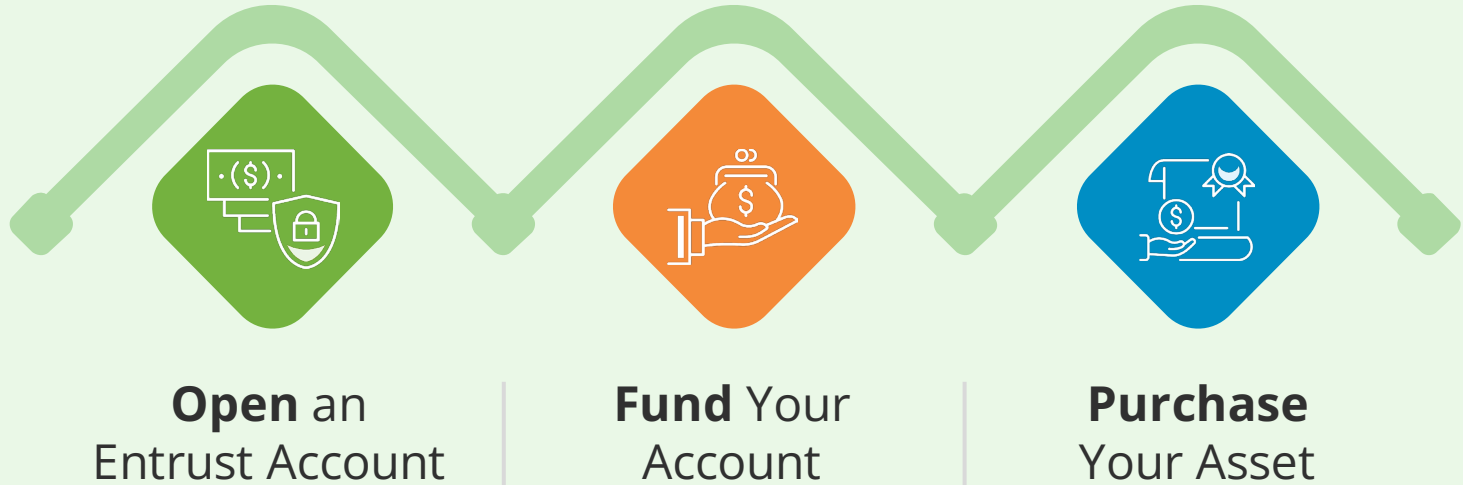


**Open** an  
Entrust Account

**Fund** Your  
Account



# Getting Started **in 3 steps**



Let's Wrap Up





# What's **Next?**

**Upcoming Webinar:** Private Equity vs. Venture Capital Investing

Register today and join us

**Have feedback or new topic requests?**

Please let us know in the survey as you leave





# What's **Next?**

**Need more information on IRA investing?**

Visit our website and Learning Center

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# Question & Answer Session







# Stay Connected



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**Learning** gives CREATIVITY

Creativity leads to THINKING

Thinking provides KNOWLEDGE

Knowledge makes you GREAT

- *Abdul Kalam*

