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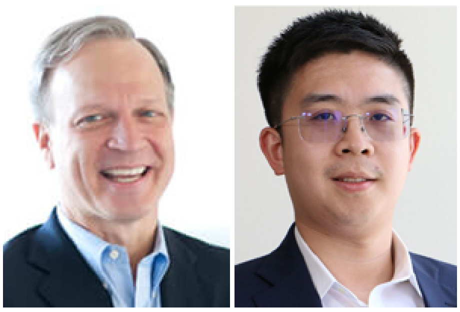
The future of quick lube: How consolidation is reshaping the industry

BY JOE GOLDEN AND JIM YU ON JULY 3, 2025

Scaled, regional independent operators are more than ever seen as rare commodities and are well-positioned to receive strong interest from private equity

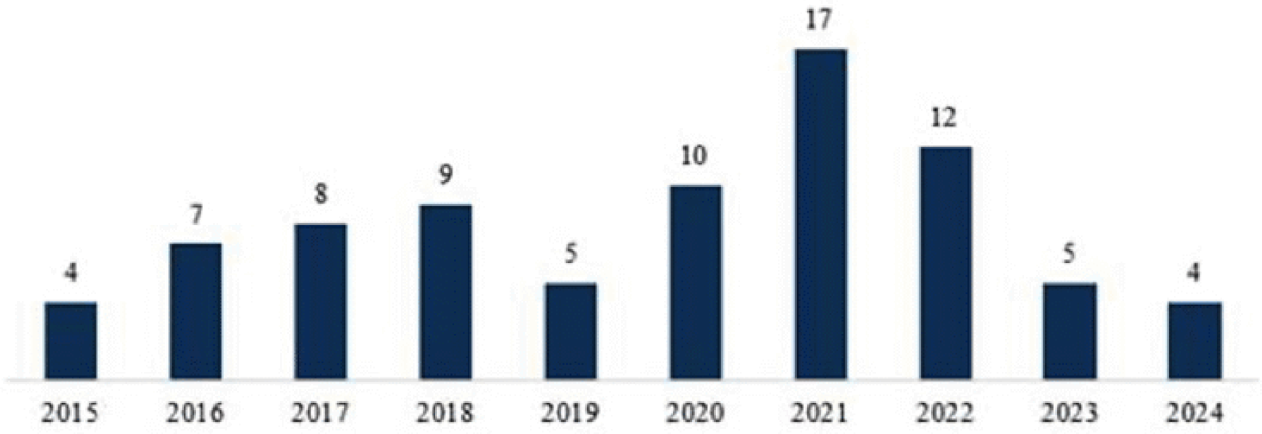
The quick lube industry has experienced significant consolidation over the past 15 years, transforming a once highly fragmented industry into a consolidating industry with several large national-scale operators and franchise systems.

The Early Days of Consolidation



Joe Golden and Jim Yu of Mufson Howe Hunter

In the early 2010s, the quick lube industry was highly fragmented with national chains, regional chains, and mom-and-pop operators. While the industry was, and still is dominated by a supermajority of small operators, there have been 80-plus notable transactions over the past decades, with two chains significantly expanding their respective footprints. Through the consolidation of smaller players, these two have leveraged economies of scale to emerge as the primary consolidation leaders in the market.



Valvoline is the leading consolidator. Known for its branded oil, Valvoline was second only to Jiffy Lube International, in 2010, by store count. Valvoline operates under a dual model of both company-owned and franchisee operations.

Both the company-owned network and the franchisees have employed growth strategies through de novo locations and acquisition of independents resulting in a Valvoline network of 2,010 stores at year-end 2024 (1,060 franchisee locations and 950 company-owned stores).

Simultaneously, Take 5 Oil Change undertook a significant growth strategy after it was acquired in 2016 by Driven Brands, a portfolio company of Roark Capital. At the time of Driven Brand's acquisition of Take 5, it was owned by another private equity firm, Trivest Partners. Trivest bought Take 5 in 2011 when it was operating 26 locations in the Southeast.

Under Trivest's ownership, Take 5 grew to 65 locations. Similar to Valvoline, Driven has employed a dual-model strategy, operating both company-owned and franchised locations. Under Driven Brands' ownership, Take 5 has grown to a total of 1,181 locations at year-end 2024 (with 718 company-owned and 463 franchised locations). This strong growth has made Take 5 the third-largest quick lube brand in the U.S.

Notable Acquisitions		
Buyer	**Target**	**Year**
Valvoline	EZ Lube (72 locations in southern California)	2012
Valvoline	Oil Can Henry's (89 stores in 6 States)	2016
Valvoline	Oil Changers, Inc.	2025
Valvoline	Oil Changers (31 locations in Ontario)	2019
Valvoline (via Metrolube)	Mobil1 Express (37 locations) & Shell Rapid Lube (2 Locations) in Southern Florida	2012
Valvoline	Time-It Lube, LLC (28 locations)	2017
FullSpeed Automotive	American LubeFast (50 locations in the southeastern US)	2020
FullSpeed Automotive (via GreaseMonkey)	10 independent operations in 5 states	2021
FullSpeed Automotive	Uncle Ed's Oil Shoppe (29 locations)	2020
Driven Brands (via Take 5)	Super Lube (48 locations in 5 states)	2019
Driven Brands (via Take 5)	Lube Stop (51 locations in the midwest)	2016
Driven Brands (via Take 5)	Chevron Fast Lube (1 location in Louisiana)	2019
Driven Brands (via Take 5)	Fast Trak Oil Change Centers (27 locations in Wisconsin)	2016
Driven Brands (via Take 5)	Bolton Oil Change (6 locations Texas)	2019
Driven Brands (via Take 5)	Express Automotive Group (28 locations in Houston)	2019
Strickland Brothers	Snappy Lube (24 locations	2023
Strickland Brothers	Express Lube of Tennessee	2020

Today's Landscape — Major Brands and PE-backed Quick Lube Businesses

After being spun out of Ashland Inc. in 2017, Valvoline operated both as a retail auto service business and a blending operation for lubricants. Upon the sale of the lubricants business in 2023 (to Aramco) and the recruitment of Lori Flees, a former Walmart executive, to become its CEO, Valvoline became a pure-play, automotive services company focused on expanding its geographic presence.

While Valvoline previously had one franchisee backed by private equity, the last 12 months have seen the introduction of two new PE firms. In addition to refranchising a company-owned market to a PE firm, Valvoline welcomed another PE firm, ICV Partners, which acquired an existing Valvoline franchisee (Mufson Howe Hunter acted as exclusive advisor to the franchisee).

These two transactions represent a part of Valvoline's stated goal to grow its network to a total of 3,500 locations with much of that growth expected from partnerships with PE groups.

Meanwhile, Driven Brands recently undertook a significant review of its business that resulted in an overhaul of operations such that Take 5 Oil Change now essentially represents the core of the company. In addition to operating Take 5 Oil Change, Driven Brands has also operated as a franchisor of Meineke Car Care, Maaco and several other auto service businesses.

Driven Brands was also the largest operator of conveyor car wash sites until it recently sold Take 5 Car Wash. Consequently, Driven Brands has put its oil change business front and center as a separate unit with the franchisor operations aggregated as Franchise Brands.

The second largest chain, Jiffy Lube International (JLI), is a wholly-owned operating subsidiary of Shell USA. JLI undertook a different operating strategy than its peers, emphasizing the expansion of multi-care services (i.e. light repair work) to its customer base.

Recent trends show the emergence of electric vehicles is slowing. EVs will not become the predominant mode of personal vehicles soon. Nonetheless, the strategy pivot by JLI positions it to become less reliant on oil changes and, therefore, more resilient to any potential disruption by EVs.

Private equity has also been active in the consolidation wave. FullSpeed Automotive (backed by PE firm MidOcean Partners) gobbled up Grease Monkey, Kwik Kar and other independent operators and formed another consolidator. NC-based Strickland Brothers, backed by Princeton Equity, acquired Snappy Lube to expand its presence in North Carolina.

Private Equity Investment	
Franchise System	**PE Investors**
Valvoline (Franchisees)	ICV Partners (2024), Franchise Equity Parnters (2024), Carousel Capital (2022)
Jiffy Lube (Franchisee)	Wynnchurch Capital (2018)
Take 5 (Franchisor)	Roark Capital (via Driven Brands) (2016)
Oil Changers*	Greenbriar Equity (2021-2025)
FullSpeed Automotive	MidOcean Partners (2020)
Express Oil Change	Golden Gate Capital (2017)
Strickland Brothers	Princeton Equity Group (2021)

* Recently sold to Valvoline

Fueling the Consolidation: Private Equity

This consolidation trend has been accelerated by private equity firms implementing proven industry playbooks:

1. Invest in a platform company with an experienced management team.

2. Roll up additional locations through acquisitions or add de novo builds.

3. Improve margins through economies-of-scale and implementation of best practices.

4. Recapitalize through added debt or additional equity partners.

5. Wash, rinse and repeat.

Private equity has been attracted to the quick lube business for several reasons:

First and foremost, quick lube businesses offer compelling customer value propositions: no appointment, 15-minute oil changes or auto services, allowing customers to service their vehicles without the hassle of dropping off their car at a dealership or a general repair shop.

Furthermore, transparency in the scope and pricing of service without any pushy sales behaviors and the option to remain in their car or wait in the lounge minimizes any friction associated with the service experience.

From a business perspective, Quick Lube is an attractive market segment: it is a routine, predictably timed offering where the average customer visits 2-3x per year, with ~70% of customers visiting the same location. While full synthetic oil has extended the number of miles that a car can be driven before the next oil change, synthetic oil is billed to customers at nearly 2x the price of conventional oil changes — thus offsetting the reduction in the number of oil changes.

Other factors are driving the attractiveness of this business segment, including a large, robust addressable market. There are 285 million registered vehicles in the U.S., and the average age of the U.S. vehicles has increased to 12.5 years. This trend alone has led to a higher need for auto services.

Also, the increasing complexity of vehicles has shifted consumers from DIY to DIFM. On the supply side, quick lube operators can leverage a broader labor pool than general repair services since their offerings are smaller in scope and less complex. The equipment is less expensive, too, meaning operators can run a cash-generative business while limiting their capital expenditure and working capital investment requirements.

What It Means for Scaled Independent Operators

Given the stage of industry consolidation, the number of large-scale independent operators with more than 20 units has shrunk dramatically. Valvoline recently announced a $625 million (10.7x EBITDA) transaction for Oil Changers, a network of approximately 200 stores primarily concentrated in high-growth California and Texas markets. This transaction signaled what the market will bear for a scaled, high-quality strategic asset in favorable markets.

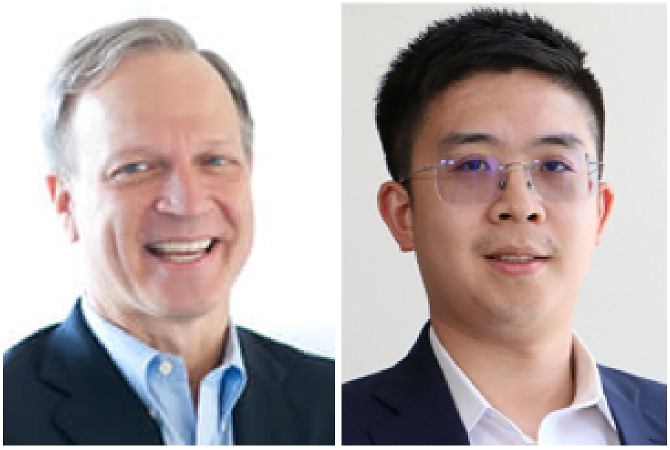
The combined effect of both Valvoline and Take 5 illustrates their intention to materially expand their footprint. It also indicates that private equity has a continuing interest in the quick lube space. Scaled, regional independent operators are more than ever seen as rare commodities and are well-positioned to receive strong interest and achieve meaningful premiums in a liquidity event.

What's Next for Quick Lube Consolidation

- Consolidators will continue aggressive growth through M&A and de novo expansion. The number of consolidators will increase as smaller private equity-backed platforms rapidly scale through acquisitions and organic growth.
- Single shop operators will continue declining in number, requiring them to join larger networks.
- Private equity backed brands (i.e. Express Oil Change & Tire, Strickland Brothers, Fullspeed Automotive) that are not affiliated with Valvoline, Jiffy Lube and Take 5 will likely ultimately sell to one of the two major consolidators.

The Big Picture: An Evolving Industry

The quick lube industry will continue to experience dynamic changes over the next decade. The large-scale consolidators have proven successful at scaling through repeatable consolidation playbooks, meaning consolidation is likely to be a constant, driving force, not a temporary trend. Acquisitions, greenfield development and mergers with other high-growth platforms can all be winning strategies amidst PE-backed consolidation, and with strategic planning and adaptability, independent operators can position themselves to thrive.



Joe Golden, Managing Director, and Jim Yu, Vice President at Mufson Howe Hunter, bring extensive expertise in investment banking, specializing in M&A advisory, private capital raising, and corporate finance. For nearly two decades, Mufson Howe Hunter has been a leading name in the middle market, successfully completing over 600 transactions. With headquarters in Philadelphia and an office in Washington, D.C., the firm is recognized for its deep industry knowledge and client-focused approach. Learn more at MufsonHoweHunter.com.

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