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EPS of \$0.36 **beats by \$0.02** | Revenue of \$550.99M (-9.91% Y/Y) **beats by \$10.52M**

Driven Brands Holdings Inc. (NASDAQ:[DRVN](#)) Q2 2025 Earnings Call August 5, 2025 8:30 AM ET

Company Participants

Daniel R. Rivera - President, CEO & Director

Joel Arnao - Senior Vice President of FP&A, Treasury and Investor Relations

Michael Diamond - CFO & Executive VP

Conference Call Participants

Christian Justin Carlino - JPMorgan Chase & Co, Research Division

Christopher Thomas O'Cull - Stifel, Nicolaus & Company, Incorporated, Research Division

Justin E. Kleber - Robert W. Baird & Co. Incorporated, Research Division

Mark David Jordan - Goldman Sachs Group, Inc., Research Division

Michael Albanese - The Benchmark Company, LLC, Research Division

Peter Jacob Keith - Piper Sandler & Co., Research Division

Robert Frederick Ohmes - BofA Securities, Research Division

Seth Ian Sigman - Barclays Bank PLC, Research Division

William David Malkasian Staudinger - BMO Capital Markets Equity Research

Operator

Good morning, ladies and gentlemen, and welcome to the Driven Brands Second Quarter 2025 Earnings Conference Call. [Operator Instructions] This call is being recorded on Tuesday, August 5, 2025.

I would now like to turn the call over to Joel Arnao. Please go ahead.

Joel Arnao

Good morning and welcome to Driven Brands Second Quarter 2025 Earnings Conference Call. The earnings release and the net leverage ratio reconciliation are available for download on our website at investors.drivenbands.com.

On the call today with me are Danny Rivera, President and Chief Executive Officer; and Mike Diamond, Executive Vice President and Chief Financial Officer. In a moment, Danny and Mike will walk you through our financial and operating performance for the quarter.

Before we begin our remarks, I'd like to remind you that management will refer to certain non-GAAP financial measures. You can find the reconciliations to the most directly comparable GAAP financial measures on the company's Investor Relations website and in its filings with the Securities and Exchange Commission.

During the course of this call, we may also make forward-looking statements in regards to our current plans, beliefs and expectations. These statements are not guarantees of future performance and are subject to a number of risks and uncertainties and other factors that could cause actual results and events to differ materially from results and events contemplated by these forward-looking statements.

Please find the earnings release and our filings with the Securities and Exchange Commission for more information. Today's prepared remarks will be followed by a question-and-answer session. We ask you to limit yourself to one question and one follow-up. Now I'll turn it over to my partner, Danny.

Daniel R. Rivera

Good morning. Thank you for joining us today to discuss Driven Brands' second quarter 2025 financial results. I want to begin by thanking the more than 7,500 Driven Brands team members and franchise partners whose hard work and execution continue to drive results in a dynamic macro environment.

One of my first actions as CEO was to hit the road on a listening tour, visiting many of our offices and shops across the country to hear directly from our team. I wanted to solidify what's working, where we can improve and how we shape the next chapter of Driven Brands together. That effort continued with our annual talent week where Driven senior leaders came together to review key roles, invest in leadership development, and hold open conversations about Driven, our talent and our future.

What came through loud and clear in every location and every conversation is that we have an incredible team. I left both the tour and talent week more energized than ever about our future. We have the right people, the right model and the right momentum to win.

Shifting gears to our second quarter results. Driven Brands grew revenue by 6% and delivered adjusted EBITDA of \$143 million. System-wide sales increased 3%, supported by 184 net new stores over the last 12 months, and 52 additions this quarter alone. Same- store sales rose 1.7%, marking our 18th consecutive quarter of positive same-store sales.

We remain focused on our key priorities, delivering consistent growth fueled by Take 5, generating strong free cash flow from our franchise brands and executing on our deleveraging plan to create long-term shareholder value. Take 5 Oil Change once again led the way with industry-leading growth, inclusive of 10% adjusted EBITDA growth year-over-year, 169 net new stores over the past 12 months and 41 for the quarter, and same-store sales up 7%, marking our 20th consecutive quarter of same-store sales growth.

Take 5 is the home of the stay-in-your-car 10 minute oil change. Our unique operating model paired with the passion and consistency of our team members and franchisees continues to deliver Net Promoter Scores in the high 70s, resulting in strong customer loyalty. As we continue to open over 150 new locations annually, many in new markets, brand awareness and customer trial continues to grow

and those first-time visitors become repeat customers. We're also seeing meaningful contribution from our non-oil change revenue, which accounted for more than 20% of Take 5 sales for the quarter, driven by continued strong attachment rates.

As part of our strategy to grow non-oil change revenue and expand our service offerings, we began piloting differential service, the replacement of a vehicle's differential fluid last year. Today, that service is fully rolled out across all company-owned locations and roughly half of our franchise locations with full rollout expected by the end of Q3.

This brings our total number of non-oil services to 6, all designed to fit seamlessly within our fast friendly simple stay-in-your-car model. Importantly, our attachment rates and Net Promoter Scores remain strong underscoring the trust customers placing us to deliver more in every visit.

As we continue to execute, we're unlocking greater value for our customers and greater productivity from every lane. Our franchise and international car Wash segments, home to iconic brands like Meineke, Maaco and CARSTAR continue to be high margin, strong free cash flow generators, allowing us to reinvest in the growth engine that is Take 5.

Our franchise segment generated \$45 million in adjusted EBITDA for the quarter, with adjusted EBITDA margins of 61%. We continue to see year-over-year softness in both our collision business and Maaco. In collision, the broader industry remains under pressure, but we're encouraged by Driven's continued market share gains. Maaco showed sequential improvement this quarter, though it remains down versus prior year due primarily to a pullback in discretionary spending among lower-income consumers.

While we're pleased with our market share gains in collision and Maaco's quarter-over-quarter progress, we anticipate ongoing softness in both for the remainder of the year. Meanwhile, IMO, our international carwash business continues to deliver strong top and bottom line performance with same-store sales for the quarter of 19% adjusted EBITDA of \$27 million and adjusted EBITDA margins of 37%. Similar to our comments in Q1, we are thrilled with the performance of our Car Wash segment, but expect the performance to moderate in the back half of the year.

We remain committed and laser-focused on reducing leverage to 3x by the end of 2026. Importantly, we recently monetized the seller note from our U.S. Car Wash transaction for \$113 million. While Mike will provide the details shortly. This move allowed us to fully retire our term loan and pay down our revolver, reducing net leverage to 3.9x on a pro forma basis. We first outlined our deleveraging goal at our Investor Day in late 2023 and since the end of that year, we've paid down just under \$700 million of debt, reducing net leverage from 5x to 3.9x. I'm pleased with the steady progress we're making and remain fully committed to reaching 3x by the end of 2026.

While the tariff environment remains fluid, we've seen no material change to our tariff posture since our Q1 update. Driven remains well positioned, and we continue to believe that our diversified sourcing strategy and pricing power supported by the nondiscretionary low frequency nature of our services will enable us to manage any foreseeable risk.

I'd summarize my remarks today as follows: first, we delivered a strong second quarter across same-store sales, revenue, adjusted EBITDA and adjusted EPS. Second, Take 5 continues to deliver industry-leading growth. Third, our franchise and carwash segments remain reliable sources of strong free cash flow. And finally, we remain on track and committed to reducing leverage to 3x by the end of 2026.

I want to sincerely thank our thousands of employees and franchise partners for their continued dedication and hard work. Despite a dynamic environment, I remain confident in our team and ability to execute. With that, I'll turn it over to my partner and Driven's CFO, Mike.

Michael Diamond

Thank you, Danny, and good morning, everyone. Q2 2025 was yet another strong quarter for Driven marked by consistent execution, strong sales growth in our Take 5 Oil Change business and continued debt paydown helped in part by the completion of the sale of our U.S. Car Wash business. As a reminder, with the divestiture of our U.S. Car Wash business, the results for that business are included in discontinued operations and are not included in financial details provided today, unless otherwise noted.

Driven recorded its 18th consecutive quarter of same-store sales growth, increasing 1.7% in Q2. We added 52 net units in Q2 as continued strength in our Take 5 segment was supplemented by unit growth in our Franchise Brands segment.

System-wide sales for the company grew 3.1% in Q2 to \$1.6 billion. Total revenue for Q2 was \$551 million, an increase of 6.2% year-over-year. Q2 operating expenses increased \$84.2 million year-over-year. Key drivers of this increase include an increase in company and independently operated store expenses of \$17.8 million driven by higher sales volumes and more stores in Q2 of 2025 versus

Q2 of 2024, an increase in SG&A of \$63.3 million approximately \$49.7 million of this increase is excluded from adjusted EBITDA, driven by a loss from the seller note receivable, increases in cloud computing amortization and losses from the sale or disposal of fixed assets.

The remaining \$14 million increase in SG&A is driven primarily by ongoing investments in growth initiatives and the normalization of certain reserves. Operating income for Q2 was \$38.1 million. Adjusted EBITDA for Q2 was \$143.2 million, roughly \$0.2 million below Q2 last year.

As a reminder, Q2 of this year comes without the benefit of PH Vitres, which we divested in August 2024 but the results of which are still included in Q2 2024 results. Adjusted EBITDA margin for Q2 was 26%, a decrease of roughly 160 basis points versus Q2 last year as sales growth was offset by the aforementioned increases in store expenses and SG&A.

Net interest expense for Q2 was \$31.4 million, down \$0.5 million from Q2 last year. Income tax expense for the quarter was \$7.1 million. Net income from continuing operations for the quarter was \$11.8 million. Adjusted net income from continuing operations for the quarter was \$59.1 million. Adjusted diluted EPS from continuing operations for Q2 was \$0.36, a decrease of \$0.01 versus Q2 last year, driven by lapping Q2 2024 earnings from PH Vitres. Q2 performance for each of our segments include, Take 5 Oil Change, which represents approximately 75% of Driven's overall adjusted EBITDA had another strong quarter with same-store sales increasing 6.6% and revenue growth of 14.7%.

Danny mentioned earlier the rollout of our differential fluid service system-wide and this expanded service offering was one of several contributors to the continued strong sales performance. Revenue from our non-oil change services continues to grow, now comprising over 20% of Take 5's total system-wide sales, and we continue to see expansion in the penetration of premium oils, which account for approximately 90% of our oil changes.

Adjusted EBITDA for the quarter was \$108.2 million, reflecting growth of 9.9% compared to Q2 2024. Adjusted EBITDA margin was 35.6%. We opened 41 net new units in the quarter, of which 24 were company-operated stores and 17 were franchise-operated. Franchise Brands reported a 1.5% decline in same-store sales representing a sequential improvement from Q1 of this year despite continued pressure in our most discretionary business, Maaco and ongoing softness in the broader collision industry.

Segment revenue decreased \$6.4 million or 7.9%, driven by same-store sales and lapping onetime fees from last year. The segment maintained its strong position as a key cash generator in our portfolio, delivering a Q2 adjusted EBITDA margin of 60.9%. Adjusted EBITDA was \$45.4 million, down \$8.8 million from the prior year, reflecting both the revenue decrease and higher G&A costs. We continue to grow our footprint, adding 13 net new units in the quarter.

Our Car Wash segment, representing our International Car Wash business had another record quarter with same-store sales growth of 19.4%. Similar to trends we experienced last quarter, this performance was driven by improved operations, expanded service offerings and more favorable weather relative to a year ago. Adjusted EBITDA increased \$5.1 million to \$27.3 million. Adjusted EBITDA margin increased 120 basis points to 37.2%.

As we discussed last quarter, on April 10, we closed the sale of our U.S. Car Wash business for gross cash proceeds of \$255 million and a seller note of \$130 million. On July 25, we monetized the seller note for \$113 million. We applied these net proceeds to fully retire our term loan and pay down our revolving credit facility by approximately \$65 million. This transaction closed after the quarter closed, and therefore, our Q2 balance sheet reflects a note receivable for \$113 million.

Turning to the remainder of our liquidity, leverage and cash flow performance for Q2. Our cash flow statement shows a consolidated view of cash flows for Q2, inclusive of our discontinued operations. Net capital expenditures for the quarter were \$48.5 million, consisting of \$62.6 million in gross CapEx, offset by \$14.1 million in sale-leaseback proceeds.

Proceeds from assets held for sale in Q2 generated an additional \$4.1 million of cash. As a reminder, we have now sold through a majority of our assets held for sale and would expect to generate a modest amount of proceeds through the rest of 2025. Free cash flow for the quarter defined as operating cash flow less net capital expenditures was \$31.9 million, driven by strong operating performance. Strong cash generation, combined with the sale of our U.S. Car Wash business, enabled us to advance our deleveraging priorities, reducing debt by approximately \$265 million during the quarter.

Our net leverage stood at 4.1x net debt to adjusted EBITDA at quarter end. When adjusting for the seller note sale and subsequent debt reduction, our pro forma net leverage improved to 3.9x. As of today, our revolving credit facility has a balance of \$110 million and represents the only nonsecuritized debt we have outstanding.

Year-to-date, we have repaid approximately \$445 million of debt. Our debt is now 94% fixed rate with a weighted average rate of 4.6%. One final note on debt. You will see in our balance sheet an increase in current portion of long-term debt related to our Class 2019-1 securitized notes that have an anticipated repayment date of April 2026. Given the nature of the securitized debt market that is common to refinance these notes closer to the repayment date, and we are confident in our ability to refinance.

As a reminder, we also have a revolving credit facility and variable funding note capacity of approximately \$700 million, which is available to us in the unlikely event we are unable to refinance the 2019 notes. Our Q2 performance demonstrates meaningful progress on our key financial priorities, generating solid free cash flow, systematically reducing leverage and further strengthening our balance sheet. With the successful monetization of the seller note and subsequent debt reduction, we've simplified our capital structure and enhanced our financial flexibility for the remainder of the year.

I'd now like to spend a little bit of time on the current operating environment and provide an update on our full year outlook. As Danny mentioned earlier, the Driven portfolio benefits from providing generally nondiscretionary services for an asset a person's transportation that is essential for their livelihood. While declining consumer sentiment has the potential to adversely impact our performance, our business model remains resilient overall.

We saw this resilience play out in Q2 with strong, albeit moderating growth in Take 5 and sequential improvement in our Franchise Brands segment, despite some limited pullback from our lowest income consumers and ongoing challenges in the end markets of our Franchise Brands segment.

As mentioned, last quarter, we believe we are well positioned for any potential tariff impacts, thanks to our strong supply chain team and geographically diversified supply chain. As we enter the back half of the year, we reiterate our fiscal 2025 outlook as follows: revenue of \$2.05 billion to \$2.15 billion, adjusted EBITDA of \$520 million to \$550 million, adjusted diluted EPS from continuing operations of \$1.15 to \$1.25, same-store sales of 1% to 3%.

We believe we are appropriately cautious for the remainder of the year. We expect Take 5 growth to continue to moderate as it grows over a larger base. Our Car Wash segment to face pressure from July significantly unsettled weather conditions and ongoing headwinds in the end markets of our Franchise Brands segment. This caution now leads us to anticipate the second half will represent approximately 50% of our full year revenue and adjusted EBITDA. We expect a more tempered third quarter weighting given the timing and nature of the headwinds we've described leading to a more balanced second half distribution.

As for other important operating metrics, we reiterate net store growth between 175 and 200 units, net capital expenditures between 6.5% and 7.5% of revenue. For taxes, we now estimate an effective annual tax rate of 28% to 30%, driven by earnings in our higher tax jurisdiction Car Wash segment. For interest expense, the sale of the U.S. Car Wash seller note will remove the benefit of noncash PIK interest in the back half of the year, offset in part by cash interest savings from additional debt paydown. We now expect full year interest expense between \$130 million to \$135 million. We believe the strength of the driven platform was on full display during the first half of 2025, demonstrating the resilience and earnings power of our business model.

Looking ahead, we remain focused on achieving our net leverage target of 3x by the end of 2026, with the majority of our free cash flow earmarked for reducing outstanding debt on the revolver. With that, I will turn it over to the operator, and we are happy to take your questions.

Question-and-Answer Session

Operator

[Operator Instructions] And your first question comes from Simeon Gutman with Morgan Stanley.

Unidentified Analyst

This is Zach on for Simeon. Can you dive a little deeper into the traffic versus ticket side within Take 5 specifically? And are you seeing anything to call out with respect to deferrals or anything of that nature?

Daniel R. Rivera

Zach, this is Danny. Thanks for the question. Look, we don't really disaggregate traffic versus ticket. What I would say is, first and foremost, we're really happy with the comps we saw with Take 5, right, 7% comps for the quarter on top of -- last quarter, we had really nice comps as well. So really happy there. We're happy to see both sides of the equation are doing what we want them to do in terms of traffic and check. Non-oil-change revenue continues to be a nice driver of the business for us. We continue to see attachment rates in the mid- to high 40s.

Obviously, we just introduced our differential service, which we like what we're seeing there. It's very early innings, but at the end of the day, we continue to see good attachment rates. We continue to see our NPS score is quite high, and we're able to continue to deliver on the promise to our consumers of a stay-in-your-car 10-minute oil change. So overall, again, we don't disaggregate the numbers, but I'd say we're very happy with the comps for the quarter.

Unidentified Analyst

Got it. And then just a quick follow-up on the profitability side of that segment. Is there anything you can give us in terms of puts and takes for the Take 5 margin in the back half of the year?

Michael Diamond

Yes, Zach. I mean I think stepping back for a second. In general, we feel very pleased with the mid-30s margin that we saw in Q2. If you look at the history of this, even back to '24, there's always going to be some quarter-over-quarter variability. That's natural and expected. Similar to what we saw in the past quarter, there was some increase in repair and maintenance and new store opening costs as we continue to invest behind this fleet and make sure that we're putting the best foot forward for our customers. But if you take a step back and think just overall on an annual basis, mid-30s for the full year, we feel positive about that. We feel that's a realistic number and feel really good with where overall the margins coming in.

Operator

Your next question comes from Justin Kleber with Baird.

Justin E. Kleber

Just a follow-up there, Mike, on the mid-30s margin for Take 5 on a full year basis. Do you guys think that's effectively the ceiling for the business as you're in aggressive unit growth mode? Or is there still upward migration over time as the mix of unit shifts to more franchise? And then obviously, you have this immature store base that will begin to kind of ramp up the profitability curve.

Michael Diamond

Yes. No, I get the question, Justin, good to talk to you. I'm not sure I want to prognosticate more than kind of what we're looking at for the current quarter. Obviously, there's some movements in the model as you think about shifting to franchise, which is definitely a higher flow-through on the royalty, but has a little bit different economics as you think through the oil charges there.

I would just reiterate, in general, we feel really good with the mid-30s. We think we've got a sustainable economic model for Take 5. Danny mentioned the strength of the overall same-store sales. We still have a long pipeline of unit growth, both corporate and

franchise that, over time, should shift to a more franchise weighting. And if we can continue to print these out at the anywhere near the comps we were looking at with good unit growth, we feel like this business has a really good long runway for growth.

Justin E. Kleber

Got it. Okay. That makes sense. And then on the Car Wash business, I know the competitive landscape is much less intense relative to what you faced in the U.S. And we've had some favorable weather trends. But how much of the strength in the past 4 quarters has been in your opinion, internal initiatives? And just how are you thinking about comping these comps in the back half of the year? I think you're cycling like a plus 27% in 4Q, do you expect to be able to grow on top of that? Or should we be thinking that you give some back as you cycle over this strong performance.

Michael Diamond

Yes, absolutely. There's a little bit to unpack there, so let me try to tick through them. I think one, in general, the dynamics are different in that market, right? We are the market leader in both the U.K. and Germany. At least in the U.K., there really aren't tunnel car washes that exist. And so it does give us a strong competitive advantage. I believe the answer to your other question is both. The team is doing a really good job operating on the ground, highlighting the benefits that the IMO system brings to customers, strong relationships with our independent operators, and we have benefited from weather over the last 4 quarters.

And so it will be challenging to grow on the strong growth rates we had in Q3 and Q4 of last year. Some of that is influenced even by what we've seen in July, as we mentioned in the prepared remarks. July was quite rainy in Northern Europe and even the best operated car wash struggles a little bit with rain. So I do think we will see a meaningful moderation in that business in the back half of the year, just given some of the weather we've seen as well as some of the laps we have.

Operator

Your next question comes from Seth Sigman with Barclays.

Seth Ian Sigman

I wanted to focus on the non-oil change services that accounted for over 20% of sales. Do you have a view on where that can go? And how do you think about the profitability implications from that?

Daniel R. Rivera

Seth, this is Danny. That's a great question. Look. So non-oil-change revenue for us, to your point, has been a nice growth driver for the recent past. As we think about the ceiling, I would say, look, we don't think that we have a near-term ceiling. We've got company- operated stores and franchise stores with attachment rates well into 60s. Our average, if you look across the entire system, is mid- to high 40s and growing. So not only do we think that we can grow attachment rates just in terms of the existing mix that we have.

We're also introducing new products. Obviously, we just talked about our differential service, which we just introduced and we've rolled out. That's obviously going to help us grow non-oil-change revenue here into the foreseeable future. And that's not -- we're not limited in terms of that's not the only new service that we can provide over time. When we acquired the business back in 2016, we had 4 ancillary services that we sold. We call them big 4 sitting here today. We've now got a big 6, and we'll continue to grow that over time. So I don't see a near-term ceiling in terms of where non-oil-change revenue can go.

As far as the margin profile, I'll answer that question vis-a-vis the new service that we introduced, the differentials. Whenever we look at a new service, we're basically looking to check kind of 2 boxes, right? It has to fit the model, both from an operating perspective and from a financial perspective. From an operations perspective, what we're looking for is our commitment to our customers and what has made Take 5 successful is we deliver an amazing stay-in-your-car 10-minute experience. And so any new service we introduced has to check that box with differentials, it does, and we're able to continue to generate or to finish oil changes within the 10-minute window and we continue to have really nice NPS scores at least in the early innings here that we're in.

And then the second piece is financially has to make sense vis-a-vis our gross margins in that business. When it comes to differentials, the nice thing there is that, that product from a gross margin perspective is accretive to the basket that we have. So all in all, we feel good about the very high ceiling, let's say, with non-oil-change revenue.

Seth Ian Sigman

Okay. Great. That's very helpful. And then my follow-up question is on the glass business. It's sort of tough in there. It's hard to see, but it did seem to accelerate a lot this quarter. Can you maybe just update us on that. And I'm curious, does it face the same headwinds as collision and paint? Or do you feel like you can grow through that just given that it's so early and you have a market share opportunity?

Daniel R. Rivera

Yes. Look, when it comes to the glass business, I think we have to remind ourselves, we've put that business into our Corporate and Other segment, a very intentional move on our part, obviously, as we're incubating that business. I would say, look, we got into that space because we really like the industry. Nothing has changed in that underlying thesis. We think it's a great industry. It's got a great white space. It's fragmented, great unit level economics. Margins are good. So that industry continues to make a lot of sense for us. As far as the progress we're seeing with the business, I'm happy with the progress.

But again, it's early innings. That business was always a multiyear strategy for us. We remain focused on growing the top line like we've said in past quarters. And as it continues to improve, we'll share more with it, but right now, we're incubating that business.

Operator

Your next question comes from Brian McNamara with Canaccord.

Unidentified Analyst

This is Madison Callinan on for Brian. You earlier mentioned industry softness and collision. But given that industry is pretty net- based, could you provide any additional color on that?

Daniel R. Rivera

Yes, Madison. So to your point, I mean, the collision industry has been down for a few quarters now where there's other public competitors out there that have talked about that. If you look at estimates, they're down in the high single digits. There's 2 main reasons for that. Number one is just claim avoidance. So at the end of the day, the consumer in that space has been hit pretty hard with inflation, premiums are up, deductibles are up. And so there's a lot of claim avoidance going on right now.

The second one that drives that industry is total loss rates. So total loss rates are at a pretty high mark right now. Both of those things in the blender is going to lead to high single-digit estimates being down year-over-year. We're not immune to that. We're obviously in the industry. The really nice thing from our perspective is while the industry overall is down, we continue to take market share. We've been taking market share in the entire year based on all the industry reporting that we see. So we think our model is unique. We have a franchise business there. Our franchisees are fantastic. They're doing a great job taking care of our carriers and the end consumer. And we think we're very well positioned whenever the industry normalizes, I think we're in a good spot.

Unidentified Analyst

Great. And not to beat a dead horse, I know somebody asked earlier about ticket. But how much upside do you think could still remain there? Or eventually you need to lean more on increasing car service per day? And have you seen any evidence of like material oil change deferrals by stretch consumers.

Daniel R. Rivera

Sure. I wouldn't say we've seen a material change in terms of frequency. As far as the ceiling -- maybe the better way to answer this question is if you look at the space generally, we offer 6 ancillary service sitting here today. One of those is brand-new. We just started rolling out differentials. If you look at the space, folks offer a lot more services than we do. So there's plenty of room for us to continue to add services over time, and we will add services over time.

As I mentioned, when I started with the business, we had 4 services. Today, we have 6. So not only can we grow the services and there's a marketplace out there where you can kind of see what other folks have done. But just if you look at our attachment rates with

the existing services, again, we're in the mid- to high 40s and growing. We've got stores that are in the mid- to high 60s. So we think that there's plenty of ceiling to go here.

Operator

Your next question comes from Chris O'Cull with Stifel.

Christopher Thomas O'Cull

Danny, can you describe some of the findings you learned on your listening tour regarding the Take 5 business? I'm just wondering if there's any opportunities to provide new support or systems to help kind of fuel that growth for franchisees?

Daniel R. Rivera

Yes. Chris, thank you. Great question. Look, I would say, honestly, not so much in terms of findings, I mean, again, I'm not new to the business. I'm a new CEO, but I've been with Take 5 for 12 years now. So for me, the road tour was more about being out there, meeting folks, obviously, my title is different and so there's a different slant to the questions that I get, and there's a different slant to the conversation. It was more about solidifying what I thought I knew and making sure that I was a CEO on the face of the company, and it's really important that I get out there.

Whenever I go to the field, Chris, it really crystallizes for me what the priorities are and what's important, right? And at the end of the day, the important thing is our employees are super important, making sure that we're taking care of them and the commitments we've made to our customers and our franchisees is very important.

In terms of continued growth with Take 5, I mean, look, Take 5 is a juggernaut, as Mike has called it historically. It continues to grow extremely well. And honestly, it doesn't matter how you want to slice that business. It's kind of growing across the board. You can slice it franchise or corporate. Both are doing really nicely. If you look at vintages and we don't divulge the vintages, but internally, the mature vintages are doing great, new vintages are doing great. So we'll continue to lean in there. We are committed to continuing to grow 150-plus units per year, and we see no reason that, that can continue for the foreseeable future. So we feel really good about the business.

Christopher Thomas O'Cull

And then, Mike, can you describe the financial condition of the franchisees that operate Meineke, Maaco and CARSTAR? I'm just wondering, is the average franchisee seeing a decline in their profits year-over-year given the comp performance? And it's hard for us to see, but are you seeing a meaningful number of closures in any of those brands?

Michael Diamond

Yes, sure, Chris. I think in general, we feel really good with the overall health of the franchise system. Like any franchise system, there are some who are performing better than others. But in general, we stay close to the each of the brands and each of the franchisees in there. And so I think in general, despite some of the top line pressures we've seen in a couple of our brands, we feel pretty good overall. We'll continue to keep an eye on that. And and operate as we need to. I think obviously, there have been some closures. We have one big closure -- or one big exit in the system in Q1 of this year, but we obviously came back and were net positive in Q2. So I think in general, it's full speed ahead and just continue to work on that brand and keep working through any challenges we may see.

Daniel R. Rivera

Chris, and just I'll double down on something here. I mean just by way of reminder for folks, I mean, if you look at these businesses, these are really mature iconic businesses. I mean, Meineke and Maaco have been around for more than 50 years. These businesses have seen all sorts of economic ups and downs. So they are great businesses, very mature, and they're going to be around here for a long time to come.

Operator

Your next question comes from Peter Keith with Piper Sandler.

Peter Jacob Keith

I'm just looking at the full company EBITDA. So it was flat to just slightly down on a year-on-year basis. And I was wondering if you could just kind of highlight the headwinds to EBITDA and then looking forward, it looks like the guidance implies for the back half, some EBITDA growth. So maybe what changes in the back half versus those Q2 pressures?

Daniel R. Rivera

Yes. I mean I think the first and foremost is PH Vitres. So PH Vitres was in our results for 2024 and not in 2025. We sold that business in mid-August. And so Q1, Q2, we have a little bit of a headwind there as it relates to EBITDA. I think in addition, we talked about some of the quarter-over-quarter variability on margins, particularly as it relates to Take 5 and that obviously moved against us a little bit in Q1 and Q2, but we feel really good about where that business is trending overall. But on a pure dollar's basis, the answer is PH Vitres, but other than that, we feel good about our guidance and where we see the rest of the year coming in relative to that range.

Peter Jacob Keith

Okay. And maybe I hone in on the Franchise Brands EBITDA where the total EBITDA dollars did come down by a decent amount. And I think you had flagged some G&A investments, maybe could you expand upon what that is within the franchise business? And then is that an investment activity that's going to now continue for the next couple of quarters?

Michael Diamond

Yes. Let me take a step back because I think one of the drivers of that is the delta between the same-store sales and the revenue growth. And that, I think, honestly explains more of the overall G&A hit. And like any franchise business, while same-store sales is the top line, you're always going to have some onetime fees that come in either development fees or termination. And this quarter just happened to be one of these quarters where we didn't have many of those fees, and we were lapping a quarter last year where we had a lot of those. And so that actually is part of the big gap between the same-store sales performance and the EBITDA performance.

The secondary, as I mentioned, was some G&A investments as you run a franchise system with several different brands. There are needs to invest in things like technology improvements and et cetera, to make sure we are a good franchisor for our franchisees. We've had some of those investments so far this year. I would expect those to wane as we move through the rest of the year, but we will continue to do what we need to do to be a good franchisor for our franchisees.

Operator

Your next question comes from Robbie Ohmes with Bank of America.

Robert Frederick Ohmes

Danny and Mike, actually, just a quick follow-up on the last question. Should we expect franchise brand comps to remain negative in the back half?

Michael Diamond

Yes. I mean I think we haven't given obviously a specific number. We were pleased with the performance in Q2 and that it was better than Q1. As you probably heard from both Danny and me, the end markets of several of the brands in that segment, both Maaco and collision are under some pressure. And so we'll continue to work hard and fight hard, but we acknowledge that the discretionary component of Maaco was under some pressure.

And then as I think Danny even gave some more detail earlier in the Q&A, there are some factors related to the collision industry that are going to continue to lag on that part of the business for the foreseeable future. So we're going to continue to fight the good fight. We were obviously pleased with the sequential improvement we saw in Q2 relative to Q1.

Our overall 1% to 3% reiteration of the guide incorporates a multitude of ranges of things that could happen in the back half of the year, and we'll continue to keep our eye on what we can do to help drive that brand forward -- drive that segment forward.

Robert Frederick Ohmes

And just is there anything competitively going on in that segment that is new or different than competition in the past?

Daniel R. Rivera

I wouldn't say there was anything tremendously new, Robbie. I mean, at the end of the day, collision, that industry has been that industry for a while. Obviously, there's some headwinds right now. If you went back a few years ago, the industry was in a better place. Right now, there's some headwinds. I wouldn't say there's new competitive dynamics per se. Same thing with Maaco. The predominant service that we provide there is we paint folks car. There's some new technology in that space. But I'd say overall, the services are the same.

And then the other big business in that segment is Meineke. Meineke is doing quite well. It's a repair and maintenance, so you're talking about bigger services on the repair and -- sorry, the mechanical side, so brakes, shocks, struts, AC, stuff like that. But the short answer is that, I wouldn't say there's tremendously new dynamics going on in these industries.

Operator

Your next question comes from Mark Jordan with Goldman Sachs.

Mark David Jordan

Just looking at Take 5 store growth year-to-date, only slightly below the prior year, but the mix is -- it's much more towards company operated. I guess what's driving the slower franchise growth year-to-date? And how should we think about growth and mix for the second half of the year?

Michael Diamond

Yes. I would say if you look within the year, that's pretty typical, which is the corporate stores, we're able to get those open and operating pretty early in the year, franchise stores, and I'm not now speaking just driven, but all of my experience in franchise systems, both now and before that, franchise stores tend to come near the back -- in the later half of the year. So I think if you look at the breakdown right now, it skews more corporate. When you look at the end of the year, the end of the year, we'll skew more franchisee.

Overall, this year, it's going to be roughly kind of a 50-50 mix. Ballpark, we're looking at. Over time, we expect that mix to shift more towards franchisees given the robustness of the pipeline we have there. But I wouldn't read too much into the fact that so far this year, we've opened more corporate than franchise. That's just the nature of the calendar in a franchise system.

Mark David Jordan

Okay. Perfect. And then just staying on Take 5, can you talk about how comps kind of progressed through the quarter? And I know you might not get into month-to-month detail, but was performance fairly consistent there? And then maybe quarter-to-date, are you seeing any changes?

Daniel R. Rivera

Yes. I mean, I would say, in general, fairly consistent. We don't break down quarter-to-quarter trends. Obviously, there was a little bit of weather late May, early June. In Texas where we have a meaningful presence. So Texas weather can have a little bit of an influence. But I would say, in general, for Q2, it was fairly consistent across the quarter. Look, I don't know if I want to say anything in addition to what we've already said in the prepared remarks as it relates to -- we continue to think that business moderates over time as it grows over a larger base.

There is some softness in general across all of our industries on the lower-income consumer. We feel good about the 1% to 3% that we reiterate and Take 5 is honestly an important part of that.

Operator

Your next question comes from Mike Albanese with Benchmark.

Michael Albanese

Could you just comment on what your franchisees are seeing in the labor market? I'm just thinking, right, any wage pressures, what are you seeing on retention and then ability to hire, I guess, particularly in Take 5 where you're expecting to grow unit comp pretty significantly?

Daniel R. Rivera

Yes. Mike, this is Danny. Look, I'll start with Take 5. I'd say the labor market there. The important thing, first and foremost is, when you look at Take 5 in that industry, we're not hiring certified technicians, right? So this isn't a "skilled labor force" right. These folks don't come with certifications ahead of time. We're hiring from a pretty broad-based of folks, and we're training them on how to do the oil changes to Take 5 ways, and that model works really well for us. So I'd say there haven't been any structural changes to that or any industry-wide changes to that here recently.

If you look at the franchise businesses, all the franchise businesses, there you're talking about certified technicians, whether it's body technicians on the Maaco side or whether it's techs -- repair and maintenance techs on the Meineke side. That's a different labor pool for sure. But the beautiful thing and part of the reason why we're in the franchise business in those industries is that our franchisees know how to manage that population, right? So these are owner-operators, boots on the ground. They take care of their employees. A lot of those employees have been with their owners with the owners of the businesses for many, many years. So our franchisees are quite adept at managing that labor force, and they do a fantastic job. I don't know that recently, there's been any material changes to that.

Michael Albanese

That's helpful. I guess just one follow-up to that. And I'm thinking on the Take 5 side here. Could you give us a sense of what retention typically looks like?

Daniel R. Rivera

We don't publicly divulge retention numbers.

Operator

Your next question comes from William Staudinger with BMO Capital Markets.

William David Malkasian Staudinger

Another strong quarter for Take 5. Can you maybe just talk about the competitive dynamic for that business and any market share gains you've observed?

Daniel R. Rivera

Sure. I mean, look, Take 5 is -- it just continues to do a great job. So as far as the competitive dynamic, I mean, we are -- I talk about it all the time, we're the home of the stay-in-your-car, 10-minute oil change, what we've seen with that business is that the consumer just loves the service that we provide, right? They want to go get their car taken care of. They want to stay in their car. They want it to be a 10-minute fast, simple experience, and we're able to deliver that pretty consistently.

It's a very lucrative business from a financial perspective, hence, all the support and all the interest that we have from our franchisees and our franchisees have a ton of interest in growing and they continue to grow across the country.

So we feel really good about the business. We feel good about how we go to market in that business, both from an operational perspective and then also just marketing and how we're talking to the consumer. So yes, just a great business for us.

William David Malkasian Staudinger

Okay. And then with the 150 annual store opening target, I think you mentioned for Take 5, just what new markets are you targeting for those openings?

Daniel R. Rivera

Sure. So we talk about 150 plus. And as far as new markets, I mean, look, we've -- so if you pulled up a map we've basically sold most of the licenses across the entire country with some spots here and there where we still have some licenses up for sale. So as far as growth, I wouldn't say so much that we're targeting specific locations. We're growing across the country. We've got franchisees throughout the country that are growing most if not all of the markets.

From a company-owned perspective there, we're much more disciplined in terms of we hand selected a handful of markets back in 2016, '17 kind of time frame, markets like Texas and Florida, just to name 2. There from a company-owned perspective, we are very disciplined about growing within those markets. We go very deep in those markets. We've got a great leadership team and structure and so we're pretty disciplined about our growth on the corporate-owned side. And then like I said, on the franchise side, we're growing across the country with a great group of partners.

Operator

Your next question comes from Christian Carlino with JPMorgan.

Christian Justin Carlino

Follow up on an earlier question, could you talk about what we're seeing in terms of consumer behavior? I know you mentioned Quick Lube frequency hasn't changed and the collision softness isn't new, but has there been any notable change in the second quarter, just given all the tariff news and general uncertainty. And just given the full impact of tariffs hasn't hit the consumer as well it yet, does the guide assume any further softening in the consumer backdrop.

Daniel R. Rivera

So I'll answer the first half of that, and I'll hand it over to Mike for the guidance question. I mean, look, outside of the comments that we've already made, I'm not sure that there's anything material happening within the industry, right? So on the Quick Lube side, we're not seeing any material changes to frequencies. That business, like we said, we're very happy with the 7% comp in Q2. We're happy generally with the comps that we've been seeing in that business for a long time now, 20th consecutive quarter of positive same-store sales.

So I'd say the Take 5 business continues to grow and is a solid growth engine for us. As far as the other markets that we operate in, I mean, I've already mentioned some of the comments on collision and what's happening in that industry. That industry has been around a long time. So sitting here today, it's a little bit soft. I'm sure that, that will change over time. And again, I believe that we're well positioned in that space, and we continue to take share.

When it comes to Maaco, I've mentioned a little bit of the softness there, the fact that, that business is more discretionary in nature and maybe a little bit more exposed to the low-income consumer cohort. But again, Maaco is over 50 years old, a very mature business. And so that business has also seen many economic cycles. So outside of what we've already mentioned, Christian, I'm not sure that there's anything material to talk about. Mike?

Michael Diamond

I would just add that I think the reiteration of the guide does reflect some of that uncertainty we see in the broader macroeconomic economy, right? I think to the extent the low-income consumer comes back and we see some of those end markets start to perform a little bit better. We start to approach the top end of the range to the extent that the lower-income consumer softens even more

and those end markets become a little more compressed. We're down near the low end of the range. But in general, we think we've captured those possibilities with the range we reiterated today.

Christian Justin Carlino

Got it. That's helpful. And could you talk about the competitive landscape in Take 5? Just given the attractive business model, have you started to see more private equity money flow into the space? And -- if not, how would you diagnose why not? And I guess, similarly, to the extent this occurred over the past few years, are you seeing maybe some platforms starting to bring some assets to market?

Daniel R. Rivera

This is Danny. So Christian, I'd say in the Quick Lube space, that space has been pretty steady in terms of entrants for some time now. We're not seeing a remarkable change in that. The reasons why not? I mean there's probably a bunch of reasons, but I'd simply it as to say, it is not easy to run hundreds, if not thousands of locations across the country with the kinds of manual processes that you have to put in place at the kind of margins that we do, right? So it's easy to rattle off some of the numbers that we rattle off. But in terms of being able to do that at scale, that's actually quite difficult and it's harder than it looks maybe. So again, there's a bunch of reasons, but I'd say, generally speaking, that industry from an entrant perspective has been pretty stable.

Operator

Ladies and gentlemen, as there are no further questions at this time, this marks the conclusion of today's conference call. Thank you so much for your participation. You may now disconnect.

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