TRACKHAWK ADVISORS

Case Study: Copart's Acquisition of ACV Auctions

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Deal Summary

- **Transaction Overview**
  - On 9/10/26, Copart, Inc. (NASDAQ: CPRT) agreed to acquire ACV Auctions Inc. (NYSE: ACVA) for $10.50 per share in cash, valuing ACVA at ~$1.9bn, or ~25x ACVA's 2026E Adj. EBITDA
  - Structured as an all-cash tender offer followed by a back-end merger
  - A 45% premium to ACV's unaffected close on 8/10/26 and a 41% premium to the prior 30-day average share price
  - Funded with cash on hand and no financing condition; the minimum conditions for the tender were met by 10/7/26, the HSR waiting period expired 10/13/26, and the transaction closed successfully on 10/16/26
- **ACV Auctions highlights:**
  - Digital wholesale marketplace for dealer-to-dealer auctions, with inspection, data, transportation and finance services
  - LTM 6/30/26 revenue and Adj. EBITDA of $801mm and $64mm, respectively
  - 2025 Marketplace GMV of $10.4bn across 829,276 units
- **Strategic Rationale**
  - Creates an end-to-end digital remarketing platform spanning dealer trade-ins, wholesale, and salvage disposition
  - ACVA's dealer-to-dealer wholesale is a different customer and economic model from insurance-sourced salvage, and Copart is buying rather than building the capability
  - CPRT buys growth its core business is lacking – CPRT's FY'26 revenue rose +0.4% while net income fell (4.4)%
  - Scales Copart in dealer-to-dealer wholesale, an adjacency it serves today at only about 25 of its ~250 facilities

ACV Auctions Valuation

$mm, except multiples	Metric	Multiple
Price per Share	$10.50	
Equity Value	$1,900	
Enterprise Value	$1,863	
EV / LTM 2Q26 Revenue	$801	2.3x
EV / LTM 2Q26 Adj. EBITDA	$64	29.0x
EV / 2026E Adj. EBITDA	$75	24.8x
Premium to Unaffected Close	45%	
Premium to 30-Day VWAP	41%	
Minimum Tender Condition	>50% of shares	
Company Termination Fee	$57.7mm	

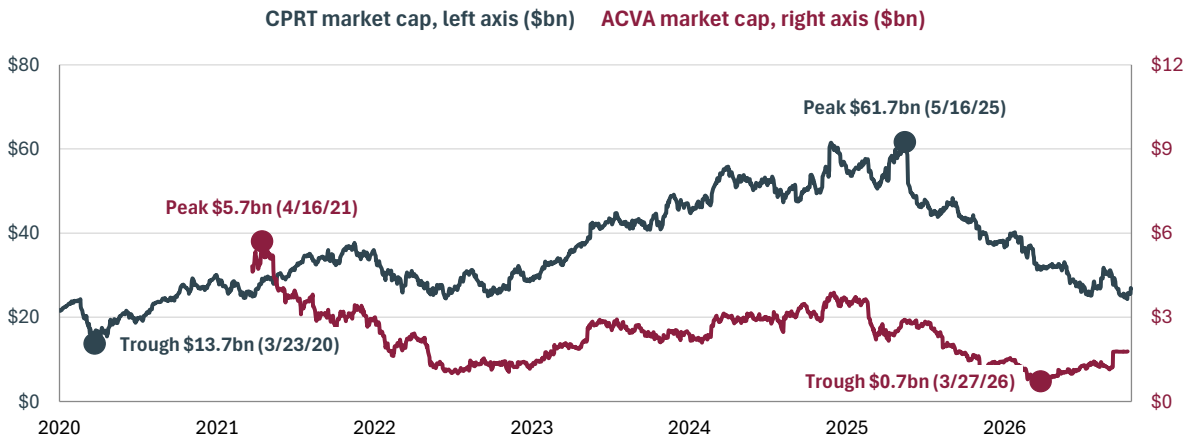
Sources: CPRT and ACVA public filings - merger agreement and press releases dated 9/10/26; ACVA Q2 2026 earnings release

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ACV Auctions - Summary Financials and Business Profile

- ACV went public during the stock market euphoria of ’21 at $25 / share ($3.9bn market cap) and peaked at $37 / share on 4/16/21 ($5.7bn market cap)
  - **The market cap at the IPO was 18.5x ’20 revenue, and trailing 12 months Adj. EBITDA was a loss of $(31)mm**
- ACV’s stock rode a used-vehicle boom (’21 revenue +72%, +16% above its first guidance); growth then fell to +18% in ’22 as demand normalized and the stock dropped (56)%
- ACV beat and raised guidance in ’21, ’23 and ’24 but cut it in ’22 and ’25 as wholesale volumes weakened (tight supply, soft retail demand, falling prices, dealers keeping trade-ins)
- Despite turning Adj. EBITDA positive ($28mm ’24, $64mm LTM Jun-26), the stock fell another (63)% in ’25 as ’25 Adj. EBITDA guidance fell to $56-58mm from $65-75mm
- Since 1/2/20, Copart’s stock rose 4.3x to a record $63.84 on 5/16/25 (P/E ~23x to ~45x), then fell (55)% to $29.00 by Oct-26 (P/E ~18x) on lower insurance volumes and IAA competition

Copart vs ACVA Market Capitalization Over Time



ACVA Financials

