

Copart and ACV: How Much Integration After the Deal?

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Case convention: The proposed Copart-ACV transaction remained pending and subject to closing conditions at the cutoff. The integration decision below is a hypothetical, conditional post-close exercise. It does not describe a decision already made by Copart, ACV, either board, or their employees.

The choice ahead

On September 10, 2026, Copart agreed to acquire ACV Auctions for \$10.50 per share in cash, an announced equity value of approximately \$1.9 billion. Copart's presentation described revenue and cost synergies, projected earnings-per-share neutrality in the first full year and accretion beginning in fiscal 2028, and said ACV would remain an independent subsidiary under its existing leadership. Those are management projections and a proposed operating structure; neither the deal nor its expected benefits had been realized by September 29. [CPRT-2; CPRT-3, slide 1]

The transaction was still conditional. Copart and ACV had withdrawn and refiled their U.S. antitrust notifications on September 28 to give regulators additional review time. ACV's September 29 filing said the waiting period was then expected to expire on October 13, subject to early termination or extension. The companies had not reported a closing by the case cutoff. [ACV-3]

Assume for this exercise that the transaction later closes. Copart's integration leaders must then recommend how the two platforms should work together. Should Copart rapidly connect dealer inventory, buyer access, data, transport and facilities? Should it preserve ACV as a distinct dealer-wholesale platform and connect only selected services? Or should it begin with limited, measurable pilots and expand only where customer and operating evidence supports integration?

The public record does not establish which option Copart selected. Your task is to recommend a conditional post-close approach, specify what should remain distinct, and identify the evidence that would justify expanding or reversing course.

Two businesses serving different vehicle markets

Copart operates an internet-based vehicle auction and processing business. Its VB3 platform supports sales on behalf of insurers, dealers, rental companies, banks, fleets and other sellers. It sells principally to dismantlers, rebuilders, repair businesses, used-vehicle dealers, exporters and the public. Most of its transactions are agency sales: sellers generally retain ownership until a vehicle sells, while Copart earns service revenue from auction and related services. The company also reports vehicle sales for transactions in which it acts as principal. [CPRT-1, Item 1, pp. 2, 8; Note 1, p. 62]

Insurance companies supplied 79% of Copart's processed units in fiscal 2026. The company reported more than four million vehicles sold annually and about one million members or buyers on its global platform. These figures describe scale, but "members" is not the same measure as an active transacting buyer. Copart's largest customer represented less than 10% of revenue. [CPRT-1, Item 1, "Sales" and "Members," pp. 11-13]

ACV focuses on wholesale vehicles sold by dealers and commercial partners. Its online marketplace combines auctions with vehicle inspections and data products, transportation, financing and seller-assurance offerings. ACV reported 829,276 Marketplace Units and \$10.4 billion in marketplace gross merchandise value for calendar 2025, generated by 22,062 active buyers and 14,905 active sellers. ACV counts units that reach sold status even if a transaction is later unwound; active buyers and sellers must have transacted within the previous 12 months. The definitions and period differ from Copart's member and processed-unit measures. [ACV-1, Item 1 and "Key Operating and Financial Metrics," pp. 5-11]

Copart's acquisition presentation called the businesses complementary. It argued that Copart's physical network could support ACV and that ACV could bring dealer relationships, inspection technology and data. The presentation also estimated substantial U.S. dealer and commercial vehicle flows. Those market estimates, location claims and anticipated synergies are Copart's framing; the filing does not independently validate them or disclose customer-level overlap and conversion. [CPRT-3, slides 4, 6-8]

A strong base and a limited public view of the economics

Copart reported \$4.666 billion in fiscal 2026 revenue: \$3.970 billion of service revenue and \$697 million of vehicle sales. Operating income was \$1.653 billion and net income attributable to Copart was \$1.484 billion. Revenue was slightly higher than in fiscal 2025, while operating and net income were lower. The U.S. segment generated \$3.807 billion in revenue and \$1.419 billion in operating income; International generated \$859 million and \$234 million, respectively. [CPRT-1, Consolidated Statements of Income, p. 58; Note 14, p. 79]

Copart ended the year with \$1.908 billion of cash, cash equivalents and restricted cash, and \$2.582 billion of held-to-maturity securities. These categories do not all represent unrestricted cash available for an acquisition. Copart said the purchase would be cash financed, but the public information here does not show a post-close liquidity plan or the amount of capital that could be committed to integration. [CPRT-1, Consolidated Balance Sheets, p. 57; CPRT-3, slide 1]

ACV reported calendar-2025 revenue of \$760 million, a GAAP net loss of \$66 million, and adjusted EBITDA of \$58.8 million. Adjusted EBITDA is a non-GAAP measure, and ACV's calendar year does not align with Copart's July fiscal year. The reported figures do not reveal the combined company's customer overlap, vehicle-level economics, cross-selling conversion, integration costs or incremental returns from shared facilities. [ACV-1, financial statements and non-GAAP reconciliation]

The integration tension

Joining the networks could extend the range of vehicles presented to buyers and sellers, raise the use of some facilities, and connect ACV inspection or valuation tools to a broader platform. More participating buyers can make a marketplace more attractive to sellers, and more attractive inventory can bring in buyers. But reach alone does not show that the right buyers will bid on a particular vehicle or that a sale will complete.

The companies also serve distinct customer needs. Insurance salvage auctions involve damaged, recovered or non-repairable vehicles and extensive physical handling. ACV's platform centers on used vehicles sold by dealers and commercial partners, with inspection information important to remote bidding. Copart could connect selected infrastructure while keeping dealer-facing services, inspection standards, data access and ACV leadership distinct. It could also move faster across buyer accounts, pricing or platform technology to capture scale. Each design carries choices about customer trust, information, service quality, cost and execution.

Research on two-sided platforms suggests that participation and the way platform charges fall on buyers and sellers both affect marketplace economics. Auto-auction research finds that vehicle information and auction rules can shape bidder beliefs and outcomes in its particular setting. Research on online marketplaces also highlights search and transaction frictions. These studies offer questions for Copart to test; their estimates are not forecasts for Copart or ACV. [LIT-A1, pp. 990-999, 1006-1008; LIT-A2, empirical and counterfactual sections; LIT-A3, tables 3-4]

The company disclosures leave important questions unanswered. They do not report customer-level overlap, cross-platform conversion, distinct contribution by service or customer cohort, ACV condition-report dispute rates, or spare capacity by location and transport route. Nor do they quantify the integration investment behind the projected synergies. Larger customer counts or gross merchandise value would not by themselves establish improved auction liquidity, seller returns or profit.

Decision memo

Assume the deal closes. Recommend a post-close integration design: connect the businesses quickly, preserve them as separate operating platforms, or use staged pilots. Identify which assets, customer relationships, information and processes should be integrated first and which should remain distinct. Explain the strongest argument against your recommendation.

Set out a short evidence plan. Specify measures that would show whether an integration step adds value—for example, completed transactions by vehicle and customer cohort, repeat buyer and seller participation, price realization net of costs, time to sale, transaction unwind and dispute rates, transport and storage cost, or location capacity utilization. Name conditions that would lead you to expand, pause or reverse a pilot. Do not assume the platforms share buyer definitions, customer economics or operating costs.

The assignment is hypothetical. Copart has not disclosed a fixed investment pool, a detailed post-close integration plan or the measures proposed here. Treat the deal and all synergy estimates as conditional; do not use information after September 29, 2026.

Sources

CPRT-1. Copart, Inc., [FY2026 Form 10-K](#), year ended July 31, 2026; filed September 29, 2026.

CPRT-2. Copart, Inc., [Form 8-K and merger agreement exhibits](#), September 10, 2026.

CPRT-3. Copart, [Investor Presentation](#), filed as Exhibit 99.2 to CPRT-2, September 10, 2026.

ACV-1. ACV Auctions Inc., [FY2025 Form 10-K](#), year ended December 31, 2025; filed February 23, 2026.

ACV-3. ACV Auctions Inc., [Schedule 14D-9, Amendment No. 1](#), filed September 29, 2026.

LIT-A1. Rochet and Tirole (2003), "Platform Competition in Two-Sided Markets," *Journal of the European Economic Association* 1(4), 990-1029.

LIT-A2. Guan and Xu (2026), "Reserve Price Signaling With Public Information: Evidence From Online Auto Auctions," *RAND Journal of Economics* 57(1), 245-266.

LIT-A3. Yoshimoto and Nakabayashi (2019), "Search and resale frictions in a two-sided online platform: A case of multi-use assets," *Journal of Economic Behavior & Organization* 162, 85-105.