

# ModernGraham Valuation

Company Name:

AutoZone, Inc.

Company Ticker AZO

Date of Analysis

2/28/2018



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$18,182,097,324	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.98	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	169.66%	Pass
5. Earnings Growth	PEmg < 20	16.60	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-13.93	Fail
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.98	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-41.71	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$40.04
MG Growth Estimate	7.90%
<b>MG Value</b>	<b>\$973.47</b>
MG Value based on 3% Growth	\$580.64
MG Value based on 0% Growth	\$340.37
Market Implied Growth Rate	4.05%

### MG Opinion

Current Price	\$664.72
% of Intrinsic Value	68.28%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

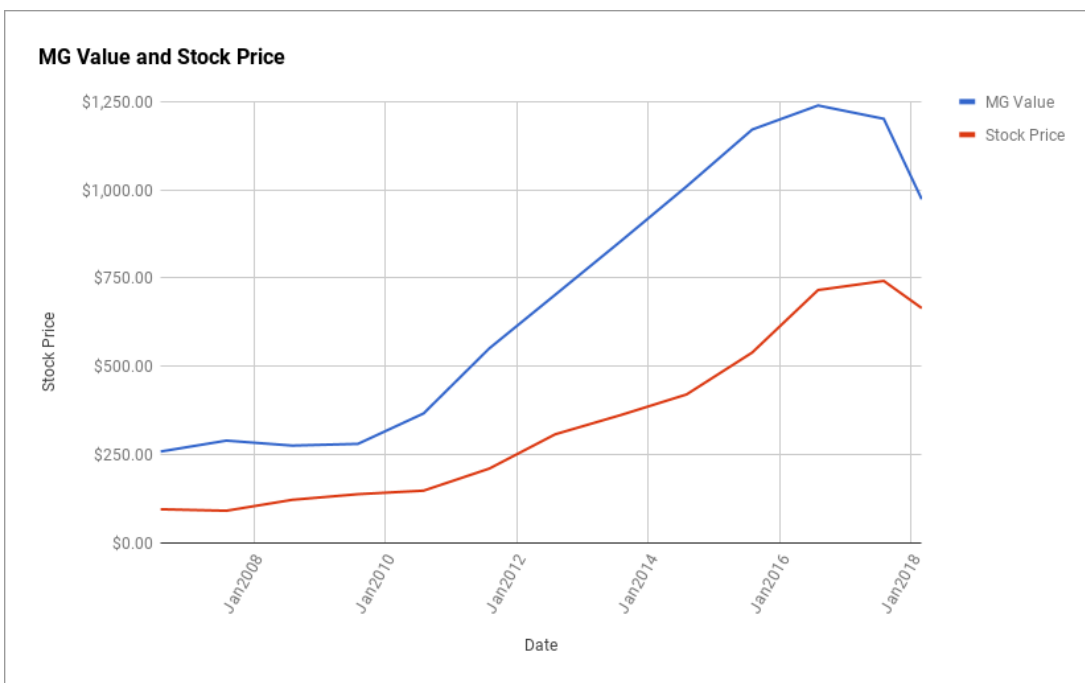
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$211.89
Graham Number	\$0.00
PEmg	16.60
Current Ratio	0.98
PB Ratio	-13.93
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Aug2017	\$39.73	Aug2017	\$40.04
Aug2016	\$44.07	Aug2016	\$38.81
Aug2015	\$40.70	Aug2015	\$34.76
Aug2014	\$36.03	Aug2014	\$30.42
Aug2013	\$31.57	Aug2013	\$26.22
Aug2012	\$27.79	Aug2012	\$22.20
Aug2011	\$23.48	Aug2011	\$18.25
Aug2010	\$19.47	Aug2010	\$14.74
Aug2009	\$14.97	Aug2009	\$11.76
Aug2008	\$11.73	Aug2008	\$9.77
Aug2007	\$10.04	Aug2007	\$8.52
Aug2006	\$8.53	Aug2006	\$7.51
Aug2005	\$7.50	Aug2005	\$6.71
Aug2004	\$7.18	Aug2004	\$5.85
Aug2003	\$6.56	Aug2003	\$4.75
Aug2002	\$5.34	Aug2002	\$3.53
Aug2001	\$4.00	Aug2001	\$2.46
Aug2000	\$1.54	<b>Balance Sheet Information 1/1/2018</b>	
Aug1999	\$2.00	Total Current Assets	\$4,826,307,000
Aug1998	\$1.63	Total Current Liabilities	\$4,947,228,000
	\$1.48	Long-Term Debt	\$5,043,541,000
		Total Assets	\$9,403,719,000
		Intangible Assets	\$0
		Total Liabilities	\$10,734,266,000
		Shares Outstanding (Diluted Average)	27,882,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[Autozone Inc Valuation – June 2016 \\$AZO](#)  
[AutoZone Inc. Annual Valuation – 2015 \\$AZO](#)

Other  
ModernGraham  
posts about related  
companies

[Thor Industries Inc Valuation – Initial Coverage \\$THO](#)  
[Titan International Inc Valuation – Initial Coverage \\$TWI](#)  
[Harley-Davidson Inc Valuation – August 2017 \\$HOG](#)  
[Wabash National Corp Valuation – Initial Coverage \\$WNC](#)  
[Advance Auto Parts Inc Valuation – August 2017 \\$AAP](#)  
[Fox Factory Holding Corp Valuation – Initial Coverage \\$FOXF](#)  
[Monro Muffler Brake Inc Valuation – Initial Coverage \\$MNRO](#)  
[Group 1 Automotive Inc Valuation – Initial Coverage \\$GPI](#)  
[Dana Inc Valuation – Initial Coverage \\$DAN](#)  
[Linamar Corp Valuation – Initial Coverage \\$TSE:LNR](#)