

ModernGraham Valuation

Company Name:

AutoZone, Inc.

Company Ticker AZO

Date of Analysis

1/1/2019



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	\$21,130,360,376	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.72	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	210.15%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	94.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.15	Fail

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	0.72	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-40.50	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.83
MG Growth Estimate	15.00%
MG Value	\$339.80
MG Value based on 3% Growth	\$127.98
MG Value based on 0% Growth	\$75.02
Market Implied Growth Rate	43.24%

MG Opinion

Current Price	\$838.34
% of Intrinsic Value	246.71%
Opinion	Overvalued
MG Grade	F

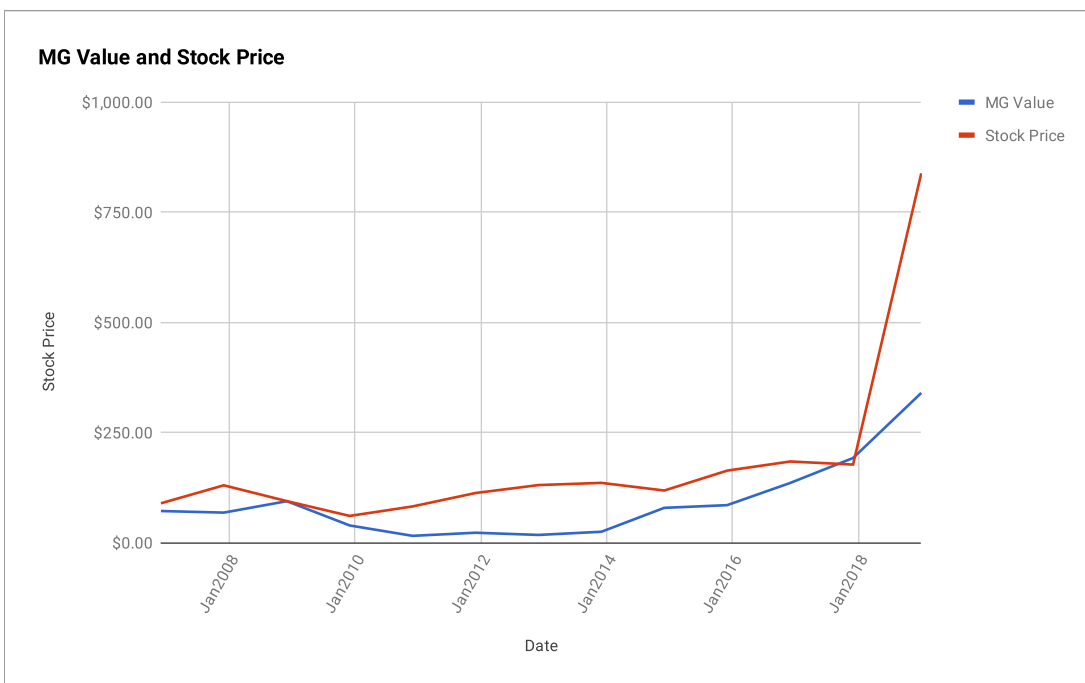
Stage 3: Information for Further Research

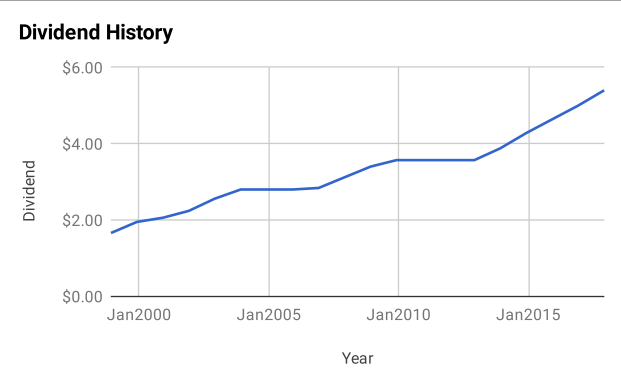
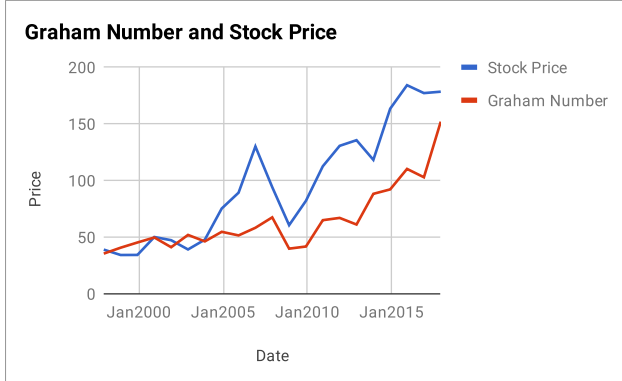
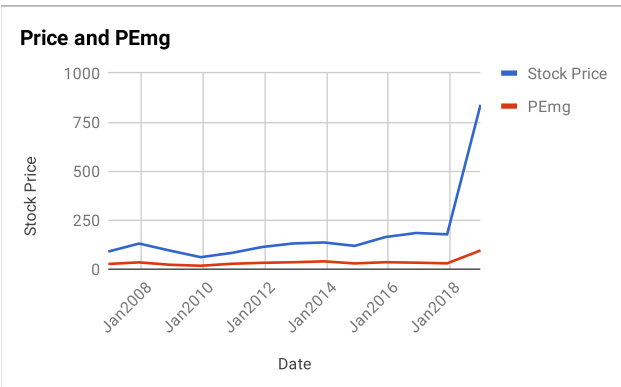
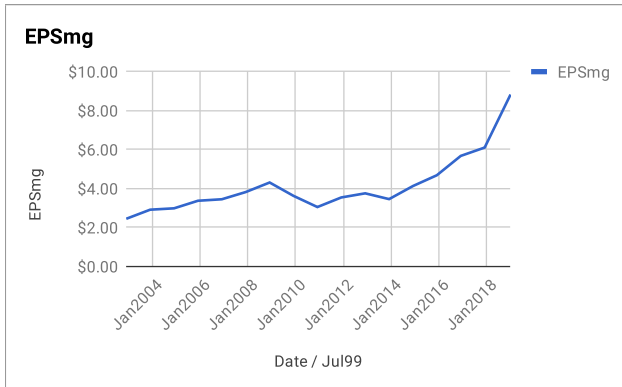
Net Current Asset Value (NCAV)	-\$56.29
Graham Number	\$151.94
PEmg	94.99
Current Ratio	0.72
PB Ratio	11.15
Current Dividend	\$5.68
Dividend Yield	0.68%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$13.64	Next Fiscal Year Estimate	\$8.83
Dec2017	\$6.35	Dec2017	\$6.10
Dec2016	\$7.52	Dec2016	\$5.68
Dec2015	\$5.51	Dec2015	\$4.68
Dec2014	\$5.21	Dec2014	\$4.13
Dec2013	\$2.78	Dec2013	\$3.46
Dec2012	\$4.32	Dec2012	\$3.75
Dec2011	\$4.87	Dec2011	\$3.54
Dec2010	\$2.07	Dec2010	\$3.05
Dec2009	\$1.93	Dec2009	\$3.62
Dec2008	\$5.17	Dec2008	\$4.31
Dec2007	\$4.38	Dec2007	\$3.82
Dec2006	\$3.42	Dec2006	\$3.45
Dec2005	\$4.05	Dec2005	\$3.37
Dec2004	\$2.92	Dec2004	\$2.99
Dec2003	\$3.73	Dec2003	\$2.91
Dec2002	\$2.23	Dec2002	\$2.45
Dec2001	\$3.02	Balance Sheet Information 9/1/2018	
Dec2000	\$2.53	Total Current Assets	\$478,342,000
Dec1999	\$2.03	Total Current Liabilities	\$664,357,000
Dec1998	\$1.84	Long-Term Debt	\$7,533,228,000
		Total Assets	\$18,662,119,000
		Intangible Assets	\$0
		Total Liabilities	\$8,264,721,000
		Shares Outstanding (Diluted Average)	138,323,000





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 – February 2018 \\$AZO](#)
[Autozone Inc Valuation – June 2016 \\$AZO](#)
[AutoZone Inc. Annual Valuation – 2015 \\$AZO](#)

Other ModernGraham posts about related companies
[Linamar Corp Valuation – October 2018 \\$TSE-LNR](#)
[AutoNation Inc Valuation – September 2018 \\$AN](#)
[Superior Industries International Inc Valuation – August 2018 \\$SUP](#)
[Lydall Inc Valuation – August 2018 \\$LDL](#)
[Lithia Motors Inc Valuation – August 2018 \\$LAD](#)
[Carlisle Companies Inc Valuation – August 2018 \\$CSL](#)
[Delphi Technologies PLC Valuation – August 2018 \\$DLPH](#)
[Cooper-Standard Holdings Inc Valuation – August 2018 \\$CPS](#)
[Copart Inc Valuation – August 2018 \\$CPRT](#)
[Standard Motor Products Inc Valuation – August 2018 \\$SMP](#)