ModernGraham Valuation

Company Name:

CarMax, Inc

Company Ticker KMX Date of Analysis

2/19/2019

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,521,581,923 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.50 Pass
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 5. Earnings Growth 143.19% Pass 6. Moderate PEmg Ratio PEmg < 20 16.62 Pass PB Ratio < 2.5 OR PB*PEmg < 50 7. Moderate Price to Assets 3.16 Fail

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

 Sufficiently Strong Financial Condition Current Ratio > 1.5 2.50 Pass 2. Sufficiently Strong Financial Condition Debt to NCA < 1.1 7.09 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 Pass

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.72
MG Growth Estimate	10.27%
MG Value	\$108.09
MG Value based on 3% Growth	\$53.96
MG Value based on 0% Growth	\$31.63
Market Implied Growth Rate	4.06%

MG Opinion

Current Price \$61.86 % of Intrinsic Value 57.23%

Opinion Undervalued MG Grade

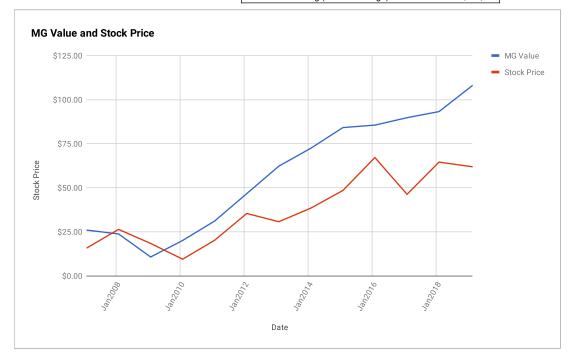
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$67.90
Graham Number	\$43.56
PEmg	16.62
Current Ratio	2.50
PB Ratio	3.16
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus** SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	04.57	Nort Fire al Vana Fating to	00.7
Estimate	*	Next Fiscal Year Estimate	\$3.7
Feb2018	\$3.60	Feb2018	\$3.1
Feb2017	\$3.26	Feb2017	\$2.8
Feb2016	\$3.03	Feb2016	\$2.5
Feb2015	\$2.73	Feb2015	\$2.2
Feb2014	\$2.16	Feb2014	\$1.8
Feb2013	\$1.87	Feb2013	\$1.6
Feb2012	\$1.79	Feb2012	\$1.3
Feb2011	\$1.65	Feb2011	\$1.1
Feb2010	\$1.26	Feb2010	\$0.8
Feb2009	\$0.27	Feb2009	\$0.6
Feb2008	\$0.83	Feb2008	\$0.7
Feb2007	\$0.92	Feb2007	\$0.6
Feb2006	\$0.63	Feb2006	\$0.5
Feb2005	\$0.48	Feb2005	\$0.4
Feb2004	\$0.55	Feb2004	\$0.4
Feb2003	\$0.46	Feb2003	\$0.3
Feb2002	\$0.44	Balance Sheet Information	11/1/201
Feb2001	\$0.23	Total Current Assets	\$3,057,419,00
Feb2000	\$0.01	Total Current Liabilities	\$1,224,873,00
Feb1999	-\$0.12	Long-Term Debt	\$12,989,406,00
		Total Assets	\$18,396,812,00
		Intangible Assets	\$
		Total Liabilities	\$14,961,699,00
		Shares Outstanding (Diluted Average)	175,321,00





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 CarMax Inc Valuation – April 2018 \$KMX
CarMax Inc Valuation – November 2016 \$KMX
Carmax Inc Valuation – August 2016 \$KMX
CarMax Inc. Annual Valuation – 2015 \$KMX
16 Companies in the Spotlight this Week – 4/19/14

Other ModernGraham posts about related companies Ford Motor Co Valuation – February 2019 \$F
General Motors Co Valuation – February 2019 \$GM

O'Reilly Automotive Inc Valuation – February 2019 \$ORLY
Goodyear Tire & Rubber Co Valuation – January 2019 \$GT
Genuine Parts Co Valuation – January 2019 \$GPC

Autozone Inc Valuation – January 2019 \$AZO 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