

ModernGraham Valuation

O'Reilly Automotive
Inc



Company Name:

Company Ticker ORLY

Date of Analysis

2/3/2019

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	\$27,776,062,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.91	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	343.42%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.57	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	56.64	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	0.91	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.20	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$12.58
MG Growth Estimate	15.00%
MG Value	\$484.20
MG Value based on 3% Growth	\$182.36
MG Value based on 0% Growth	\$106.90
Market Implied Growth Rate	9.54%

MG Opinion

Current Price	\$346.75
% of Intrinsic Value	71.61%
Opinion	Undervalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$47.12
Graham Number	\$52.84
PEmg	27.57
Current Ratio	0.91
PB Ratio	56.64
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

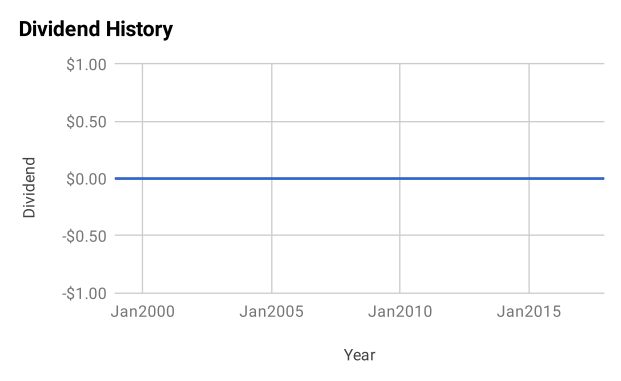
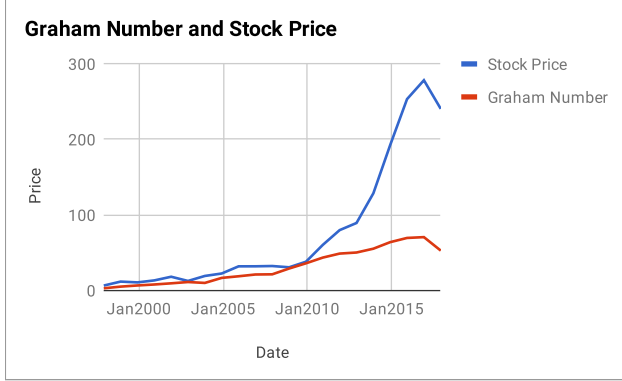
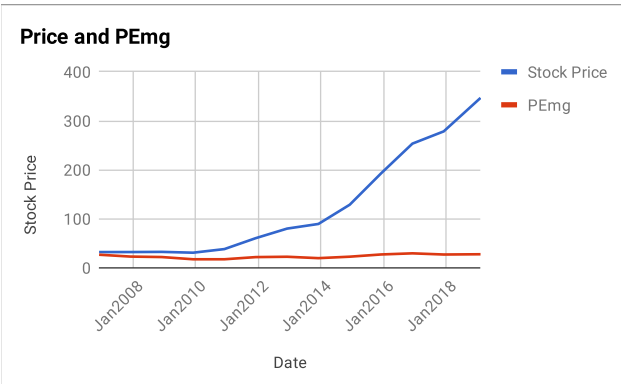
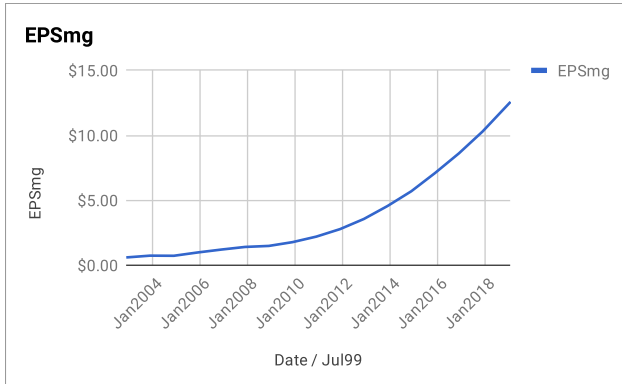
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$16.02	Next Fiscal Year Estimate	\$12.58
Dec2017	\$12.67	Dec2017	\$10.30
Dec2016	\$10.73	Dec2016	\$8.61
Dec2015	\$9.17	Dec2015	\$7.10
Dec2014	\$7.34	Dec2014	\$5.70
Dec2013	\$6.03	Dec2013	\$4.56
Dec2012	\$4.75	Dec2012	\$3.56
Dec2011	\$3.71	Dec2011	\$2.78
Dec2010	\$2.95	Dec2010	\$2.20
Dec2009	\$2.23	Dec2009	\$1.78
Dec2008	\$1.48	Dec2008	\$1.48
Dec2007	\$1.67	Dec2007	\$1.40
Dec2006	\$1.55	Dec2006	\$1.20
Dec2005	\$1.45	Dec2005	\$0.98
Dec2004	\$0.63	Dec2004	\$0.72
Dec2003	\$0.92	Dec2003	\$0.73
Dec2002	\$0.77	Dec2002	\$0.60
Dec2001	\$0.63	Balance Sheet Information 9/1/2018	
Dec2000	\$0.50	Total Current Assets	\$3,560,031,000
Dec1999	\$0.46	Total Current Liabilities	\$3,905,081,000
Dec1998	\$0.18	Long-Term Debt	\$3,174,327,000
		Total Assets	\$7,894,714,000
		Intangible Assets	\$832,750,000
		Total Liabilities	\$7,396,335,000
		Shares Outstanding (Diluted Average)	81,410,000





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**
- [O'Reilly Automotive Inc Valuation – April 2018 \\$ORLY](#)
 - [O'Reilly Automotive Inc Valuation – July 2016 \\$ORLY](#)
 - [O'Reilly Automotive Inc. Annual Valuation – 2015 \\$ORLY](#)
 - [16 Companies in the Spotlight this Week – 4/19/14](#)
 - [O'Reilly Automotive Inc. \(ORLY\) Annual Valuation – 2014](#)

- Other ModernGraham posts about related companies**
- [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](#)
 - [Lithia Motors Inc Valuation – August 2018 \\$LAD](#)
 - [Carlisle Companies Inc Valuation – August 2018 \\$CSL](#)
 - [Delphi Technologies PLC Valuation – August 2018 \\$DLPH](#)