

Copart, Inc. (CPRT)

\$39.30 (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$41.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/04/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: C

Value: D

Growth: A

Momentum: F

Summary

Copart enjoys a leadership position in the automotive auction market, commanding roughly 40% of the market share. Salvage auction volumes are projected to remain elevated as more miles are driven and collision rates climb. Aging vehicles and costly high-tech parts make repairs less economical, prompting insurers to declare total losses more frequently, which is likely to benefit Copart. However, operating costs have been on the rise for several quarters, which may weigh on near-term margins. The company depends on small group of vehicle sellers for a significant share of its revenue and any loss of a major seller could materially harm its results, financial position, and future revenue growth. As such, the stock warrants a cautious stance for the time being.

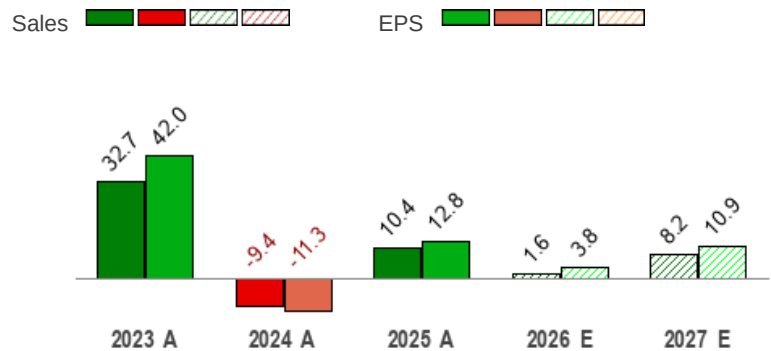
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$63.85 - \$38.18
20 Day Average Volume (sh)	8,007,216
Market Cap	\$38.0 B
YTD Price Change	-31.5%
Beta	1.12
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Auction and Valuation Services
Zacks Industry Rank	Bottom 8% (223 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	2.5%
Last Sales Surprise	-2.6%
EPS F1 Est- 4 week change	-1.2%
Expected Report Date	02/19/2026
Earnings ESP	-5.9%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1,221 E				5,112 E
2026	1,155 A	1,152 E	1,240 E	1,176 E	4,723 E
2025	1,147 A	1,163 A	1,212 A	1,125 A	4,647 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	0.43 E				1.83 E
2026	0.41 A	0.40 E	0.44 E	0.40 E	1.65 E
2025	0.37 A	0.40 A	0.42 A	0.41 A	1.59 A

*Quarterly figures may not add up to annual.

P/E TTM	24.0
P/E F1	27.9
PEG F1	3.8
P/S TTM	8.2

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/26/2025.

(2) The report's text and the price target are as of 11/28/2025.

Overview

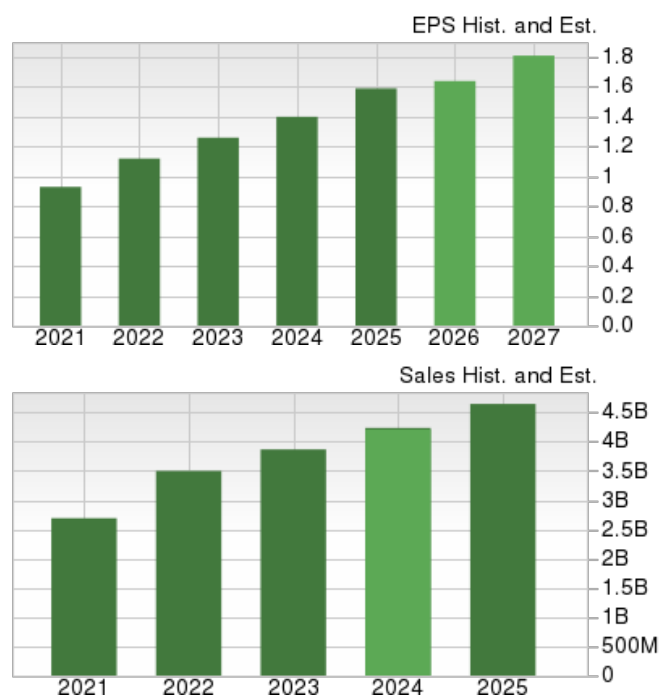
Based in Dallas, TX, Copart, Inc. was founded in 1982. The company provides an online auction of salvage and clean-title vehicles. It also offers a wide range of remarketing services. This is done mainly over the Internet, through its Virtual Bidding Third Generation (VB3) Internet auction-style sales technology. Sellers are primarily insurance companies, banks, financial institutions, charities, car dealerships, fleet operators and vehicle rental companies. Buyers include licensed vehicle dismantlers, rebuilders, repair licensees, used vehicle dealers and exporters, as well as the general public.

Copart's services include online supplier access, salvage estimation services, end-of-life vehicle processing, transportation services, vehicle inspection stations, on-demand reporting, title processing and procurement, among others.

The company primarily has two revenue streams: service revenues and purchased vehicles. Service revenues come from Copart acting as an intermediary in vehicle sales. In these cases, Copart does not own the vehicles; instead, it facilitates the auction process through the platform. The company earns money by charging fees for the services provided during the auction. Purchased vehicle revenues are generated when Copart buys vehicles outright, takes ownership and then sells them at a higher price. The profit comes from the difference between the purchase price and the marked-up selling price.

In fiscal year 2025, service revenues constituted 85.4% of the company's total revenues, while vehicle sales accounted for the remaining 14.6%.

With operations at more than 250 locations in 11 countries, Copart has over 265,000 vehicles available online every day. In the United States, Canada, Brazil, the Republic of Ireland, Finland, the U.A.E., Oman and Bahrain, Copart sells vehicles primarily as an agent and earns revenues from auction-related sales transaction fees paid by vehicle suppliers and buyers, as well as the associated fees for services following the auction, such as delivery and storage. In the United Kingdom, Spain and Germany, it operates both as agent and principal. In Germany and Spain, Copart also generates revenues from sales listing fees for listing vehicles on behalf of insurance companies and insurance experts.



As of 12/26/2025



As of 12/26/2025

Reasons To Buy:

- ▲ Copart enjoys a **leadership position in the automotive auction market**, commanding roughly 40% of the market share. The company's competitiveness is supported by its multiple locations (both domestic and international), the size of new facilities and the differentiated digital-first global auction platform. Copart also benefits from strong auction liquidity, with international buyers purchasing about 40% of U.S. vehicles and contributing nearly half of auction proceeds. Additionally, average selling prices (ASPs) for insurance vehicles rose 6.8% globally and 8.4% in the United States. Copart's revenues look poised for an upward trajectory thanks to its large scale, solid market leadership, rising ASPs and continued expansion efforts.
- ▲ **Salvage auction volumes are projected to remain elevated** as more miles are driven and collision rates climb. Aging vehicles and costly high-tech parts make repairs less economical, prompting insurers to declare total losses more frequently. This trend benefits companies like Copart, which earns a fixed fee per vehicle sold, regardless of price. Total loss frequency continued to rise, reaching 22.6% in the last reported quarter. As total loss rates rise, Copart's revenues are expected to grow, driven by predictable, fee-based income. Though individual scrapped vehicles may not yield high profits, the steady volume of transactions supports strong financial performance for salvage auction players.
- ▲ The **acquisition of Purple Wave**, an online off-site heavy equipment auction company, is a positive development. Copart has built a community of buyers and sellers at Purple Wave and continues to invest in its capabilities. Within Purple Wave's current markets, there are enough growth opportunities to attract new sellers and provide additional equipment to existing sellers. Purple Wave's gross transaction value has increased by more than 10% over the past year, surpassing overall industry performance. This momentum highlights strong buyer participation in the company's newer markets, the expansion of its enterprise customer base, and continued high demand for heavy equipment.
- ▲ **The growth in WholeCar/BluCar vehicles** augurs well. These vehicles originate from fleet, rental and finance companies and are typically in better shape than the damaged units Copart sells for insurers. These vehicles enter Copart's inventory when fleet operators refresh their lineup, rental companies rotate their stock, or when a lease ends or a borrower defaults on payments. BluCar grew 15.3% year over year in fiscal 2025, continuing its strong trend.
- ▲ The firm's strong **balance sheet** with no leverage and high liquidity provides it with financial flexibility. At the end of September 2025, the company had \$6.5 billion of liquidity, including \$5.2 billion in cash and investments.

Market leadership is enhanced through digital platforms, auction liquidity and increased ASP. Increase in total loss rate and balance sheet strength remain major tailwinds for Copart.

Reasons To Sell:

- ▼ Operating costs have been on the rise for several quarters, amid **increasing G&A expenditures**. In the latest quarter, G&A spend reached \$92.3 million, up 1.4% year over year. These costs are expected to continue rising as the company continues to invest in sales, marketing, technology and operations, which may weigh on near-term margins.
- ▼ There is a **downside to technological advancement**. While it is currently a driving factor for the salvage auto auction industry, as high repair costs for superior parts are resulting in increased total loss frequency by insurers. However, as safety technology and driverless technology improve over the years, there may be a downward trend in the frequency of collisions. This could impact Copart's inventory levels, which, in turn, will hamper revenue growth.
- ▼ **A small group of vehicle sellers has historically provided a significant share of Copart's revenue**, even though no single seller contributed more than 10% in fiscal 2023–2025. Past terminations of seller agreements have reduced revenue in affected markets, and there is no guarantee that current agreements will continue or that new ones will be secured. Any loss of a major seller, unfavorable changes in terms, or inability to grow the company's vehicle supply could materially harm its results, financial position, and future revenue growth.
- ▼ The company faces **strong competition** from remarketers of salvage and non-salvage vehicles for contracts, supply agreements and storage facilities. Key competitors include vehicle auctioneers, like Ritchie Bros. (and subsidiary Insurance Auto Auctions), Carvana, Openlane, Manheim and ACV Auctions, as well as dismantlers like LKQ Corporation. LKQ and groups such as the American Recycling Association often bypass remarketers by purchasing directly from insurers. Internationally, competitors include auction companies, dismantlers and independent remarketers.

High expenditure on long-term goals is likely to limit Copart's margins and cash flows.

Last Earnings Report

Copart Q1 Earnings Surpass Expectations

Copart reported first-quarter fiscal 2026 (ended Oct. 31, 2025) adjusted earnings per share of 41 cents, which beat the Zacks Consensus Estimate of 40 cents. The bottom line increased 10.8% year over year. The online auto auction leader generated revenues of \$1.16 billion, missing the Zacks Consensus Estimate of \$1.19 billion. The top line, however, rose 0.7% from the year-ago reported figure.

Key Tidbits

Copart's fiscal first-quarter service revenues were \$991.8 million, which increased from \$986.3 million recorded in the year-ago period. However, the figure missed the Zacks Consensus Estimate of \$1.02 billion. Service revenues accounted for 85.9% of total revenues.

Vehicle sales totaled \$163.2 million in the quarter, which rose from the prior-year quarter's \$160.5 million and topped the Zacks Consensus Estimate of \$149 million.

While facility operations expenses declined 4.5% year over year to \$427.2 million, the cost of vehicle sales rose 2.4% to \$141.5 million. Facility depreciation and amortization came in at \$47.4 million, down 0.2% year over year. Facility stock-based compensation increased 6.1% to \$1.94 million.

Gross profit was up 4.9% year over year to \$537 million. General and administrative expenses rose 1.4% from the prior-year quarter to \$92.3 million. Total operating expenses fell 2.2% to \$724.3 million.

Operating income rose to \$430.7 million from \$406.4 million recorded in the year-ago quarter. Net income also grew 11.4% year over year to \$402.2 million.

Copart had cash, cash equivalents and restricted cash of \$5.2 billion as of Oct. 31, 2025, compared with \$2.78 billion as of July 31, 2025.

Net cash from operating activities and capex during the first three months of fiscal 2026 totaled \$535.2 million and \$108 million, respectively.

FY Quarter Ending **7/31/2025**

Earnings Reporting Date	Nov 20, 2025
Sales Surprise	-2.55%
EPS Surprise	2.50%
Quarterly EPS	0.41
Annual EPS (TTM)	1.64

Valuation

Copart's shares are down 24.6% and 38.9% over the past six months and in the trailing 12-month period, respectively. Stocks in the Zacks Auction and Valuation Services industry and the Zacks Auto-Tires-Trucks sector are down 25.3% and up 15.9%, respectively, over the past six months. Over the past year, the Zacks sub industry and sector are down 39.9% and up 16.5%, respectively. The S&P 500 index is up 18.1% and 15.9% over the past six months and in the past year, respectively.

The stock is currently trading at 22.26X forward 12-month earnings, which compares to 23.2X for the Zacks sub-industry, 30.69X for the Zacks sector and 23.48X for the S&P 500 index.

Over the past five years, the stock has traded as high as 41.47X and as low as 21.87X, with a 5-year median of 32.59X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$41 price target reflects 23.56X forward 12-month earnings per share.

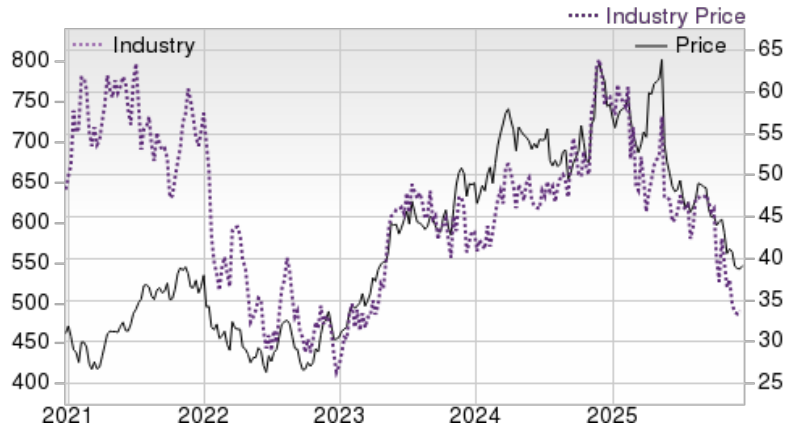
The table below shows summary valuation data for CPRT:

Valuation Multiples - CPRT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.26	23.2	30.69	23.48
	5-Year High	41.47	87.57	32.26	23.81
	5-Year Low	21.87	NA	12.49	15.73
	5-Year Median	32.59	34.57	19.73	21.21
EV/EBITDA TTM	Current	16.61	14.5	24.53	18.54
	5-Year High	32.34	35.34	28.39	22.4
	5-Year Low	15.73	14.5	8.95	13.87
	5-Year Median	25.57	23.85	17.03	17.95
P/S F12M	Current	7.54	6.9	1.5	5.3
	5-Year High	13.55	11.77	1.96	5.52
	5-Year Low	6.59	5.54	0.77	3.83
	5-Year Median	10.41	8.88	1.18	5.04

As of 11/26/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 8% (223 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Autoliv, Inc. (ALV)	Neutral	3
AutoNation, Inc. (AN)	Neutral	3
AutoZone, Inc. (AZO)	Neutral	3
Blue Bird Corporatio...(BLBD)	Neutral	2
Cummins Inc. (CMI)	Neutral	2
Group 1 Automotive, ...(GPI)	Neutral	3
RB Global, Inc. (RBA)	Neutral	4
Sonic Automotive, In...(SAH)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Auction And Valuation Services

	CPRT	X Industry	S&P 500	AN	AZO	RBA
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	3	4
VGM Score	C	-	-	B	C	C
Market Cap	38.04 B	1.19 B	39.21 B	7.71 B	57.14 B	19.59 B
# of Analysts	3	3	22	4	12	2
Dividend Yield	0.00%	0.00%	1.39%	0.00%	0.00%	1.18%
Value Score	D	-	-	B	C	C
Cash/Price	0.14	0.21	0.04	0.01	0.01	0.04
EV/EBITDA	15.52	6.59	14.70	7.96	15.46	15.45
PEG Ratio	3.83	2.58	2.24	NA	1.64	2.09
Price/Book (P/B)	3.96	3.94	3.34	3.07	NA	3.57
Price/Cash Flow (P/CF)	21.47	20.11	15.40	8.70	18.52	19.24
P/E (F1)	27.87	24.11	19.90	10.53	23.09	27.45
Price/Sales (P/S)	8.17	2.05	3.12	0.28	2.96	4.33
Earnings Yield	4.17%	4.15%	5.01%	9.49%	4.33%	3.64%
Debt/Equity	0.00	0.00	0.56	1.93	-2.67	0.46
Cash Flow (\$/share)	1.83	0.76	8.98	24.31	186.17	5.48
Growth Score	A	-	-	C	B	B
Hist. EPS Growth (3-5 yrs)	15.45%	15.91%	8.16%	11.79%	12.16%	0.84%
Proj. EPS Growth (F1/F0)	-11.32%	25.86%	8.50%	15.01%	3.11%	10.03%
Curr. Cash Flow Growth	13.97%	-16.17%	6.86%	-23.70%	-1.24%	51.46%
Hist. Cash Flow Growth (3-5 yrs)	19.89%	19.89%	7.48%	10.03%	7.85%	34.67%
Current Ratio	7.94	2.33	1.18	0.79	0.86	1.23
Debt/Capital	0.20%	0.20%	38.01%	65.87%	NA	35.35%
Net Margin	34.24%	-1.73%	12.78%	2.38%	12.78%	9.65%
Return on Equity	17.78%	17.78%	17.00%	31.84%	-65.38%	9.66%
Sales/Assets	0.47	0.57	0.53	2.06	1.02	0.38
Proj. Sales Growth (F1/F0)	-9.40%	1.07%	5.84%	4.00%	8.10%	6.30%
Momentum Score	F	-	-	C	F	D
Daily Price Chg	0.51%	0.47%	0.00%	-0.37%	-0.21%	-0.08%
1 Week Price Chg	1.03%	0.08%	2.32%	-0.45%	-1.55%	0.19%
4 Week Price Chg	1.42%	4.98%	1.75%	0.42%	-13.09%	7.77%
12 Week Price Chg	-11.82%	-15.02%	3.23%	-5.56%	-18.93%	-2.31%
52 Week Price Chg	-33.47%	-18.91%	14.81%	21.81%	6.40%	15.24%
20 Day Average Volume	8,007,216	2,526,706	2,745,060	391,183	176,418	912,888
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-0.05%	0.00%
(F1) EPS Est 4 week change	-1.20%	0.00%	0.00%	0.07%	-1.21%	-2.23%
(F1) EPS Est 12 week change	-4.47%	-2.23%	0.64%	1.26%	-4.62%	-2.51%
(Q1) EPS Est Mthly Chg	-2.88%	-1.45%	0.00%	0.00%	-1.31%	-6.95%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	A
Momentum Score	F
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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