

America's Car Mart (CRMT)

Price:	\$40.53
Market Cap:	\$365,175,300
Cash:	\$400,000
Debt:	\$82,350,000
Net Cash:	-\$81,950,000
Enterprise Value:	\$447,125,300
Target Market Cap:	\$518,068,745
Target Enterprise Value:	\$600,018,745

Price/Book:	1.81
EV/FCF:	61.59
Net Tang. Asset/Share:	\$20.11
Avg. Year 1-5 FCF/Share:	\$3.60
5 Years of FCF:	\$17.99
Net Tang. Asset+5 FCF:	\$38.10

Net Tang. Asset Yr. 5/Share:	\$39.51
Avg. Year FCF/Share:	\$3.60
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$57.50
Gain Year 5:	\$19.40

Net Tang. Asset+5 FCF+ Gain Disposition:	\$57.50
IRR:	7.25%

Assumed Deal Details

Debt	60.00%	\$219,105,180
Equity	40.00%	\$146,070,120
Shares Outstanding		9,010,000

Levered Return

New market cap in 5 years	\$518,068,745
Nominal Gain for Equity	\$152,893,445
Levered Equity Return	15.40%

Business model is similar to mortgage originator+servicer.

The co. buys used cars and resells them to their customers. Typically buy around \$5000 and sell for \$10,000. They also, provide financing for the customers.

So the basic revenue model = Number of cars sold x \$5,000 + Number of cars sold x \$10,000 x (5% interest income - 4% interest expense)

Essentially, product gross margin + net interest model.

10 K states the co. hold 25 - 100 cars in inventory and turnover is 10x and 114 dealerships.

So, we take the min. of 25 cars and assume annually the dealership sells 25x 10, or 250 cars.

If 114 dealerships sells 250 cars/each, then they sell 28,500 cars.

The gross margin is 50%, so 28,500 cars x \$5,000 = **\$145MM**, which is essentially the gross margin from the products.

Assuming all the clients take 100% financing for their purchase, 28,500 cars x \$10,000= \$285MM in financing.

If the interest income is based off a weighted 14% charge, **then interest revenue is \$40MM**, off an annual finance base figure, but with an accumulated outstanding finance base of \$600 - \$700MM from previous years, interest revenue would be north of \$80MM.

Gross margin in 2011 was \$200MM and our calculation accounts for \$185MM, or 92% of GM.

The co. may have faced some pricing pressure with used cars prices creeping up in the past year, but on the other hand, they could have charged more for their cars. The co. has a sustainable business model as they run proprietary credit checks and sell easily affordable cars. They are focused in the Middle South, or Texas area, but could easily expand into other regions.

We love how they have a sense of corporate culture and seek to instill this within their employees, which may create an accretive moat. Also, they plan on growing organically, which means no dilutive goodwill accruing acquisitions.

America's Car-Mart, Inc., a Texas corporation initially formed in 1981 (the "Company"), is the largest publicly held automotive retailer in the United States focused exclusively on the "Integrated Auto Sales and Finance" segment of the used car market. References to the Company include the Company's consolidated subsidiaries. The Company's operations are principally conducted through its two operating subsidiaries, America's Car Mart, Inc., an Arkansas corporation, ("Car-Mart of Arkansas") and Colonial Auto Finance, Inc., an Arkansas corporation, ("Colonial"). Collectively, Car-Mart of Arkansas and Colonial are referred to herein as "Car-Mart." The Company primarily sells older model used vehicles and provides financing for substantially all of its customers. Many of the Company's customers have limited financial resources and would not qualify for conventional financing as a result of limited credit histories or past credit problems. As of April 30, 2012, the Company operated 114 dealerships located primarily in small cities throughout the South-Central United States.

Company Name:	America's Car Mart	Market Capitalization:	\$365,175,300.00	Revenue:	\$439,070,000.00	100.0%
Ticker Symbol:	CRMT	Total Debt:	\$82,350,000.00	Cost of Goods Sold:	\$232,290,000.00	52.9%
Last Price:	\$40.53	Total Cash:	\$400,000.00	Gross Profit:	\$206,780,000.00	47.1%
Net Cash/Share:	-\$9.10	Net Cash/(Debt):	-\$81,950,000.00	EBITDA:	\$56,910,000.00	13.0%
Net Cash to Last Price:	-22.44%	Enterprise Value:	\$447,125,300.00	Net Income:	\$32,300,000.00	7.4%
Shares Outstanding:	9,010,000	Current EV/Share:	\$49.63			
Industry:	Auto & Truck Dealerships	EBITDA:	\$59,730,000.00			
Sector:	Consumer Cyclical	EV/EBITDA Multiple:	7.49	Balance Sheet		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	7.23	Cash:	\$400,000.00	
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	61.59	Short Term Investment:	\$0.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	13.79	A/R:	\$268,810,000.00	
Retail Ownership:	#VALUE!			PP&E:	\$26,000,000.00	
Float:	#VALUE!			Assets:	\$324,380,000.00	
		Upper Range		A/P:	\$7,350,000.00	
		DCF: EV/EBITDA Terminal Value		Deferred Tax:	\$17,480,000.00	
				Other Liabilities:	\$35,670,000.00	
		Implied TV from 3 X EV/EBITDA Multiple	\$185,231,857.17	Short term Debt:	\$2,350,000.00	
				Long Term Debt:	\$80,000,000.00	
		Enterprise Value	\$185,231,857.17	Liabilities:	\$142,850,000.00	
		Cash at Year 5:	\$162,528,333.56	Retained Earnings:	\$226,510,000.00	
		Debt at Year 5:	\$82,350,000.00	Paid-In Capital:	\$52,410,000.00	
		Equity Value Year 5:	\$265,410,190.73	Treasury Stock:	-\$77,240,000.00	
		Equity/Share at Year 5:	\$29.46	Stockholder's Equity:	\$201,680,000.00	
		Annualized Return:	-6.18%			
		Lower Range				
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Cash Flow		
		Year 5 Net Tangible Assets excluding cash and debt	\$258,650,000.00	Net Income:	32,990,000.00	
		Enterprise Value	\$258,650,000.00	Depreciation/Amortization:	2,330,000.00	
		Cash at Year 5:	\$162,528,333.56	Change in Working capital:	-116,850,000.00	
		Debt at Year 5:	\$82,350,000.00	Cash from Operating Activities:	11,700,000.00	
		Equity Value Year 5:	\$338,828,333.56	Capital Expenditures:	-4,450,000.00	
		Equity/Share at Year 5:	\$37.61	Cash from Investing Activities:	-4,430,000.00	
		Annualized Return:	-1.49%	Total Cash Dividends Paid:	-40,000.00	
		EVA		Issuance (Retirement) of Stock:	-37,880,000.00	
		EVA today:	\$209,710,147.99	Issuance (Retirement) of Debt:	30,490,000.00	
		EVA in 5 Years:	\$333,633,084.61	Cash from Financing Activities:	-7,210,000.00	
		EVA/Share:	\$37.03			
		Cash at Year 5:	\$162,528,333.56			
		Debt at Year 5:	\$82,350,000.00	Profitability Margins		
		Equity Value Year 5:	\$413,811,418.17	Debt to Equity:	40.83%	
		Equity/Share at Year 5:	\$45.93	Return on Assets:	10.17%	
		Annualized return	9.73%	Return on Capital:	11.61%	
				Return on Equity:	16.36%	
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$20.11			
		Net Tangible Asset/Share in Year 5:	\$39.51			
		Annualized return	14.46%			
		Current Equity Price:	\$40.53			
		Selling at Discount?	Premium			
		Appreciation Potential:	-50.39%			
		Dividend Model				
		Next Year Dividend	\$0.00			
		WACC:	9.80%			
		Dividend:	\$0.00			
		Net Income:	\$32,300,000.00			
Company Name:	America's Car Mart					
Ticker Symbol:	CRMT					
Last Price:	\$40.53					
Net Cash/Share:	-\$9.10					
Net Cash to Last Price:	-22.44%					
Shares Outstanding:	9,010,000					
Industry:	Auto & Truck Dealerships					
Sector:	Consumer Cyclical					
Institutional Ownership:	#VALUE!					
Mutual Fund Ownership:	#VALUE!					
Insider Ownership:	#VALUE!					
Retail Ownership:	#VALUE!					
Float:	#VALUE!					
		Technicals				
52 week low:	Error					
Today from 52 week low:	#VALUE!					
52 week high:	Error					
Today from 52 week high:	#VALUE!					
50 day Moving Average:	Error					
200 day Moving Average:	Error					
Analyst/Consensus						
Analyst Sales Growth FY1:	3.30%					
Analyst Sales Growth FY2:	9.10%					
SN Valuation Estimate FY1:	2.00%					
SN Valuation Estimate FY2:	2.00%					
Analyst Earnings Estimate FY1:	\$3.20					
Analyst Earnings Estimate FY2:	\$3.56					
SN Valuation Earnings Est. FY1:	\$3.71					
SN Valuation Earnings Est. FY2:	\$3.79					
Multiples						
Market Value to Book:	1.81					
EV to Book:	2.22					
Market Value to Tangible Net Assets:	2.02					
P/E Ratio:	11.31					
Trailing P/E Ratio:	12.34					
Forward P/E Ratio:	11.38					
Beta:	Error					
Dividend:	0					
Dividend Yield:	0.00%					
Dividend Date:	N/A					
Ex-Dividend Date:	N/A					
		Competitors				
Average EV to EBITDA:	N/A					
Company EV to EBITDA:	7.49					
Average EV to EBIT:	N/A					
Company EV to EBITA:	8.47					

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	39.04	Non-LBO Forecast	40.23	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$29.46	Market Price:	40.53	Year 1 Target	39.93	Year 2 Target	Implied Today's Price	15.69
Net Tangible Asset Terminal Value:	\$37.61	LBO Price:	40.53	Year 3 Target	39.63	Year 4 Target	Overvalued/(Undervalued)	158.34%
EV/EBITDA with Today's Multiple Terminal Value:	\$43.16	Premium to Market Price:	0.00%	Year 5 Target	39.33			
EVA Enterprise Value:	\$45.93	LBO Price/Intrinsic Price Target:	-0.75%		39.04			
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-2.57%					
Average (Excluding Dividend Discount):	\$39.04	Implied IRR at today's EV/EBITDA:	1.27%	Implied IRR (Market Price):	-0.75%			
		5 Year Return:	-3.68%					

Current Evaluation				Exit Evaluation			
Current Market Price:	40.53	LBO Price:	40.53	Exit Price:	39.04	Exit Price:	43.16
Outstanding Shares:	9,010,000	Outstanding Shares:	9,010,000	Outstanding Shares:	9,010,000	Outstanding Shares:	9,010,000
Market Capitalization:	365,175,300	Market Capitalization:	365,175,300	Market Capitalization:	351,737,009	Market Capitalization:	388,898,096
Available Cash:	400,000	Available Cash:	400,000	Available Cash:	162,528,334	Available Cash:	162,528,334
Debt:	82,350,000	Debt:	82,350,000	Debt:	82,350,000	Debt:	82,350,000
Net Cash:	-81,950,000	Net Cash:	-81,950,000	Net Cash:	80,178,334	Net Cash:	80,178,334
Enterprise Value:	447,125,300	Enterprise Value:	447,125,300	Enterprise Value:	271,558,676	Enterprise Value:	308,719,762
Original EV/EBITDA:	8.47	EV/EBITDA:	8.47	EV/EBITDA at 5 Years:	4.40	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	7.49	EV/EBITDA:	7.49	EV/EBITDA at 5 Years:	6.95	EV/EBITDA at 5 Years:	4.80
Competitor Average EV/EBIT:	N/A						
Competitor Average EV/EBITDA:	N/A						

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	40.53	44.87	44.54	44.21	43.88	43.55	43.22
Shares Outstanding:	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000
Market Capitalization:	365,175,300	404,313,589	401,293,082	398,295,140	395,319,595	392,366,279	389,435,027
Available Cash:	400,000	400,000	31,215,634	62,820,345	95,229,913	128,460,436	162,528,334
Debt:	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000
Net Cash:	-81,950,000	-81,950,000	-51,134,366	-19,529,655	12,879,913	46,110,436	80,178,334
Enterprise Value:	447,125,300	486,263,589	452,427,447	417,824,795	382,439,682	346,255,843	309,256,693
EBIT	57,400,000	57,400,000	57,041,868	58,182,705	5	60,533,287	61,743,952
EV/EBIT:	7.79	8.47	7.93	7.18	76,487,936.33	5.72	5.01
EBITDA	59,730,000	59,730,000	59,418,468	60,606,837	61,818,974	63,055,354	64,316,461
EV/EBITDA:	7.49	7.49	7.61	6.89	6.19	5.49	4.81

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	40.53	44.87	47.96	52.54	1.43	62.03	66.95
Shares Outstanding:	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000	9,010,000
Market Capitalization:	365,175,300	404,313,589	432,095,311	473,364,615	12,879,955	558,917,635	603,241,676
Available Cash:	400,000	400,000	31,215,634	62,820,345	95,229,913	128,460,436	162,528,334
Debt:	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000	82,350,000
Net Cash:	-81,950,000	-81,950,000	-51,134,366	-19,529,655	12,879,913	46,110,436	80,178,334
Enterprise Value:	447,125,300	486,263,589	483,229,677	492,894,270	42	512,807,199	523,063,343
EBIT	57,400,000	57,400,000	57,041,868	58,182,705	5	60,533,287	61,743,952
EV/EBIT:	7.79	8.47	8.47	8.47	8.47	8.47	8.47
EBITDA	59,730,000	59,730,000	59,418,468	60,606,837	61,818,974	63,055,354	64,316,461
EV/EBITDA:	7.49	7.49	8.13	8.13	0.00	8.13	8.13

LBO Price	40.53	Equity Partners:	443,075,300	Weighting	100.00%	Annualized Return for Equity Partners:	-2.57%
Shares Outstanding	9,010,000	Debt Partners:	0		0.00%		
Market Capitalization	365,175,300	Total Funds for LBO:	443,075,300		100.00%		
Debt	77,900,000						
Cash	400,000						
Enterprise Value	442,675,300						
Capital Investment	443,075,300						

Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	201.68	Beginning Enterprise Value	447.13	Current Market Price	\$40.53	Starting Debt	80.00
Year 5 Book Value	376.44	Year 5 Enterprise Value	308.72	Year 5 Market Price	\$43.16	Debt Repayment	0.00
Annualized Return	13.29%	Annualized Return	-7.14%	Annualized Return	1.27%	Year 5 Ending Debt	80.00
						% of Starting Debt	100.00%

SN VALUATION

LBO Pro Forma Income Statement

Name:

America's Car Mart

Ticker:

CRMT

	Historical				Forecasted				
	12 months ending 2009-04-30	12 months ending 2010-04-30	12 months ending 2011-04-30	12 months ending 2012-04-30	2013	2014	2015	2016	2017
Revenue	298.97	338.93	379.25	430.18	438.78	447.56	456.51	465.64	474.95
COGS	155.67	173.11	195.99	223.39	228.17	232.73	237.39	242.13	246.98
Gross margin	143.30	165.82	183.26	206.79	210.62	214.83	219.13	223.51	227.98
SG&A	109.90	119.48	133.10	149.30	153.57	156.65	159.78	162.97	166.23
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	0.38	0.56	0.09	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	33.40	45.96	49.60	57.40	57.04	58.18	59.35	60.53	61.74
Interest income/(expense)	0.00	0.00	0.00	0.00	-5.60	-5.60	-5.60	-5.60	-5.60
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	28.00	41.95	45.05	52.78	51.44	52.59	53.75	54.94	56.15
Tax	10.05	15.11	16.84	19.79	18.01	18.40	18.81	19.23	19.65
Income after tax	17.95	26.84	28.21	32.99	33.44	34.18	34.94	35.71	36.50
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	17.95	26.84	28.21	32.99	33.44	34.18	34.94	35.71	36.50
* Figures are in millions (\$)									
EPS (based off today's share count)	\$1.99	\$2.98	\$3.13	\$3.66	\$3.71	\$3.79	\$3.88	\$3.96	\$4.05
P/E (historical today's price; forecasted intrinsic price)	20.34	13.61	12.94	11.07	10.84	10.52	10.22	9.92	9.64
Revenue Growth	N/A	13.37%	11.90%	13.43%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	35.89%	38.02%	37.38%	37.50%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%
Margins									
COGS	52.07%	51.08%	51.68%	51.93%	52.00%	52.00%	52.00%	52.00%	52.00%
Gross margin	47.93%	48.92%	48.32%	48.07%	48.00%	48.00%	48.00%	48.00%	48.00%
SG&A	36.76%	35.25%	35.10%	34.71%	35.00%	35.00%	35.00%	35.00%	35.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.00%	0.11%	0.15%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	11.17%	13.56%	13.08%	13.34%	13.00%	13.00%	13.00%	13.00%	13.00%
Interest income/(expense)	0.00%	0.00%	0.00%	0.00%	-1.28%	-1.25%	-1.23%	-1.20%	-1.18%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	9.37%	12.38%	11.88%	12.27%	11.72%	11.75%	11.77%	11.80%	11.82%
Tax	3.36%	4.46%	4.44%	4.60%	4.10%	4.11%	4.12%	4.13%	4.14%
Income after tax	6.00%	7.92%	7.44%	7.67%	7.62%	7.79%	7.96%	8.14%	8.32%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	6.00%	7.92%	7.44%	7.67%	7.62%	7.64%	7.65%	7.67%	7.68%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

	As of 2009-04-30	As of 2010-04-30	As of 2011-04-30	As of 2012-04-30	As of 2012-10-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	0.17	0.27	0.22	0.28	0.40			0.40	31.22	62.82	95.23	128.46	162.53
Short term investment	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	0.17	0.27	0.22	0.28	0.40			0.40	31.22	62.82	95.23	128.46	162.53
Accounts Receivable	182.04	205.42	222.31	251.10	268.81			268.81	268.81	268.81	268.81	268.81	268.81
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	182.04	205.42	222.31	251.10	268.81			268.81	268.81	268.81	268.81	268.81	268.81
Total Inventory	15.48	20.37	23.59	27.24	27.46			27.46	27.46	27.46	27.46	27.46	27.46
Prepaid Expenses	1.46	1.18	2.05	1.54	1.36			1.36	1.36	1.36	1.36	1.36	1.36
Other Current Assets	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	199.15	227.24	248.17	280.16	298.03	0.00	0.00	298.03	328.85	360.45	392.86	426.09	460.16
PP&E, Gross	24.56	29.87	34.44	35.00	35.00			35.00	40.00	45.00	50.00	55.00	60.00
Change in Depreciation		1.69	1.93	2.33	2.33			2.33	2.38	2.42	2.47	2.52	2.57
Accumulated Depreciation	5.21	7.15	8.91	9.00	9.00			9.00	11.38	13.80	16.27	18.80	21.37
PP&E, Net	19.35	22.72	25.53	26.00	26.00			26.00	28.62	31.20	33.73	36.20	38.63
Goodwill	0.35	0.35	0.35	0.35	0.35	0.00		0.35	0.35	0.35	0.35	0.35	0.35
Intangibles	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term investments	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.00	0.00	1.22	1.44	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long Term Assets	19.70	23.07	27.10	27.79	26.35			26.35	28.97	31.55	34.08	36.55	38.98
Total Assets	218.85	250.31	275.27	307.95	324.38	0.00	0.00	324.38	357.82	392.00	426.94	462.65	499.14
Accounts Payable	3.93	5.80	7.74	7.35	7.35			7.35	7.35	7.35	7.35	7.35	7.35
Accrued Expense	7.00	7.78	6.70	8.53	8.53			8.53	8.53	8.53	8.53	8.53	8.53
Other current Liabilities	11.35	12.54	13.62	15.57	16.79			16.79	16.79	16.79	16.79	16.79	16.79
Total Current Liabilities	22.28	26.12	28.06	31.45	32.67	0.00	0.00	32.67	32.67	32.67	32.67	32.67	32.67
Notes Payables/Short Term Debt	1.66	0.61	0.00	0.00	2.35			2.35	2.35	2.35	2.35	2.35	2.35
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	29.84	38.77	47.54	77.90	80.00	0.00	0.00	80.00	80.00	80.00	80.00	80.00	80.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	31.50	39.38	47.54	77.90	82.35	0.00	0.00	82.35	82.35	82.35	82.35	82.35	82.35
Deferred Income tax	8.38	9.19	13.40	16.72	17.48			17.48	17.48	17.48	17.48	17.48	17.48
Minority Interest	0.10	0.10	0.10	0.10	0.10			0.10	0.10	0.10	0.10	0.10	0.10
Other liabilities	0.40	0.40	0.40	0.40	10.25			10.25	10.25	10.25	10.25	10.25	10.25
Total Liabilities	62.66	75.19	89.50	126.57	142.85	0.00	0.00	142.85	142.85	142.85	142.85	142.85	142.85
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.12	0.12	0.12	0.12	0.12		0.00	0.12	0.12	0.12	0.12	0.12	0.12
Additional Paid-in capital	40.31	43.48	46.48	50.36	52.29	0.00	0.00	52.29	52.29	52.29	52.29	52.29	52.29
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	123.21	150.01	178.19	211.13	226.51		0.00	226.51	259.95	294.13	329.07	364.78	401.27
Treasury Stock	-6.67	-17.53	-37.88	-77.24	-77.24			-77.24	-77.24	-77.24	-77.24	-77.24	-77.24
Other Equity	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	156.97	176.08	186.91	184.37	201.68	0.00	0.00	201.68	235.12	269.30	304.24	339.95	376.44
Liability + Equity	219.63	251.27	276.41	310.94	344.53	0.00	0.00	344.53	377.97	412.15	447.09	482.80	519.29
Variance	-0.78	-0.96	-1.14	-2.99	-20.15			-20.15	-20.15	-20.15	-20.15	-20.15	-20.15
Debt/Equity	0.20	0.22	0.25	0.42	0.41			0.41	0.35	0.31	0.27	0.24	0.22
Inventory Turnover	19.31	16.64	16.08	15.79	15.98			15.67	15.98	16.30	16.62	16.96	17.30
Inventory Turnover Days	18.90	21.94	22.70	23.11	22.84			23.30	22.84	22.39	21.96	21.52	21.10
Days Inventory Outstanding	36.30	42.95	43.93	44.51	43.93			44.87	43.93	43.07	42.22	41.39	40.58
Accounts Receivable Turnover	1.64	1.65	1.71	1.71	1.63			1.60	1.63	1.66	1.70	1.73	1.77
Accounts Receivable Turnover Days	222.25	221.22	213.96	213.05	223.61			228.08	223.61	219.22	214.93	210.71	206.58
Days Payable Outstanding	9.21	12.23	14.41	12.01	11.76			12.01	11.76	11.53	11.30	11.08	10.86
Days Sales Outstanding	222.25	221.22	213.96	213.05	223.61			213.05	228.08	223.61	219.22	214.93	210.71
Cash Conversion Cycle	249.33	251.94	243.47	245.55	255.78			245.91	260.25	255.15	250.14	245.24	240.43
Net tangible assets/share	\$17.30	\$19.40	\$20.58	\$20.09	\$20.11				\$23.82	\$27.61	\$31.49	\$35.45	\$39.51

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2009-04-30	12 months ending 2010-04-30	12 months ending 2011-04-30	12 months ending 2012-04-30	2011	2012	2013	2014	2015
Net Income	17.95	26.84	28.21	32.99	33.44	34.18	34.94	35.71	36.50
Depreciation	1.40	1.69	1.93	2.33	2.38	2.42	2.47	2.52	2.57
Net Income + Depreciation	19.35	28.53	30.14	35.32	35.82	36.60	37.41	38.23	39.07
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	4.91	0.82	4.21	3.32	0.00	0.00	0.00	0.00	0.00
Non Cash Items	66.04	69.52	78.85	89.92	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-75.97	-90.76	-96.34	-116.85	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-23.38	-16.89	-28.79	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	-4.89	-3.22	-3.65	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.28	-0.87	0.51	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	1.87	1.94	-0.39	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	14.33	8.11	16.86	11.71	35.82	36.60	37.41	38.23	39.07
Capital Expenditures Expenditures	-2.66	-6.46	-4.80	-4.45	-5.00	-5.00	-5.00	-5.00	-5.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.06	1.02	0.01	0.02	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-2.60	-5.44	-4.79	-4.43	-5.00	-5.00	-5.00	-5.00	-5.00
Financing Cash flow items	0.45	0.13	0.01	0.22	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-0.04	-0.04	-0.04	-0.04	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-0.72	-10.55	-20.24	-37.88	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-11.40	7.88	8.16	30.49	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-11.71	-2.58	-12.11	-7.21	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	0.16	0.17	0.27	0.22	0.40	31.22	62.82	95.23	128.46
Net Change in Cash	0.01	0.10	-0.04	0.05	30.82	31.60	32.41	33.23	34.07
Ending Cash Balance	0.17	0.27	0.23	0.27	31.22	62.82	95.23	128.46	162.53
Capex to Revenue	0.89%	1.91%	1.27%	1.03%	1.14%	1.12%	1.10%	1.07%	1.05%
Depreciation to Sales	0.47%	0.50%	0.51%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	60.89%	60.61%	58.62%	58.37%	57.23%	56.10%	55.00%	53.93%	52.87%
Distributable FCF Yield	2.62%	0.60%	2.70%	1.63%	6.89%	7.07%	7.25%	7.43%	7.62%
Dividend Yield	-0.01%	-0.01%	-0.01%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	11.71	1.69	12.10	7.30	30.82	31.60	32.41	33.23	34.07

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	0.05	30.82	31.60	32.41	33.23	34.07
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	80.00	80.00	80.00	80.00	80.00	80.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	80.00	80.00	80.00	80.00	80.00	80.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		5.60	5.60	5.60	5.60	5.60
Cash Balance		0.28				
Interest @ 1.0%		0.00	0.00	0.00	0.00	0.00
Net Interest Expense/(Income)		5.60	5.60	5.60	5.60	5.60
Net Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
EBITDA		57.04	58.18	59.35	60.53	61.74
EBITDA/Interest Expense Coverage		10.19	10.39	10.60	10.81	11.03

Interest Rate Coverage Table

Debt Rating					
AAA					
AA	AA	AA	AA	AA	AA
A+					
A					
A-					
BBB					
BB+					
BB					
B+					
B					
B-					
CCC					
CC					
C					
D					

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

America's Car Mart

Ticker:

CRMT

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	176.87	201.12	220.11	265.36	296.18	327.78	360.19	393.42	427.49
Total Assets	218.85	250.31	275.27	324.38	357.82	392.00	426.94	462.65	499.14
X1	0.81	0.80	0.80	0.82	0.83	0.84	0.84	0.85	0.86
Retained Earnings	123.21	150.01	178.19	226.51	259.95	294.13	329.07	364.78	401.27
Total Assets	218.85	250.31	275.27	324.38	357.82	392.00	426.94	462.65	499.14
X2	0.56	0.60	0.65	0.70	0.73	0.75	0.77	0.79	0.80
EBITDA	33.40	45.96	49.60	57.40	57.04	58.18	59.35	60.53	61.74
Total Assets	218.85	250.31	275.27	324.38	357.82	392.00	426.94	462.65	499.14
X3	0.15	0.18	0.18	0.18	0.16	0.15	0.14	0.13	0.12
Market Value of Equity	365.18	365.18	365.18	365.18	362.45	359.74	357.05	354.38	351.74
Total Liabilities	62.66	75.19	89.50	142.85	142.85	142.85	142.85	142.85	142.85
X4	5.83	4.86	4.08	2.56	2.54	2.52	2.50	2.48	2.46
Net Sales	298.97	338.93	379.25	430.18	438.78	447.56	456.51	465.64	474.95
Total Assets	218.85	250.31	275.27	324.38	357.82	392.00	426.94	462.65	499.14
X5	1.37	1.35	1.38	1.33	1.23	1.14	1.07	1.01	0.95
Altman Z Score	7.12	6.68	6.29	5.40	5.29	5.20	5.12	5.05	4.99

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red