

Value Investing with Legends — Final Project

Copart, Inc. (NASDAQ: CPRT)

Price:	\$33.23	Mkt Cap:	\$32,484	FYE Jul	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
52 Wk High:	\$63.85	Debt:	n/a	Revenue	\$3,561	\$3,969	\$4,129	\$4,352	\$4,850	\$5,280	\$5,748
52 Wk Low:	\$32.20	Leases	96	YoY % Chg	11.3%	11.4%	4.0%	5.4%	11.4%	8.9%	8.9%
FD Shrs OS:	977.6	Cash	5,102	EBITDA Mgn	42.4%	42.0%	42.8%	44.0%	45.2%	46.3%	47.4%
		TEV:	\$27,479	EPS			\$1.66	\$1.80	\$2.06	\$2.33	\$2.62
				Consensus EPS			\$1.60	\$1.76	\$1.87	\$1.96	n/a
Short Int (% Float):	3.15%			P/E (Carlson)			20.0x	18.4x	16.1x	14.3x	12.7x
Dividend Yld:	n/a	Debt/EBITDA:	n/a	P/E (Consensus)			20.8x	18.9x	17.8x	17.0x	n/a

Copart's stock recently closed at **\$33.27** per share, down **approximately 50%** from its May 16, 2025, peak of **\$63.84**, marking one of the most significant drawdowns since its 1994 IPO. The stock now trades at **~20x forward consensus P/E**, a notable discount to its **~30x 10-year historical average**. While growth has slowed in recent quarters and concerns around autonomous vehicles (AVs) have weighed on sentiment, we believe these risks are overstated. Near-term softness appears cyclical rather than structural, and the long-term impact of AV adoption is likely more limited than the market implies. We see the recent selloff as an overreaction, creating an attractive entry point with compelling risk reward.

I. Investment Thesis (Five Reasons to Invest)

- Hard-asset downside support limits permanent capital impairment:** Copart trades at a modest premium to our estimated asset value, which is anchored by hard-to-replicate Industrial Outdoor Storage (IOS) land near major population centers. While carried at **~\$2.4bn**, we estimate this land is worth multiples of book value, providing meaningful downside support.
- Local scale creates a durable physical moat:** Copart's salvage yards benefit from local economies of scale: yard proximity, towing distance, storage capacity, and insurer integration drive salvage economics. Its owned yard network is difficult to replicate in zoning-constrained IOS markets, supporting structurally high ROIC.
- Global buyer liquidity reinforces the marketplace flywheel:** Copart's buyer base of **~1mn registered users across 160+ countries** drives auction liquidity and higher recoveries for sellers. Better recoveries attract more insurer supply, increasing inventory depth and further strengthening buyer demand.
- Management has a long record of reinvesting through the cycle:** Copart's founder-influenced culture prioritizes long-term value creation over near-term margins, with investment in land, logistics, technology, and catastrophe capacity. This "capacity to suffer" deepens insurer relationships and reinforces Copart's role as mission-critical infrastructure.
- Current valuation offers an asymmetric setup:** The stock is down sharply and trades below its historical average, despite a debt-free balance sheet, resumed buybacks, durable franchise value, and attractive incremental returns on capital. We do not underwrite multiple expansion in our base case, but see upside from growth normalization, repurchases, and potential re-rating.

II. Business Overview

Copart is the leading online marketplace for salvage vehicles, connecting US insurers and other sellers with a global buyer base of dismantlers, rebuilders, dealers, and exporters. The business is best understood as a two-sided platform supported by vertically integrated logistics and local real estate advantages: Copart earns fees from both sellers and buyers, while embedding itself deeply in the insurer workflow by handling towing, storage, title processing, imaging, online auction, payment, and proceeds disbursement. Salvage auctions account for roughly **70–80% of revenue**, with Copart selling more than **4 million vehicles annually** through its proprietary VB3 auction platform, supported by **240+ facilities across 11 countries**, owned trucks, and a broad sub-hauler network. The industry is ultimately driven by regulatory and economic arbitrage: high U.S. labor costs and repair standards make many damaged vehicles uneconomic to repair domestically, while international buyers can often repair and resell those same vehicles at lower cost.

On the supply side, Copart operates a consignment model, selling damaged vehicles on behalf of major insurers such as GEICO, Progressive, and State Farm. Supply is concentrated, with the top 10 insurers representing over **73% of U.S. policies in force**, and vehicles enter Copart's channel when insurers determine that salvage resale is more economical than repair. Total loss frequency is driven by this repair-versus-salvage tradeoff: when estimated repair costs approach roughly **70–80% of the net insurance payout**, insurers typically declare the vehicle a total loss to avoid cost overruns and delays. Near term, elevated used car values have pressured TLF by making repairs more economical, while higher premiums and rising uninsured / underinsured rates have reduced insured claim volume. However, these headwinds are partially offset by greater claim severity and an aging vehicle fleet, which structurally increases the likelihood that damaged vehicles are totaled. As a result, we expect near-term TLF softness to eventually give way to renewed growth as fleet age and repair complexity continue to rise. See **exhibit 1** for more detailed diagram of Copart's business model.

Copart's demand side is anchored by a highly fragmented and deeply international buyer base of over **1 million unique users across 165 countries**, fueling a powerful, two-sided network effect that is notoriously difficult to replicate. This global scale creates a self-reinforcing flywheel: unmatched inventory depth attracts a massive buyer pool, which in turn drives more competitive auctions and higher realized prices for sellers. These superior recoveries render the platform indispensable to insurers, while Copart's scarce, owned-yard footprint and deep operational integration significantly raise switching costs. Expert interviews (e.g., from In Practise) suggest that Copart is viewed as an indispensable platform due to its unmatched inventory depth, often offering millions of vehicles at any given time, leading buyers to use it even though it has higher fees. Ultimately, by merging this unmatched digital liquidity with mission-critical physical infrastructure, Copart has evolved from a simple auction marketplace into a **local natural monopoly** where buyers prioritize selection and reliability over lower fees, signaling robust pricing power.

Vehicle technology is a mixed risk rather than a clear headwind. Safety features, EVs, and AVs may reduce accident frequency over time, but they also increase repair complexity and lower the economic threshold for declaring a total loss. As a result, accidents may become less frequent but more economically severe, supporting higher TLF, salvage values, and average revenue per unit. Given slow fleet turnover, regulatory constraints, and infrastructure limitations, we view AV adoption as a long-dated risk rather than a near-term impairment to Copart's earnings power.

III. Industry Overview and Competitors

The salvage auto auction industry is effectively a duopoly, led by **Copart (~40–45% share)** and **IAA (~30–35%)**, with the remainder fragmented across smaller players. At a national level, large insurance carriers have an incentive to maintain

two players of comparable size to preserve competition. However, competition is far more limited at the local level, where market dynamics resemble natural monopolies. Salvage auctions are inherently logistics-driven and hyperlocal businesses: vehicles are typically towed to the nearest yard, making proximity and transportation costs the primary determinants of share. These facilities require large footprints of IOS land, a scarce and highly regulated asset class constrained by zoning restrictions and NIMBY opposition. As a result, new yard development is both economically and politically difficult, reinforcing incumbent density advantages and creating durable, location-based barriers to entry.

Copart's primary competitor, IAA, pursued a historically asset-light model, leasing **~90% its 12,000 acres across 210 locations globally**. In contrast, Copart took the opposite approach over the past four decades, acquiring **~90% of its ~19,000 acres across ~300 global facilities**. This distinction is critical. By owning rather than leasing its land, Copart structurally eliminates rent expense and benefits from favorable accounting treatment (land is not depreciated), resulting in optically superior operating margins (**~37% vs. ~mid-teens for RBA/IAA**) and places the land as an asset on the balance sheet (although at cost and not fair market value). However, this is not merely an accounting artifact, it reflects a fundamental economic advantage. Adjusting for a market-based rent on Copart's owned land implies roughly a **600–750 bps margin** tailwind, highlighting that a meaningful portion of Copart's profitability is effectively the return on its real estate strategy. More importantly, this model converts what would be a recurring operating expense for competitors into a compounding asset base, driving superior free cash flow generation over time.

Copart's ownership strategy also provides a powerful inflation hedge. Industrial outdoor storage rents have increased significantly in recent years (**estimated ~123% since 2020**), pressuring leasing-based competitors through escalating occupancy costs. In contrast, Copart's cost basis is largely fixed at acquisition, allowing it to capture rising land values while avoiding rent inflation, further widening the competitive gap. While land ownership introduces tradeoffs, including higher capital intensity and reduced geographic flexibility, we view these as acceptable given the magnitude of the advantage created. Copart has effectively cornered a scarce, hard-to-replicate asset class, embedding itself in local markets where new supply is structurally constrained. The result is a durable, real estate-backed competitive moat that reinforces local dominance and is increasingly difficult for competitors to replicate today.

IV. Management Team

Copart's management team is defined by exceptional continuity, long-term orientation, and strong alignment with shareholders. Since its founding in 1982, the company has had **only three CEOs**, with leadership transitioning internally from founder Willis Johnson to his son-in-law Jayson Adair, and now to Jeff Liaw. Johnson remains Chairman and Adair continues to play an active leadership role, ensuring that Copart's culture and operating philosophy, centered on long-term value creation, remain intact. Liaw's tenure reflects continuity rather than change, reinforcing this approach. Incentives are well aligned, with management compensation tied primarily to operating income, encouraging profitability and disciplined capital allocation rather than top-line growth. Insider ownership further reinforces alignment, with **insiders collectively owning ~10% of shares** outstanding.

Management has consistently demonstrated a willingness to suffer, sacrificing short-term profitability to strengthen long-term positioning. Copart has deliberately invested in excess capacity (including ~2,000 acres of salvage land and dedicated logistics infrastructure) to reliably serve insurers during catastrophe events such as hurricanes, even when economics are unfavorable and competitors like IAA have stepped back. For example, during Hurricane Harvey in 2017, Copart handled **over**

90,000 vehicles by rapidly scaling capacity through temporary land leases and towing partnerships, thus strengthening its relationship with major insurers.

V. Capital Allocation

Copart's capital allocation is defined by discipline, patience, and a focus on high-return reinvestment. This philosophy traces back to founder Willis Johnson and remains embedded in the company's culture today. Capital is primarily deployed toward expanding salvage yard capacity and investing in technology, where Copart has consistently been an industry leader. Early investments in online bidding and continued innovation across digital auctions, AI-driven condition reports, imaging, titling, and payments have reinforced its competitive advantage. Over the past decade, **capital expenditures have averaged ~15% of revenue, supporting nearly 4x revenue growth** while sustaining strong **returns on invested capital of 20–30%**.

Copart's balance sheet provides substantial flexibility. As of Jan 2026, the company **held \$5.1bn of cash with no debt**. This equates to **net cash of ~16%** of its **~\$32bn market cap**. Including access to a \$1.25bn revolver, **total available liquidity approaches \$6.4bn**.

Capital returns have been opportunistic rather than systematic. Copart does not pay a dividend, and share repurchases have historically been limited, reflecting management's valuation discipline. Notably, the company refrained from buybacks when the stock traded at elevated levels in prior years, only becoming active more recently as valuation compressed. In fiscal 2026, Copart **repurchased ~\$500mn of stock YTD**, including \$218mn in Q2 at an **average price of \$39.82**, suggesting management views current levels as attractive and reinforcing confidence in intrinsic value.

VI. Asset Value (Exhibit 2)

Copart's land portfolio is the most underappreciated asset on its balance sheet. The company reports **~\$2.4bn of land at cost**, but its **~17,000 owned acres** are primarily located in high-demand IOS submarkets near population centers. Based on a bottom-up revaluation across **~224 US locations** using comparable IOS transactions (CoStar, Newmark, Colliers, etc.), we estimate a mid-case US land value of **~\$8.8bn**. Adding international land (~3,300 acres at lower per-acre values) brings total land value to **~\$10.5bn**, implying an **~\$8.1bn** uplift versus book value. A top-down check using **~\$600K per acre yields ~\$10.2bn**, supporting this estimate. Buildings and improvements add a more modest **\$516mn** of incremental value.

We also adjust for key intangible assets. Of the **\$518mn of reported goodwill**, we write off the integrated portion (**\$398mn** of small US and international tuck-ins), leaving **\$120mn** attributable to more discrete assets, including Purple Wave (2023) and National Powersport Auctions (2017). We estimate the value of Copart's buyer network at **~\$1.5bn** using a perpetual investment approach based on expansion-related G&A spend. Additional intangibles include **~\$350mn** for title-processing capabilities and brand, and **~\$185mn** for workforce replacement cost. In aggregate, we estimate Copart's equity asset value at **\$19.45bn**, or **\$19.89 per share**.

VII. Earnings Power Value (Exhibit 3)

We estimate Copart's EPV by applying a **39% normalized operating margin** to sustainable revenue of **\$4.8bn**, modestly above FY2025 revenue of **\$4.65bn**. The margin assumption is important: FY2025 reported operating margins of **36.5%** remain below the company's prior peak of roughly **42% in FY2021**, reflecting ongoing cyclical pressures. Our **39% margin** represents a mid-cycle assumption that normalizes between peak and trough conditions.

To calculate sustainable NOPAT, we adjust EBIT for growth-related expenses that depress current earnings but should create future value. First, we add back **\$79mn of international opex**, as international margins of **27%** are being weighed down

by start-up costs in markets such as Germany and Spain, including buyer-network recruitment and local market development. As these geographies gain density, we assume international margins can partially converge toward US levels by **10%**. Second, we add back **\$162mn** of domestic yard operating costs. US yard opex increased **14%** YoY, well above inflation, and appears tied to capacity expansion rather than maintenance spend. We therefore treat yard cost growth above a **3% inflation baseline** as growth investment.

These adjustments result in **Adjusted EBIT of \$2.11bn** in the smoothed case. Applying an **18% normalized tax rate** yields **adjusted NOPAT of \$1.73bn**. Capitalizing this at an **8.6% WACC** (taken from FactSet) produces an **Operating EPV of \$20.15bn**. After adding **\$5.10bn of cash**, we arrive at an **Equity EPV of roughly \$25.25bn**, or **\$25.83 per share**. The fact that EPV exceeds our estimated asset value of **\$19.89 per share** supports the existence of durable competitive advantages, as Copart's earnings power exceeds the cost to replicate its asset base. At the current share price of **\$33.23**, the market is implying only a modest franchise premium, equivalent to roughly **four years of sustainable NOPAT**, which appears reasonable given Copart's high incremental returns on capital.

VIII. Growth, ROIC, and Franchise Value (Exhibit 4)

To assess Copart's franchise value, we estimate marginal ROIC over the FY2021–FY2025 period. We assume baseline organic growth of **5% per year**, supported by rising TLF, partially offset by a long-term decline in claims frequency as vehicle safety technology improves. Over FY2021–FY2025, Copart generated **cumulative tangible growth investment of \$1.87bn**, calculated as capex plus acquisitions less D&A. We also estimate **\$974mn of international buyer-network** and **US salvage yard growth investment**, based on the capitalized growth portion of G&A, and include a **\$174mn increase in goodwill**. This results in total cumulative growth investment of **\$2.98bn** including goodwill, or **\$2.81bn** excluding goodwill.

Over the same period, **cumulative adjusted NOPAT was \$6.76bn**, implying a **plowback ratio of 44%**. Adjusted NOPAT increased from **\$963mn in FY2020** to **\$1.59bn** in FY2025. To isolate the return on incremental investment, we first strip out assumed baseline organic growth: applying a **5% CAGR** to FY2020 NOPAT implies a “no incremental investment” FY2025 NOPAT of **\$1.17bn**. The difference between FY2025 adjusted NOPAT and this baseline is **\$418mn**, which we attribute to growth investment. This implies a **marginal ROIC of 14.0% incl. goodwill** and **14.9% excl. goodwill**, both materially above Copart's estimated **8.6% WACC**. These attractive incremental returns support the view that Copart can continue reinvesting capital at value-accretive rates. Using a **44% plowback ratio** and **14.0% marginal ROIC**, Copart's implied internally funded earnings growth is **6.2%**. Adding our assumed **5.0% baseline organic growth** results in **total potential earnings growth of 11.2%**.

IX. Returns Decomposition, Reverse DCF, and Recommendation (Exhibit 5/6)

We estimate Copart's base-case expected return at **13.7%**, driven by a **2.5% distribution yield** and **11.2% earnings growth**, with no assumed contribution from multiple expansion. The distribution yield is supported by share repurchases, which recently resumed with approximately **\$500mn repurchased FYTD 2026**, equal to roughly **1.5% of market cap**. With approximately **\$5bn of cash and marketable securities and no debt**, Copart has substantial capacity to accelerate buybacks if the stock remains undervalued; we assume no dividend contribution, consistent with historical capital allocation. Earnings growth consists of **6.2% internally funded growth** from reinvestment at attractive marginal ROICs plus **5.0% baseline organic growth**. Although Copart trades at approximately **20x earnings**, below its roughly **30x historical average**, we assume **0% multiple change** in the base case. Against our required return of **11.2%**, calculated as Copart's **8.6% WACC plus a 30%**

margin of safety, the investment offers approximately **250 bps of excess return**, with additional upside potential and downside support from its high asset value.

As a valuation cross-check, we also ran a reverse DCF to assess what expectations are embedded in the current share price. Using a **2% perpetuity growth rate** and **10% discount rate**, Copart needs to grow free cash flow at only **7.4% annually over the next 10 years** to justify today's valuation. This appears achievable relative to Copart's historical free cash flow growth of approximately **20% per year**. In our view, the current valuation sets a low bar for the investment to work, particularly given Copart's durable competitive advantages, strong balance sheet, and long reinvestment runway.

Recommendation: BUY.

X. Risks and Mitigants

1. **Insurance customer concentration.** The top 10 insurers represent approximately **75% of Copart's supply**, and Copart reportedly has **100% share at several top 10 carriers**, including Allstate. Losing a major contract would pressure margins, reduce auction liquidity, and weaken the buyer flywheel.
Mitigant: Copart holds **18 of 25 national exclusive contracts** and share shifts have historically been gradual and geography-driven.
2. **EV-related yard density pressure.** EVs require more spacing and specialized handling due to battery/fire risk, which could reduce yard efficiency if EV penetration rises materially.
Mitigant: Fleet turnover is gradual, EVs remain a manageable share of vehicles today, and Copart can adapt through fire-blanket, battery-handling, and dedicated storage investments.
3. **International / FX cyclicalities.** Export demand can be disrupted by sanctions, currency depreciation, regulation, and geopolitical shocks, as seen in Russia, Nigeria, Georgia, and the Middle East.
Mitigant: Copart's buyer base is diversified across **185+ countries**, and international demand has historically recovered over multi-year periods.
4. **European disintermediation risk.** Audatex is reportedly launching auction services that could allow insurers to bypass Copart in parts of Europe.
Mitigant: The risk is nascent, Copart has an established U.K. / Germany footprint, and international revenue is only approximately **17% of total revenue** today.
5. **Further multiple compression.** Forward P/E has compressed to approximately **20x** and could fall further if volume weakness persists into FY2027.
Mitigant: Copart has roughly **\$5.1bn of cash, no debt**, capacity for opportunistic buybacks, and estimated asset value support around **\$20/share**.

APPENDIX

Exhibit 1 — Copart’s Business Model Flowchart

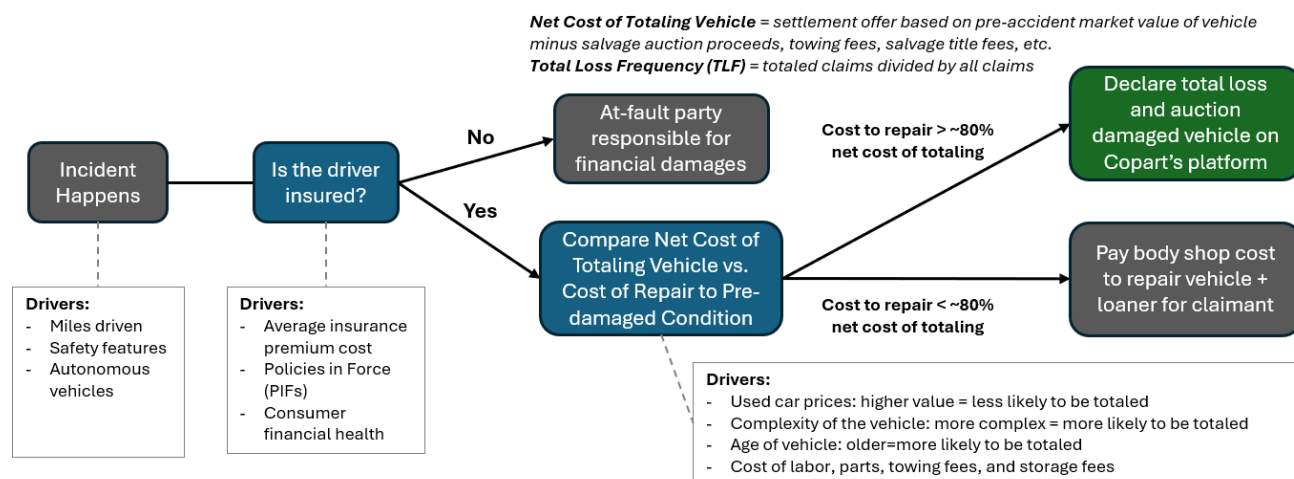


Exhibit 2 — Asset Value Build (FY2025, \$mn)

Line Item	Book	Adjusted	Adj.
Book equity (FY2025)	9,187	9,187	—
(-) Goodwill — integrated portion written off	518	120	(398)
(+) Land — IOS market revaluation	2,395	10,500	+8,105
(+) Buildings & improvements (functional value)	1,684	2,200	+516
(+) Buyer network (missing intangible)	—	1,500	+1,500
(+) Title-processing platform / brand	—	350	+350
(+) Workforce reproduction (11,600 × \$80K × 20%)	—	185	+185
AV Equity	9,187	19,445	+10,258
AV per share (978mn shares)		\$19.89	
Market price (Apr 25, 2026)		\$33.23	+60%

Sources: 10-K FY2025 (PPE Note); bottom-up land valuation per CoStar / Newmark IOS / IOS YardDogs / Partners RE Texas / Bradford Companies / Colliers / Matthews RE; workforce reproduction per Lecture 4 methodology; buyer-network capitalization per Lecture 12 (Meta) methodology applied to G&A growth-portion expense.

Exhibit 3 — Earnings Power Value Build (FY2025, \$mn)

Line (\$mn unless noted)	FY25 (current)	Smoothed
Revenue	4,647	4,800
Operating margin (%)	36.5%	39.0%
Operating Income	1,696	1,872
(+) International expansion opex add-back	79	79
(+) Salvage yard growth add-back	162	162
Adj. EBIT	1,938	2,113

Line (\$mn unless noted)	FY25 (current)	Smoothed
Tax rate (%)	18%	18%
Adj. NOPAT	1,589	1,733
WACC	8.6%	8.6%
EPV of Operating Business	18,475	20,151
(+) Cash & marketable securities	5,102	5,102
(-) Debt	0	0
EPV Equity	23,576	25,253
FDSO	977.6	977.6
EPV per share	\$24.12	\$25.83

Note: Smoothed margin reflects 7-year average (FY19–FY25). WACC sourced from FactSet. Tax rate from FY25 actual.

Exhibit 4 — Marginal ROIC, FY2021–FY2025 (\$mn)

Year	Capex	Net Acq.	D&A	Tang. Growth	Intl. Expansion	Salvage Yd Expansion	Total Growth
FY2021	468	3	122	349	42	-4	387
FY2022	444	2	138	308	56	249	613
FY2023	517	31	160	388	68	135	591
FY2024	605	-5	190	410	77	109	597
FY2025	570	25	216	379	79	162	620
Cumulative	2,604	56	826	1,874	322	652	2,808

Year	NOPAT	After-tax Intl. Expansion	After-tax Salvage Yd Expansion	Adj. NOPAT	Org. Growth	Δ GW	Plowback (k)
FY2021	932	34	-3	963	963	12	0.40
FY2022	1,127	46	205	1,378	1,012	46	0.44
FY2023	1,219	56	111	1,385	1,062	-8	0.43
FY2024	1,289	63	90	1,442	1,115	120	0.41
FY2025	1,391	65	133	1,589	1,171	4	0.39
NOPAT attributed to growth expense							418
ROIC							14.9%
ROIC incl. Goodwill							14.0%

Assumptions:

- **Tax rate:** 18% consistent with CPRT's FY2025 effective rate, which reflects SBC tax benefits and international mix
- **Organic revenue growth:** 5%
- **Customer network expansion:** Capitalize 10% of international revenue as the growth-related portion of opex tied to buyer/customer network expansion
- **Yard expansion costs:** Capitalize the growth-related portion of salvage yard expansion costs, calculated as prior-year yard operating costs plus 3% inflation for T+1 yard operations

Exhibit 5 — Expected Return Sensitivity

Component	Bear	Base	Bull
Distribution yield (D/V)	1.5%	2.5%	3.5%
Earnings growth (g)	7.0%	11.2%	14.0%
Multiple change (h)	(2.0%)	-	6.0%
Expected return R	6.4%	13.7%	24.3%
Hurdle (WACC + MoS = 10.2%)	11.2%	11.2%	11.2%
Excess vs. hurdle	(4.8%)	2.5%	13.2%

Exhibit 6 — Reverse DCF Results

Reverse DCF										
Inputs										
Current stock price	33.23									
Shares outstanding (million)	977.6									
Perpetuity growth rate	2.0%									
Desired return (discount rate)	10.00%									
FCF year 1 (million)	1877.00									
Growth rate year 1-10	7.20%	Calculate growth rate								
Cash flow estimates	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
FCF	1,877.00	2,012.13	2,156.98	2,312.26	2,478.72	2,657.16	2,848.45	3,053.51	3,273.33	3,508.98
Growth		7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%
Discounted FCFs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
FCF	1,877.00	2,012.13	2,156.98	2,312.26	2,478.72	2,657.16	2,848.45	3,053.51	3,273.33	3,508.98
Present value	1,706.36	1,662.91	1,620.57	1,579.30	1,539.09	1,499.90	1,461.71	1,424.49	1,388.21	1,352.86
Sum discounted CFs	15,235.41									
Terminal value										
TV	44,739.49									
Present Value TV	17,249.01									
Total equity value										
Total equity value	32,484.42									
Value per share										
Intrinsic Value	33.23									
Upside/downside	0.00%									

Exhibit 7 — U.S. Real Estate Portfolio Value, Top 10 States (Mid Case, \$mn)

Rank	State	Sites	Acres	Low (\$mn)	Mid (\$mn)	High (\$mn)
1	CA	23	1,601	1,430	1525	2632
2	FL	19	1,562	813	850	1372
3	TX	18	1,730	437	462	763
4	GA	11	855	278	295	470
5	NJ	4	220	264	271	462
6	PA	10	645	252	271	443
7	IL	7	535	228	239	389
8	NC	9	648	217	226	359
9	NY	6	392	208	223	384
10	AZ	4	340	204	210	330

Rank	State	Sites	Acres	Low (\$mn)	Mid (\$mn)	High (\$mn)
N/A	Others	113	7,772	2,249	4,229	5,116
Total US	(224 sites)	224	16,300	6,580	8,800	12,720

Plus international (~3,300 acres in UK, Germany, Brazil, Canada, Spain, Finland, etc.) at ~\$300–700K/acre per local IOS comps adds ~\$1.0–2.3bn. Total global mid-case land value ~\$11.85–13.15bn vs. \$2.4bn at book.

Exhibit 8 — Sources

Filings: Copart 10-K FY2025 (year ended July 31, 2025); 10-Q Q1'26 and Q2'26.

Sell-side reports: Stephens Initiation (Jul 2025) and updates (Sep 2025, Dec 2025, Feb 2026); JPMorgan (Sep 2025, Nov 2025, Feb 2026); Jefferies (Sep 2025, Nov 2025, Feb 2026, Apr 2026); BNP Paribas (Sep 2025, Nov 2025, Feb 2026); Northcoast Research (Sep 2025, Nov 2025, Feb 2026, Mar 2026 AI Note); Barrington Research (Sep 2025, Nov 2025, Feb 2026).

IOS market data: CoStar / Newmark IOS Reports (Jul 2025); Partners Real Estate Texas IOS (Jan 2026); Bradford Companies IOS Stats (2025); Matthews Real Estate IOS Update (Q1 2024); IOS YardDogs (2025); Colliers Las Vegas (Q4 2025); IPA Rural land comps (2024).

Expert calls: 11 InPractise interviews (Caucasus Auto, Lion Trans Georgia x2, IAA former VP, IAA former Director Global Buyer Development, Copart former Executive Canada x2, Copart former Transportation Manager, Purple Wave former Territory Sales, Progressive Claims Manager, West African Copart buyer).

Disclosure: Generative AI was used for organizing primary research notes and drafting structural elements. All economic analysis, valuation judgments, and investment conclusions are the author's.