# CarGurus, Inc.

**CARG**

Nasdaq; business equipment; SIC 7374, Services-Computer Processing & Data Preparation; CIK 0001494259

**B**

**second fifth of 495 graded peers in business equipment**

rank 157 of 495; percentile 31.6; sampling error 2.2 points; lower is stronger

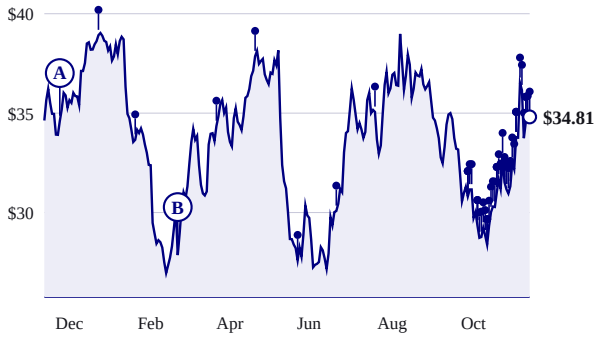
A B C D E

**B, the elk**



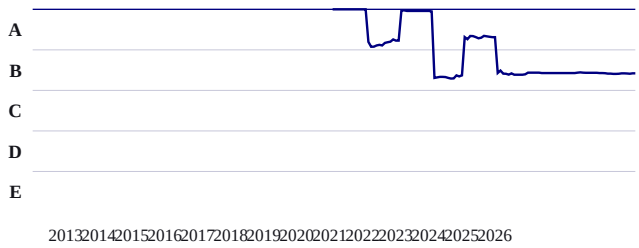
| Scoreboard | |
|---|---|
| **Profitability** | B<br>percentile 30.0 |
| **Solvency** | A/B<br>percentile 19.0 |
| **Growth and financing** | D/E<br>percentile 80.2 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $661.9M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: dilution, distress |
| **Inputs computable** | 11 of 14 |
| **Graded from** | filings received through Feb 19, 2026<br>266 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $34.80<br>2026-11-11; market equity $0; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 19, 2026*

CarGurus is a multinational automotive platform helping consumers and dealers confidently buy and sell vehicles. Founded in 2006 with a mission to bring more trust and transparency to car shopping, CarGurus is the No. 1 visited automotive shopping site in the U.S.1 with the largest selection of inventory and network of dealers2. CarGurus' selection, trusted automotive insights, and data-driven products and solutions support each shopper's journey - from online research and shopping to in-dealership decisions - to empower them at every step.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 30.0** | | | | | | |
| Gross profitability | 127.1% | 28.7% | | 0.9 | 552 | 2025-12-31 |
| Return on invested capital | 90.3% | 11.4% | | 4.5 | 133 | 2025-12-31 |
| Accruals ratio | (18.8%) | (7.3%) | | 20.2 | 615 | 2025-12-31 |

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| | | | | | |
|---|---|---|---|---|---|
| Gross margin stability, five years | 20.5 pts | 2.3 pts | 94.5 | 423 | 2025-12-31 |
| **Solvency, sleeve percentile 19.0** | | | | | |
| Twelve-month failure probability | not computable | 0.06% | | | |
| *four consecutive discrete net-income quarters are required; found 4* | | | | | |
| Altman Z double-prime | 7.44 | 2.21 | 13.0 | 562 | 2025-12-31 |
| Net debt to EBITDA | (0.70x) | 1.08x | 10.3 | 147 | 2025-12-31 |
| Interest coverage | not computable | 3.77x | | | |
| *interest expense must exceed $100,000* | | | | | |
| Current ratio | 2.81x | 2.01x | 33.8 | 660 | 2025-12-31 |
| **Growth and financing, sleeve percentile 80.2** | | | | | |
| Revenue growth, three-year compound | (18.2%) | 6.5% | 92.7 | 532 | 2025-12-31 |
| Free cash flow growth, three-year compound | 4.9% | 18.0% | 68.9 | 265 | 2025-12-31 |
| Reinvestment rate | (72.4%) | 15.1% | 75.2 | 223 | 2025-12-31 |
| Asset growth, three years | (10.6%) | 5.2% | 84.2 | 557 | 2025-12-31 |
| Net share issuance, one year | not computable | 0.5% | | | |
| *two annual share counts are required; found 0* | | | | | |

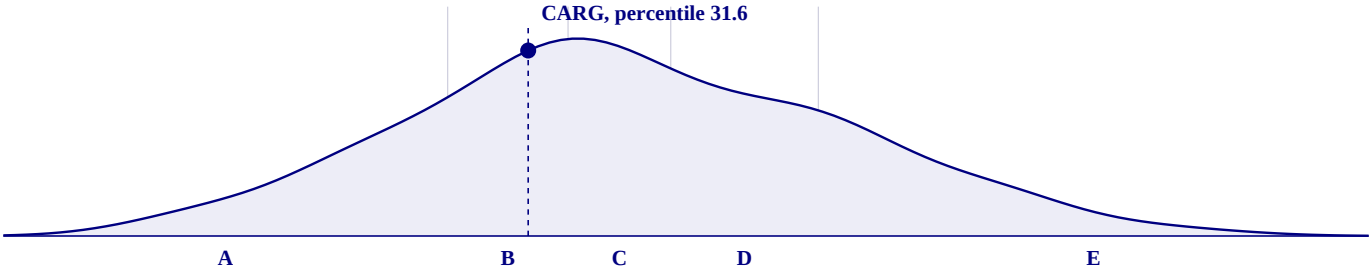
## Warnings

*1 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 190,518,000 USD; Altman Z is not used |

## Among 495 peers

*business equipment; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 152 | First Solar, Inc. (FSLR) | 30.6 | B | fortress balance sheet |
| 153 | EnerSys (ENS) | 30.8 | B | |
| 154 | Formfactor Inc. (FORM) | 31.0 | B | fortress balance sheet |
| 155 | Leonardo DRS, Inc. (DRS) | 31.2 | B | fortress balance sheet |
| 156 | CTS Corp. (CTS) | 31.4 | B | fortress balance sheet |
| 157 | CarGurus, Inc. (CARG) | 31.6 | B | fortress balance sheet |
| 158 | Block, Inc. (XYZ) | 31.8 | B | |
| 159 | Where Food Comes From, Inc. (WFCF) | 32.0 | B | fortress balance sheet |
| 160 | Waters Corp. (WAT) | 32.2 | B | dilution |
| 161 | Wetouch Technology Inc. (WETH) | 32.4 | B | late filer |
| 162 | Guidewire Software, Inc. (GWRE) | 32.6 | B | fortress balance sheet |

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## What the price implies

*at the 2026-11-11 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (11.3%) | (2.0%) | 42 |
| Distance from 52-week high | (10.8%) | (32.9%) | 78 |
| EBIT to enterprise value | not computable | 1.6% | |
| Free cash flow yield | not computable | 2.7% | |
| Book value to price | not computable | 0.27 | |
| Sales to price | not computable | 0.31 | |
| Composite equity issuance, five years | not computable | 4.3% | |
| Relative strength against the sector, log excess return | (0.39) | (0.29) | 42 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-12-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $164.9M |
| Operating cash flow, four quarters | $328.4M |
| Months of runway | not finite |
| Days since last periodic filing | 7 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $36.9M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $841.5M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 2 | assets | us-gaap:Assets | $661.9M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $244.4M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $252.8M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $56.1M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 6 | total debt | us-gaap:LongTermDebt | $0 | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 7 | book equity | us-gaap:StockholdersEquity | $374.2M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $190.5M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 9 | total debt | us-gaap:LongTermDebt | $0 | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 10 | book equity | us-gaap:StockholdersEquity | $541.7M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $304.2M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 12 | net income | us-gaap:NetIncomeLoss | $155.9M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $295.3M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 14 | assets | us-gaap:Assets | $824.5M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $907.0M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 16 | gross profit | us-gaap:GrossProfit | $727.7M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $798.0M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 18 | gross profit | us-gaap:GrossProfit | $636.6M | 2023-12-31 | 2026-02-19 | 10-K | 26-059435 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $698.4M | 2023-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 20 | gross profit | us-gaap:GrossProfit | $657.6M | 2022-12-31 | 2025-02-20 | 10-K | 25-024181 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.7B | 2022-12-31 | 2025-02-20 | 10-K | 25-024181 |
| 22 | gross profit | us-gaap:GrossProfit | $657.4M | 2021-12-31 | 2024-02-26 | 10-K | 24-020157 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $951.4M | 2021-12-31 | 2024-02-26 | 10-K | 24-020157 |
| 24 | current assets | us-gaap:AssetsCurrent | $282.9M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $100.5M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $362.4M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 27 | liabilities | us-gaap:Liabilities | $287.7M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $28.3M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | $15.3M | 2017-12-31 | 2020-02-14 | 10-K | 20-004805 |
| 30 | interest expense | us-gaap:InterestExpense | $29,000 | 2017-12-31 | 2018-03-01 | 10-K | 18-004127 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $6.4M | 2025-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $255.5M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $75.2M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $124.5M | 2023-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $24.6M | 2023-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $256.1M | 2022-12-31 | 2025-02-20 | 10-K | 25-024181 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $5.9M | 2022-12-31 | 2025-02-20 | 10-K | 25-024181 |
| 38 | current assets | us-gaap:AssetsCurrent | $391.2M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $93.1M | 2024-12-31 | 2026-02-19 | 10-K | 26-059435 |
| 40 | assets | us-gaap:Assets | $918.9M | 2023-12-31 | 2025-02-20 | 10-K | 25-024181 |
| 41 | assets | us-gaap:Assets | $927.1M | 2022-12-31 | 2025-02-20 | 10-K | 25-024181 |

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