# **ModernGraham Valuation**

### **Company Name:**

Company Ticker PCAR Date of Analysis

10/7/2015



## 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	\$19,261,891,897	Pass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.66	Pass
	3.	Earnings Stability	Positive EPS for 10 years prior		Pass
	4.	Dividend Record	Dividend Payments for 10 years prior		Pass
	5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-5.98%	Fail
	6.	Moderate PEmg Ratio	PEmg < 20	17.87	Pass
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.70	Pass
g Investor;	ти	st pass 4 out of the following 5 tests, or be	suitable for the Defensive Investor.		
	1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.66	Pass
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.63	Pass
	3.	Earnings Stability	Positive EPS for 5 years prior		Pass
	4.	Dividend Record	Currently Pays Dividend		Pass
	5.	Earnings Growth	EPSmg greater than 5 years ago		Pass

PACCAR Inc

#### Suitability

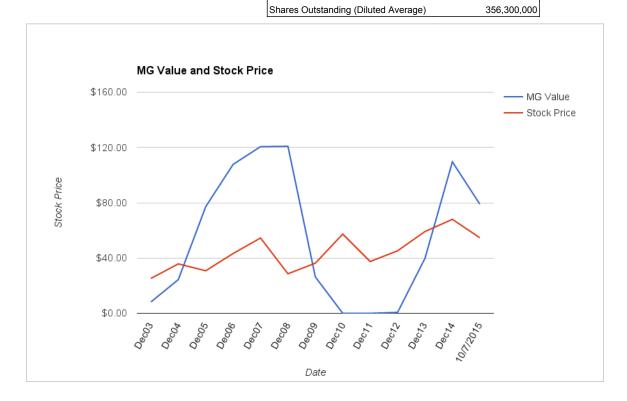
Enterprising

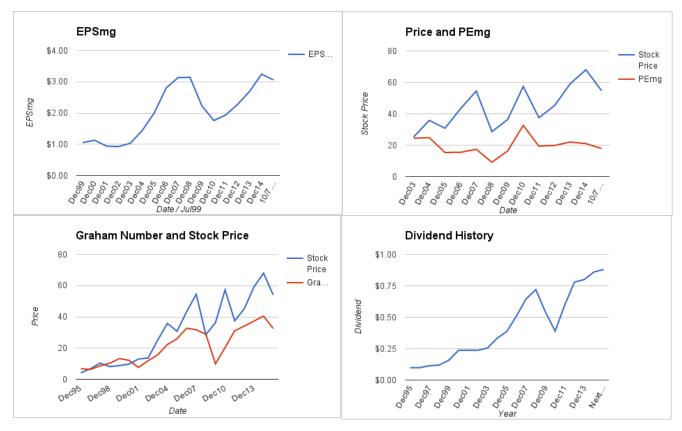
Defensive	Yes
Enterprising	Yes

#### Stage 2: Determination of Intrinsic Value

•	EPSmg	\$3.06	į
	MG Growth Estimate	8.67%	,
	MG Value	\$79.01	
	MG Value based on 3% Growth	\$44.35	j
	MG Value based on 0% Growth	\$26.00	)
	Market Implied Growth Rate	4.69%	
MG Opinion			
	Current Price	\$54.67	
	% of Intrinsic Value	69.19%	,
	Opinion	Undervalued	
Stage 3: Infor	mation for Further Research		
Ū	Net Current Asset Value (NCAV)	\$2.68	
	Graham Number	\$32.58	
	PEmg	17.87	,
	Current Ratio	2.66	j
	PB Ratio	2.70	)
	Dividend Yield	1.61%	,
	Number of Consecutive Years of Dividend Growth	5	j
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢0.00	Next Fiscal Year Estimate	\$3.06
Dec14			\$3.08
Dec13		Dec13	\$2.69
Dec12		Dec12	\$2.28
Dec11		Dec11	\$1.94
Dec10	\$1.25	Dec10	\$1.76
Dec09	\$0.31	Dec09	\$2.23
Dec08	\$2.78	Dec08	\$3.14
Dec07	\$3.29	Dec07	\$3.13
Dec06	\$3.97	Dec06	\$2.80
Dec05	\$2.91	Dec05	\$2.00
Dec04	\$2.29	Dec04	\$1.44
Dec03	\$1.33	Dec03	\$1.03
Dec02	\$0.95	Dec02	\$0.93
Dec01	\$0.44	Dec01	\$0.94
Dec00	\$1.13	Dec00	\$1.13
Dec99	\$1.46	Dec99	\$1.05
Dec98	\$1.05	Balance Sheet Information	Jun15
Dec97	\$0.87	Total Current Assets	\$15,153,200,000
Dec96	\$0.51	Total Current Liabilities	\$5,699,300,000
Dec95	\$0.64	Long-Term Debt	\$5,914,200,000
		Total Assets	\$21,415,300,000
		Intangible Assets	\$0
		Total Liabilities	\$14,196,700,000





#### 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	The 9 Best Stocks For Value Investors This Week – 7/18/15
ModernGraham posts about the	Paccar Inc. Analysis – July 2015 Update \$PCAR
company	27 Companies in the Spotlight This Week – 4/4/15
	Paccar Inc. Quarterly Valuation – March 2015 \$PCAR
	17 Companies in the Spotlight This Week – 3/29/14
Other	W.W. Grainger Inc. Analysis – October 2015 Update \$GWW
ModernGraham posts about related	My Personal Holdings: Deere & Company – October 2015 Update \$DE
companies	Allegion PLC Analysis – September 2015 Update \$ALLE
	Parker Hannifin Corporation Analysis – September 2015 Update \$PH
	Roper Technologies Inc. Analysis – September 2015 Update \$ROP
	My Personal Holdings: Dover Corporation – September 2015 Update \$DOV
	Xvlem Inc. Analysis – August 2015 Undate \$XYI

Xylem Inc. Analysis – August 2015 Update \$XYL Cummins Inc. Analysis – August 2015 Update \$CMI

Fastenal Company Analysis – August 2015 Update \$FAST

A.O. Smith Corporation Analysis – Initial Coverage \$AOS