ModernGraham Valuation

Company Name:

Precision Castparts Corp.



2.80 Fail

Company Ticker Date of Analysis

1/5/2016

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.

5. Earnings Growth

7. Moderate Price to Assets

PCP

•	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$31,941,109,983 Pass
2	2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.06 Pass
;	3. Earnings Stability	Positive EPS for 10 years prior	Pass
4	Dividend Record	Dividend Payments for 10 years prior	Pass
		Increase of 33% in EPS in past 10	

years using 3 year averages at beginning and end 77.49% Pass 6. Moderate PEmg Ratio 21.49 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.06 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.09 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

PB Ratio < 2.5 OR PB*PEmg < 50

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.81
MG Growth Estimate	6.79%
MG Value	\$238.64
MG Value based on 3% Growth	\$156.70
MG Value based on 0% Growth	\$91.86
Market Implied Growth Rate	6.49%

MG Opinion

Current Price \$232.20 % of Intrinsic Value 97.30% Opinion **Fairly Valued**

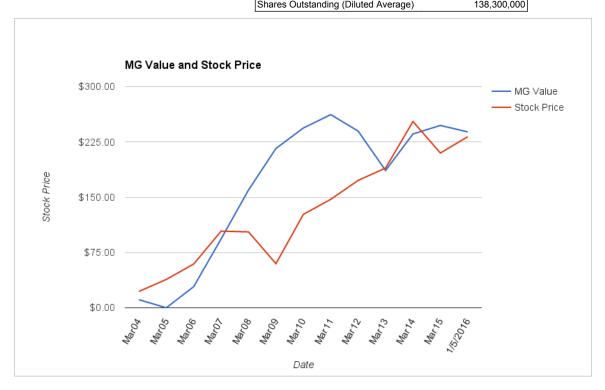
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.52
Graham Number	\$144.01
PEmg	21.49
Current Ratio	3.06
PB Ratio	2.80
Dividend Yield	0.05%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$11.05	Next Fiscal Year Estimate	\$10.81
Mar15	\$10.66	Mar15	\$10.32
Mar14	\$12.12	Mar14	\$9.69
Mar13	\$9.72	Mar13	\$8.25
Mar12	\$8.41	Mar12	\$7.44
Mar11	\$7.04	Mar11	\$6.81
Mar10	\$6.49	Mar10	\$6.34
Mar09	\$7.43	Mar09	\$5.62
Mar08	\$7.04	Mar08	\$4.15
Mar07	\$4.59	Mar07	\$2.43
Mar06	\$2.58	Mar06	\$1.24
Mar05	-\$0.01	Mar05	\$0.64
Mar04	\$1.02	Mar04	\$0.96
Mar03	\$1.17	Mar03	\$0.93
Mar02	\$0.41	Mar02	\$0.84
Mar01	\$1.23	Mar01	\$1.01
Mar00	\$0.87	Mar00	\$0.87
Mar99	\$1.06	Balance Sheet Information	Sep15
Mar98	\$0.89	Total Current Assets	\$6,152,000,000
Mar97	\$0.65	Total Current Liabilities	\$2,013,000,000
Mar96	\$0.51	Long-Term Debt	\$4,491,000,000
		Total Assets	\$20,189,000,000
		Intangible Assets	\$10,836,000,000
		Total Liabilities	\$8,713,000,000
		Shares Outstanding (Diluted Average)	138,300,000





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.

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