ModernGraham Valuation

Company Name:

Company Ticker PCAR Date of Analysis

8/17/2016



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.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$20,726,817,206 Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.46 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	52.98% Pass
6.	Moderate PEmg Ratio	PEmg < 20	19.11 Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.10 Fail

PACCAR Inc

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	2.46 I	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.69 I	Pass
3.	Earnings Stability	Positive EPS for 5 years prior	I	Pass
4.	Dividend Record	Currently Pays Dividend	I	Pass
5.	Earnings Growth	EPSmg greater than 5 years ago	I	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$3.09
	MG Growth Estimate		5.34%
	MG Value		\$59.31
	MG Value based on 3% Growth		\$44.82
	MG Value based on 0% Growth		\$26.28
	Market Implied Growth Rate		5.31%
MG Opinion			
	Current Price		\$59.08
	% of Intrinsic Value		99.60%
	Opinion	Fairly Valued	
	MG Grade	В-	

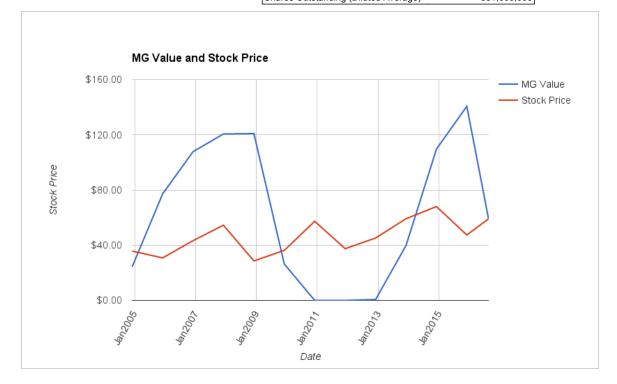
Stage 3: Information for Further Research

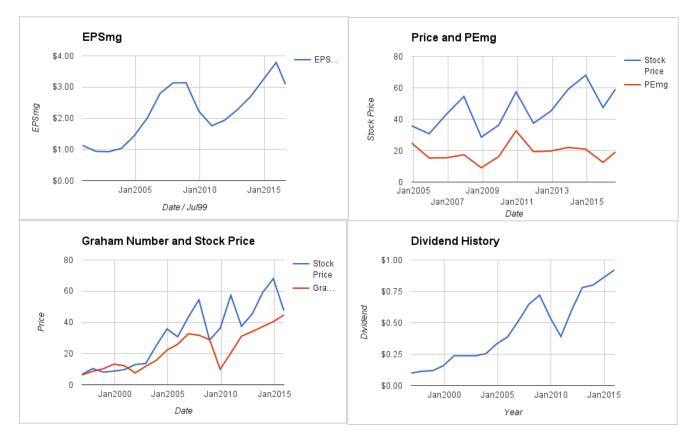
Net Current Asset Value (NCAV)	-\$0.09
Graham Number	\$24.82
PEmg	19.11
Current Ratio	2.46
PB Ratio	3.10
Current Dividend	\$0.96
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

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EPS History		EPSmg History	
Next Fiscal Year Estimate \$1.43		Next Fiscal Year Estimate	\$3.09
Dec2015	\$1.43 \$4.51	Dec2015	
Dec2015		Dec2015	\$3.79
	\$3.82		\$3.24
Dec2013	\$3.30		\$2.69
Dec2012	\$3.12		\$2.28
Dec2011	\$2.86		\$1.94
Dec2010	\$1.25	Dec2010	\$1.76
Dec2009	\$0.31	Dec2009	\$2.23
Dec2008	\$2.78	Dec2008	\$3.14
Dec2007	\$3.29	Dec2007	\$3.13
Dec2006	\$3.97	Dec2006	\$2.80
Dec2005	\$2.91	Dec2005	\$2.00
Dec2004	\$2.29	Dec2004	\$1.44
Dec2003	\$1.33	Dec2003	\$1.03
Dec2002	\$0.95	Dec2002	\$0.93
Dec2001	\$0.44	Dec2001	\$0.94
Dec2000	\$1.13	Dec2000	\$1.13
Dec1999	\$1.46	Balance Sheet Information	6/1/2016
Dec1998	\$1.05	Total Current Assets	\$14,686,700,000
Dec1997	\$0.87	Total Current Liabilities	\$5,976,400,000
Dec1996	\$0.51	Long-Term Debt	\$6,018,100,000
		Total Assets	\$21,427,200,000
		Intangible Assets	\$0
		Total Liabilities	\$14,717,500,000
		Shares Outstanding (Diluted Average)	351,600,000





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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Paccar Inc. Analysis – July 2015 Update \$PCAR	
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Other W.W. Grainger Inc Valuation – August 2016 \$GWW	
ModernGraham posts about related Allegion PLC Valuation – August 2016 \$ALLE	
companies Xylem Inc Valuation – August 2016 \$XYL	
Rockwell Automation Inc Valuation – July 2016 \$ROK	
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