# **ModernGraham Valuation**

## **Company Name:**

**PACCAR Inc** 

Company Ticker Date of Analysis

**PCAR** 

2/5/2017

7. Moderate Price to Assets



3.56 Fail

### 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.

<ol> <li>Adequate Size of the Enterprise</li> </ol>	Market Cap > \$2Bil	\$24,327,983,664 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	114.06% Pass
5. Lamings Growth	beginning and end	114.00 /0 Fass
Moderate PEmg Ratio	PEmg < 20	21.91 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	1.11 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

PB Ratio < 2.5 OR PB\*PEmg < 50

Score

Suitability

Defensive No Enterprising

### Stage 2: Determination of Intrinsic Value

EPSmg	\$3.13
MG Growth Estimate	2.42%
MG Value	\$41.72
MG Value based on 3% Growth	\$45.33
MG Value based on 0% Growth	\$26.57
Market Implied Growth Rate	6.70%

MG Opinion

Current Price \$68.49 164.18% % of Intrinsic Value

Opinion Overvalued

MG Grade С

### Stage 3: Information for Further Research

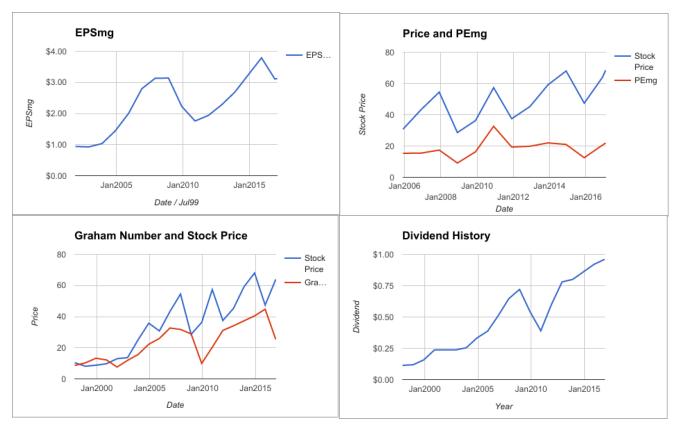
Net Current Asset Value (NCAV)	-\$26.57
Graham Number	\$37.88
PEmg	21.91
Current Ratio	1.11
PB Ratio	3.56
Current Dividend	\$0.96
Dividend Yield	1.40%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	****	Next Fiscal Year Estimate	\$3.13
Dec2016	\$1.48	Dec2016	\$3.11
Dec2015	\$4.51	Dec2015	\$3.79
Dec2014	\$3.82	Dec2014	\$3.24
Dec2013	\$3.30	Dec2013	\$2.69
Dec2012	\$3.12	Dec2012	\$2.28
Dec2011	\$2.86	Dec2011	\$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	Balance Sheet Information	12/1/2016
Dec1999	\$1.46	Total Current Assets	\$4,512,600,000
Dec1998	\$1.05	Total Current Liabilities	\$4,056,200,000
Dec1997	\$0.87	Long-Term Debt	\$0
		Total Assets	\$20,638,900,000
		Intangible Assets	\$0
		Total Liabilities	\$13,861,300,000
		Shares Outstanding (Diluted Average)	351,900,000





#### 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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