

ModernGraham Valuation

Company Name:

PACCAR Inc

Company Ticker PCAR

Date of Analysis

3/6/2019



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	\$23,413,866,116	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.42	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	134.99%	Pass
5. Earnings Growth	PEmg < 20	13.21	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.75	Pass
7. Moderate Price to Assets			

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	2.42	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
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.11
MG Growth Estimate	5.24%
MG Value	\$97.02
MG Value based on 3% Growth	\$74.12
MG Value based on 0% Growth	\$43.45
Market Implied Growth Rate	2.36%

MG Opinion

Current Price	\$67.54
% of Intrinsic Value	69.62%
Opinion	Undervalued
MG Grade	B

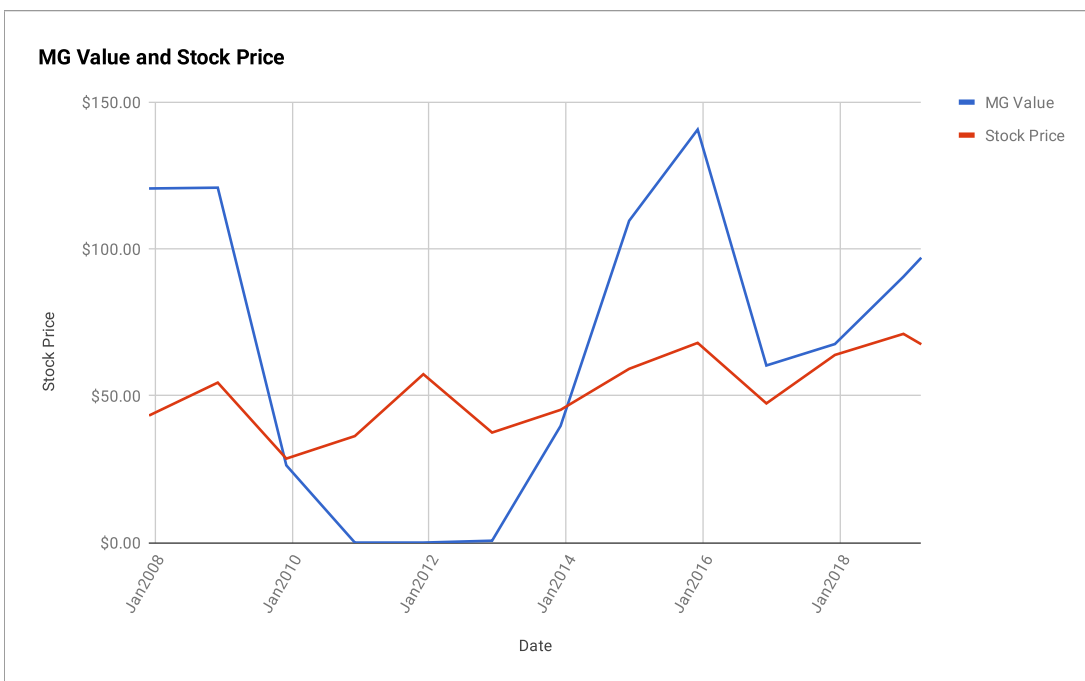
Stage 3: Information for Further Research

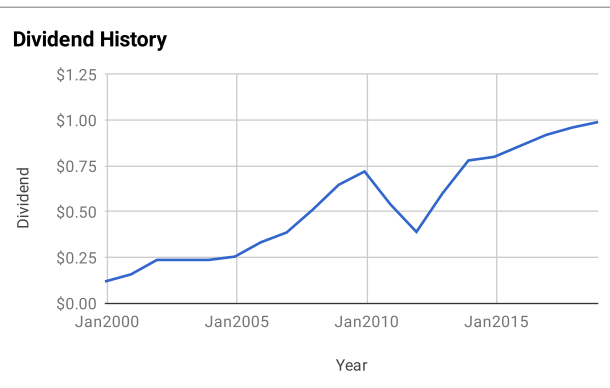
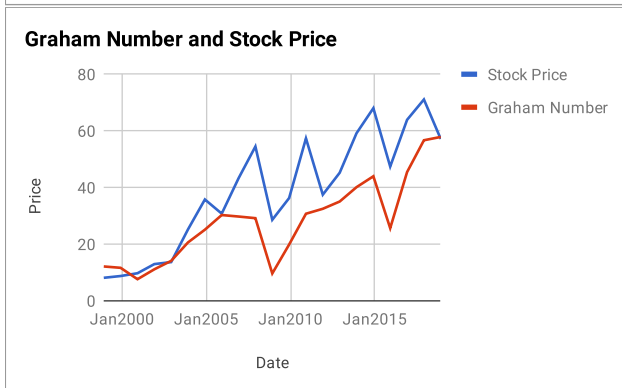
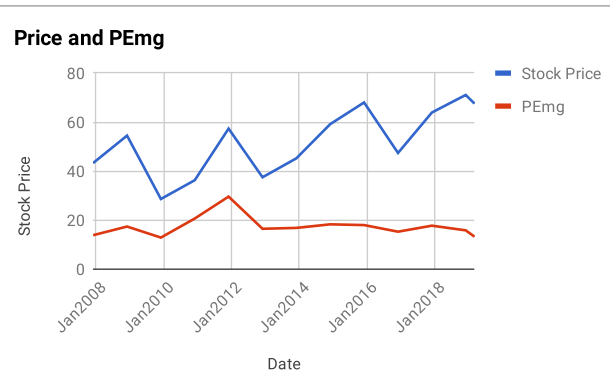
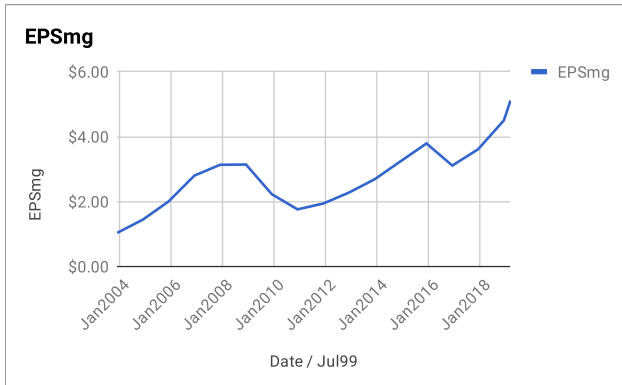
Net Current Asset Value (NCAV)	\$3.64
Graham Number	\$57.85
PEmg	13.21
Current Ratio	2.42
PB Ratio	2.75
Current Dividend	\$1.09
Dividend Yield	1.61%
Number of Consecutive Years of Dividend Growth	8

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		Next Fiscal Year Estimate	
Dec2018	\$6.00	Dec2018	\$5.11
Dec2017	\$6.24	Dec2017	\$4.50
Dec2016	\$4.75	Dec2016	\$3.61
Dec2015	\$1.48	Dec2015	\$3.11
Dec2014	\$4.51	Dec2014	\$3.79
Dec2013	\$3.82	Dec2013	\$3.24
Dec2012	\$3.30	Dec2012	\$2.69
Dec2011	\$3.12	Dec2011	\$2.28
Dec2010	\$2.86	Dec2010	\$1.94
Dec2009	\$1.25	Dec2009	\$1.76
Dec2008	\$0.31	Dec2008	\$2.23
Dec2007	\$2.78	Dec2007	\$3.14
Dec2006	\$3.29	Dec2006	\$3.13
Dec2005	\$3.97	Dec2005	\$2.80
Dec2004	\$2.91	Dec2004	\$2.00
Dec2003	\$2.29	Dec2003	\$1.44
Dec2002	\$1.33	Dec2003	\$1.03
Dec2001	\$0.95	Balance Sheet Information 12/1/2018	
Dec2000	\$0.44	Total Current Assets	\$18,160,900,000
Dec1999	\$1.13	Total Current Liabilities	\$7,502,800,000
	\$1.46	Long-Term Debt	\$6,693,700,000
		Total Assets	\$25,482,400,000
		Intangible Assets	\$0
		Total Liabilities	\$16,889,500,000
		Shares Outstanding (Diluted Average)	349,700,000





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.

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company**

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[Linamar Corp Valuation – October 2018 \\$TSE-LNR](#)
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