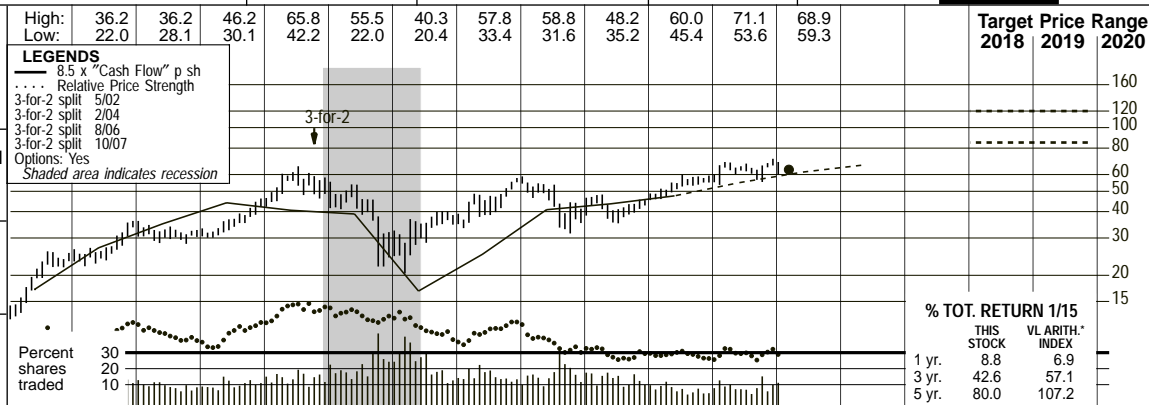


PACCAR INC. NDQ-PCAR

RECENT PRICE **63.16** P/E RATIO **14.5** (Trailing: 16.5) (Median: 15.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **3.2%** **VALUE LINE**

TIMELINESS 1 Raised 2/13/15
SAFETY 3 Lowered 6/1/07
TECHNICAL 3 Raised 1/16/15
BETA 1.20 (1.00 = Market)



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+90%)	20%
Low	80	(+25%)	7%

Insider Decisions

	M	A	M	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	3	0
to Sell	0	0	0	0	4	0	0	7

Institutional Decisions

	10/2014	20/2014	30/2014
to Buy	201	200	198
to Sell	179	200	202
Hlds(000)	217589	216032	214426

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
22.76	19.85	15.19	18.42	20.76	29.16	37.01	44.18	41.51	41.27	22.20	25.53	42.95	45.14	45.02	50.25	55.25	57.40	Revenues per sh	64.95
1.80	1.47	.88	1.51	2.01	3.17	4.13	5.18	4.78	4.60	1.98	2.96	4.81	5.13	5.59	6.45	7.25	7.85	"Cash Flow" per sh	10.15
1.42	1.10	.45	.95	1.33	2.34	3.08	3.97	3.29	2.78	.23	1.25	2.86	3.12	3.30	3.82	4.40	4.65	Earnings per sh ^B	6.20
.49	.43	.29	.44	.62	1.22	1.28	1.84	1.69	.82	.54	.69	1.30	1.58	1.70	1.86	2.00	2.10	Div'ds Decl'd per sh ^C	2.50
.65	.36	.21	.20	.28	.59	.79	.84	1.16	1.28	.35	.46	.95	1.46	1.44	.75	.95	1.00	Cap'l Spending per sh	1.35
5.32	5.64	5.62	6.64	8.23	9.63	10.27	11.97	13.67	13.36	14.01	14.67	15.03	16.54	18.73	19.10	19.85	21.00	Book Value per sh	25.85
396.39	398.93	400.95	391.89	394.68	390.81	379.88	372.39	366.67	362.77	364.20	365.33	356.80	353.40	354.30	354.00	353.00	352.00	Common Shs Outst'g ^D	348.00
6.8	7.8	23.5	13.4	15.0	11.7	10.2	9.1	16.2	14.7	NMF	35.8	16.0	13.5	13.5	16.6	16.6	16.6	Avg Ann'l P/E Ratio	16.0
.39	.51	1.20	.73	.86	.62	.54	.49	.86	.88	NMF	2.28	1.00	.86	.90	.86	.86	.86	Relative P/E Ratio	1.00
5.1%	5.1%	2.7%	3.5%	3.1%	4.5%	4.1%	5.1%	3.2%	2.0%	1.6%	1.5%	2.8%	3.8%	3.2%	2.9%	2.9%	2.9%	Avg Ann'l Div'd Yield	2.5%

CAPITAL STRUCTURE as of 9/30/14
 Total Debt \$8218.2 mill. Due in 5 Yrs \$7100.0 mill.
 LT Debt \$5292.4 mill LT Interest \$335 mill
 (Total interest coverage 6.0x) (43% of Cap'l)

Pension Assets 12/13 \$2.11 bill
 Oblig. \$1.96 bill

Prd Stock None
 Common Stock 354,104,279 shs.
 as of 10/31/14

MARKET CAP: \$22.4 billion (Large Cap)

14057	16454	15222	14973	8086.5	9325.1	15326	15952	15949	17793	19500	20200
18.3%	19.1%	19.5%	19.8%	19.9%	6.2%	12.5%	12.5%	8.3%	17.0%	17.5%	17.5%
370.1	434.6	526.4	649.4	638.1	623.2	673.8	700.9	810.7	917.7	1000	1100
1197.2	1496.0	1227.3	1017.9	83.0	457.6	1042.3	1111.6	1171.3	1359.2	1565	1655
32.5%	31.2%	30.4%	30.5%	36.1%	30.7%	30.8%	31.8%	30.9%	31.0%	31.0%	31.0%
8.5%	9.1%	8.1%	6.8%	1.0%	4.9%	6.8%	7.0%	7.3%	7.6%	8.0%	8.2%
3183.5	5169.9	5467.3	3908.7	4754.6	4580.9	5676.2	6739.1	8446.6	8700	8900	9100
935.5	2622.0	3039.1	1735.8	2492.3	1884.1	2745.5	4317.4	5765.3	6000	6400	7000
3901.1	4456.2	5013.1	4846.7	5103.7	5357.8	5364.4	5846.9	6634.3	6753.2	7000	7400
27.3%	24.7%	19.0%	18.3%	2.9%	6.9%	13.3%	11.3%	9.7%	12.5%	14.5%	14.0%
30.7%	33.6%	24.5%	21.0%	1.6%	8.5%	19.4%	19.0%	17.7%	20.1%	22.5%	22.5%
18.0%	21.7%	9.8%	8.0%	NMF	3.8%	10.7%	9.4%	8.6%	17.0%	19.0%	18.5%
42%	35%	60%	62%	NMF	55%	45%	50%	51%	49%	49%	48%

Revenues per sh 64.95
"Cash Flow" per sh 10.15
Earnings per sh^B 6.20
Div'ds Decl'd per sh^C 2.50
Cap'l Spending per sh 1.35
Book Value per sh 25.85
Common Shs Outst'g^D 348.00
Avg Ann'l P/E Ratio 16.0
Relative P/E Ratio 1.00
Avg Ann'l Div'd Yield 2.5%

CURRENT POSITION

	2012	2013	9/30/14
Cash Assets	1272.4	1750.1	1648.4
Receivables	9200.4	9831.7	8966.0
Inventory (LIFO)	782.4	813.6	988.1
Other	1524.4	1575.6	2828.9
Current Assets	12779.6	13971.0	14431.4
Accts Payable	2168.3	2546.7	2978.1
Debt Due	3562.7	2658.9	2925.8
Other	309.5	318.8	--
Current Liab.	6040.5	5524.4	5903.9

BUSINESS: PACCAR Inc. is a leading manufacturer of medium (Class 6-7) and heavy-duty (Class 8) diesel trucks produced under the Kenworth, Peterbilt, and DAF nameplates. The company distributes Class 4-7 trucks in Europe under its Leyland Trucks brand. Also produces winches and distributes truck replacement parts from 18 plants in 5 states, as well as Canada, Australia, Mexico, United Kingdom, Belgium, and the Netherlands. PACCAR Financial Corp., provided 6.9% of 2013 revenues. Employs about 21,800. Officers and Directors own 2.6% of stock (Proxy, 3/14). Chairman and CEO: Mark C. Pigott. President: Ronald E. Armstrong. Incorporated in DE. Address: 777-106th Ave. NE, Bellevue, WA 98004. Telephone: 425-468-7400. Internet: www.paccar.com.

Europe, where PCAR's DAF tractor is a market leader in the U.K., the Netherlands, and Hungary, the company expects sales in the above-16-tonne truck market to be in the range of 200,000 to 240,000 units. This compares to last year's figure of 227,000, implying that a decline is possible there. Finally, heavy-duty truck volumes in South America should be in the range of 110,000 to 130,000, compared to last year's tally of 129,000. Again, this implies an industry decline, though we think PCAR will increase market share there due to higher demand for DAF trucks in Brazil. The country also has an expanding dealer network thanks to management's ongoing investments in the region.

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '11-'13 to '18-'20
change (per sh)	9.5%	1.0%	5.5%
Revenues	13.5%	1.5%	8.5%
"Cash Flow"	13.0%	-1.5%	10.0%
Earnings	13.0%	1.0%	6.5%
Dividends	9.5%	5.0%	8.0%

PACCAR reported good results to finish 2014. Revenues during the fourth quarter increased 12% from a year ago, driven by strong North American truck deliveries, along with growth in the aftermarket parts business. For the full year, the company reached record revenues of \$17.8 billion. PACCAR achieved a Class 8 retail market share in North America of 27.9%, led by the Kenworth and Peterbilt brands. Truck demand in the region continues to be driven by the improving economy and fleet expansion. The higher volumes, along with ongoing share repurchases, allowed share net to jump 18% compared to last year's tally. The full-year share net total of \$3.82 was the second-largest profit in the company's history.

Shares of PACCAR are ranked to outperform the broader market averages in the coming six to 12 months. Strong North American demand, along with share buybacks and operational improvement initiatives, should drive good year-over-year earnings gains during this time frame. Over the 3- to 5-year period, these shares offer above-average price appreciation potential at the recent quotation.

QUARTERLY REVENUES (\$ mill.)^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	4515	4191	3547	3699	15952
2013	3631	4011	4008	4299	15949
2014	4086	4267	4623	4817	17793
2015	4700	4900	4900	5000	19500
2016	4900	5000	5100	5200	20200

We look for strong 2015 top- and bottom-line growth. Management looks for Class 8 industry sales in the U.S. and Canada to be in the range of 250,000 to 280,000 units for the year, compared to last year's figure of 250,000. The advance should be driven by further expansion of truck industry fleet capacity along with good economic growth in the region. In

February 20, 2015

EARNINGS PER SHARE^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.91	.83	.66	.72	3.12
2013	.67	.82	.87	.94	3.30
2014	.77	.90	1.04	1.11	3.82
2015	1.00	1.10	1.15	1.15	4.40
2016	1.05	1.15	1.20	1.25	4.65

Jason Dalavagas

February 20, 2015

QUARTERLY DIVIDENDS PAID^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.19	.19	.18	.88	1.30
2012	.18	.20	.20	1.00	1.58
2013	.20	.20	.20	1.10	1.70
2014	.20	.22	.22	1.22	1.86

Kingdom, Belgium, and the Netherlands. PACCAR Financial Corp., provided 6.9% of 2013 revenues. Employs about 21,800. Officers and Directors own 2.6% of stock (Proxy, 3/14). Chairman and CEO: Mark C. Pigott. President: Ronald E. Armstrong. Incorporated in DE. Address: 777-106th Ave. NE, Bellevue, WA 98004. Telephone: 425-468-7400. Internet: www.paccar.com.

February 20, 2015

(A) Quarterly box excludes PACCAR Financial Corp. (manufacturing & parts rev. only). (B) Diluted earnings. Excludes n/r gains (loss): '04, (5¢); '05, (17¢); '09, 8¢. Next earnings report due early April. (C) Div'ds. historically paid in early March, June, Sept., Dec. Extra year-end dividend: '14: \$1.00; '13: \$0.90; '12: \$0.80; '11: \$0.70; '08: \$0.10; '07: \$1.00; '06: \$1.33; '05: \$0.89; '04: \$0.89; '03: \$0.35; '02: \$0.21; '01: \$0.05; '00: \$0.19. (D) In mill., adjusted for stock splits.

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