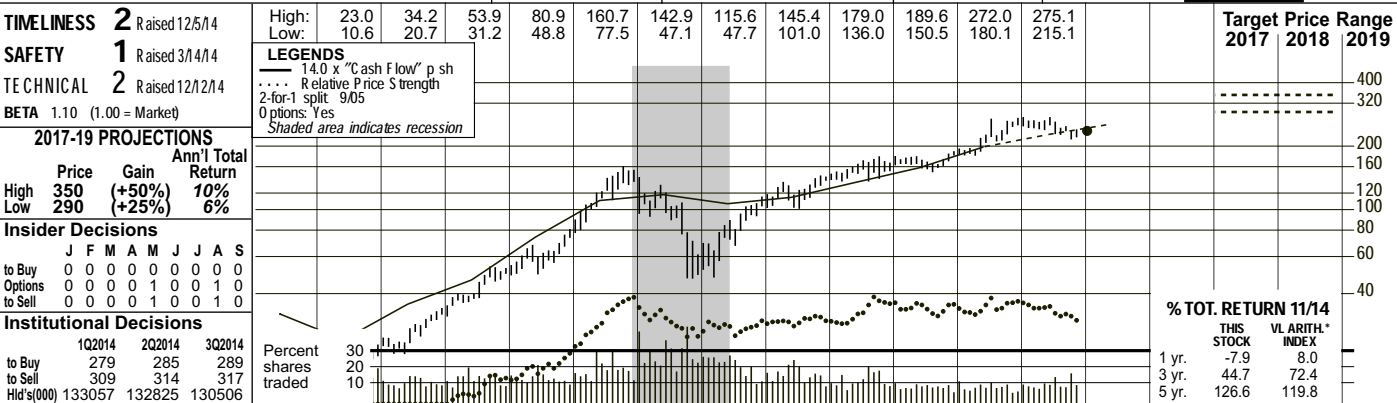


PRECISION CASTPARTS NYSE-PCP RECENT PRICE **235.91** P/E RATIO **16.6** (Trailing: 18.4 Median: 18.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **0.1%** VALUE LINE



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
15.04	16.98	22.66	24.52	20.07	16.81	22.06	26.24	39.07	49.29	48.81	38.67	43.28	49.67	57.30	66.28	73.25	78.85	Sales per sh ^A	98.60
1.60	1.66	2.27	2.59	2.29	1.73	2.54	3.32	5.30	7.89	8.43	7.61	8.16	9.62	11.27	14.15	16.05	18.05	"Cash Flow" per sh	22.45
1.05	.91	1.29	1.62	1.51	1.18	1.80	2.57	4.45	6.89	7.38	6.50	7.01	8.43	9.77	12.01	13.75	15.70	Earnings per sh ^B	20.00
.06	.06	.06	.06	.06	.06	.06	.12	.12	.12	.12	.12	.12	.12	.12	.12	.16	.16	Div'ds Decl'd per sh ^C	.20
.76	.50	.88	1.20	.67	.51	.47	.73	1.61	1.63	1.46	1.19	.84	1.32	2.19	2.45	2.00	2.25	Cap'l Spending per sh	3.00
7.13	7.85	8.78	9.12	10.06	13.25	13.46	15.84	20.67	29.10	34.74	41.53	49.83	57.56	66.91	78.48	89.10	104.75	Book Value per sh ^E	154.95
97.86	98.58	102.68	104.32	105.52	129.39	132.30	135.13	137.21	139.03	139.87	141.88	143.71	145.26	146.21	145.08	142.00	142.00	Common Shs Outst'g ^D	142.00
11.1	9.2	12.5	9.9	8.8	15.9	16.6	18.3	15.8	18.2	11.1	14.7	18.4	19.1	17.7	19.5	17.0	19.5	Avg Ann'l P/E Ratio	16.0
.58	.52	.81	.51	.48	.91	.88	.97	.85	.97	.67	.98	1.17	1.20	1.13	1.09	1.13	1.09	Relative P/E Ratio	1.00
.5%	.7%	.4%	.4%	.5%	.3%	.2%	.3%	.2%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	Avg Ann'l Div'd Yield	.1%

CAPITAL STRUCTURE as of 9/28/14
 Total Debt \$4320 mill. Due in 5 Yrs \$2316.1 mill.
 LT Debt \$3999 mill. LT Interest \$75.0 mill.
 (Total interest coverage: more than 25x)

Pension Assets-3/14 \$2.3 bill.
Oblig. \$2.6 bill.

Pfd Stock None

Common Stock 142,532,707 shs.
As of 10/30/14

Market Cap: \$33.6 billion (Large Cap)

	2012	2013	9/28/14	
2919.0	3546.4	5361.2	6852.1	6827.9
17.7%	18.5%	20.2%	24.0%	25.5%
97.0	99.2	112.5	130.4	140.5
239.5	349.1	614.7	965.9	1038.1
33.5%	31.6%	33.1%	33.9%	34.2%
8.2%	9.8%	11.5%	14.1%	15.2%
433.4	465.4	378.7	1167.5	1723.9
798.7	599.8	319.2	334.9	250.8
1780.4	2140.5	2836.2	4045.0	4859.9
10.4%	13.5%	20.3%	22.5%	20.4%
13.5%	16.3%	21.7%	23.9%	21.4%
13.0%	15.8%	21.1%	23.5%	21.0%
3%	3%	3%	2%	2%

	2012	2013	9/28/14	
280.2	361.0	404.0		
1509.3	1578.0	1666.0		
2981.8	3438.0	3656.0		
308.9	130.0	129.0		
5080.2	5507.0	5855.0		
941.0	1047.0	1015.0		
204.0	2.0	321.0		
566.6	559.0	621.0		
1711.6	1608.0	1957.0		

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '11-'13 of change (per sh)

Sales	11.0%	5.0%	10.0%
"Cash Flow"	18.0%	10.0%	13.0%
Earnings	21.5%	10.0%	13.0%
Dividends	7.0%	-	7.5%
Book Value	20.0%	19.0%	15.0%

Fiscal Year Begins	QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
	Jun.Per	Sep.Per	Dec.Per	Mar.Per	
2011	1675	1784	1805	1948	7214.6
2012	1969	1930	2043	2434	8377.8
2013	2367	2362	2357	2530	9616
2014	2528	2522	2600	2750	10400
2015	2650	2700	2825	3025	11200

Fiscal Year Begins	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Jun.Per	Sep.Per	Dec.Per	Mar.Per	
2011	1.97	2.03	2.12	2.31	8.43
2012	2.35	2.28	2.32	2.82	9.77
2013	2.88	2.90	2.96	3.27	12.01
2014	3.32	3.24	3.44	3.75	13.75
2015	3.75	3.80	3.95	4.20	15.70

Calendar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.03	.03	.03	.03	.12
2011	.03	.03	.03	.03	.12
2012	.03	.03	.03	.03	.12
2013	.03	.03	.03	.03	.12
2015	.03	.03	.03	.03	.12

Precision Castparts stock has continued to struggle. These shares had slid as much as 22% from the record level of about \$275 achieved back in June, before climbing back up to the current quotation of approximately \$235, which is still about 15% off the aforementioned high. Investors were apparently less-than-enthused by recent earnings misses, even though comparisons have remained fairly solid, year to year. Hence, the equity endured some profit taking after surging into to new territory over the summer. Furthermore, although operational performance has been strong, aerospace industry news has been a bit discouraging, which has probably contributed to reduced positions.

Nonetheless, the issue is timely. Indeed, PCP shares have been bumped up a notch to 2 (Above Average) for year-ahead price performance. We believe the near-term factors that have tempered earnings growth of late should be minor headwinds. **Operational challenges will likely be short-lived.** Softer contractual pass-through pricing has been a snag. And, although there was some indication that the aerospace industry is under some mild pressure owing to delivery delays that will likely check growth acceleration until early 2015, we remain optimistic that this segment will exhibit strength over the next several quarters. Management noted that the company's investment cast products continue to effectively leverage higher volumes and to steadily improve performance across the board. Industrial gas turbine (IGT) sales have been decent thanks to increased presence on upgrade programs, higher content on new production turbines, and steady spares demand. Meanwhile, in the Forged Products unit, performance has been more sluggish and costs have been heftier. Still, the segment benefited from strong contributions from TIMET. Moreover, we look for further cost reduction and productivity initiatives across its base manufacturing facilities, and expect the company to extract value from more-effective asset utilization.

As a result of the recent price pullback, this equity's 3 to 5-year appreciation potential has improved. All told, the long-term profit outlook is bright and this is a decent entry point.

Simon R. Shaucair December 12, 2014

Company's Financial Strength A++
Stock's Price Stability 70
Price Growth Persistence 100
Earnings Predictability 90

To subscribe call 1-800-VALUELINE

© 2014 Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.