

PACCAR INC
Form 10-Q
August 08, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2012

Commission File No. 001-14817

PACCAR Inc

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

91-0351110
(I.R.S. Employer Identification No.)

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777 - 106th Ave. N.E., Bellevue, WA
(Address of principal executive offices)

98004
(Zip Code)

(425) 468-7400

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$1 par value 353,505,180 shares as of July 31, 2012

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Table of Contents**PACCAR Inc Form 10-Q****PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Consolidated Statements of Comprehensive Income (Unaudited)**

(Millions Except Per Share Amounts)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|------------------------------------------------------|-------------------------------|-----------------|-----------------------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| TRUCK AND OTHER: | | | | |
| Net sales and revenues | \$ 4,191.1 | \$ 3,702.7 | \$ 8,705.8 | \$ 6,745.3 |
| Cost of sales and revenues | 3,632.5 | 3,231.1 | 7,552.4 | 5,863.4 |
| Research and development | 73.8 | 77.5 | 146.1 | 145.9 |
| Selling, general and administrative | 122.5 | 108.6 | 248.3 | 218.5 |
| Interest and other expense (income), net | 1.6 | (.9) | (.5) | 3.1 |
| | 3,830.4 | 3,416.3 | 7,946.3 | 6,230.9 |
| Truck and Other Income Before Income Taxes | 360.7 | 286.4 | 759.5 | 514.4 |
| FINANCIAL SERVICES: | | | | |
| Interest and fees | 111.5 | 105.4 | 221.4 | 206.9 |
| Operating lease, rental and other income | 154.6 | 152.6 | 306.1 | 292.1 |
| Revenues | 266.1 | 258.0 | 527.5 | 499.0 |
| Interest and other borrowing expenses | 38.1 | 46.1 | 77.8 | 92.6 |
| Depreciation and other expense | 121.5 | 119.4 | 240.3 | 229.9 |
| Selling, general and administrative | 24.1 | 24.6 | 48.2 | 47.8 |
| Provision for losses on receivables | 5.0 | 11.0 | 12.5 | 21.5 |
| | 188.7 | 201.1 | 378.8 | 391.8 |
| Financial Services Income Before Income Taxes | 77.4 | 56.9 | 148.7 | 107.2 |
| Investment income | 8.2 | 9.9 | 17.1 | 17.9 |
| Total Income Before Income Taxes | 446.3 | 353.2 | 925.3 | 639.5 |
| Income taxes | 149.1 | 113.5 | 300.8 | 206.5 |
| Net Income | \$ 297.2 | \$ 239.7 | \$ 624.5 | \$ 433.0 |
| Net Income Per Share: | | | | |
| Basic | \$.83 | \$.66 | \$ 1.75 | \$ 1.18 |
| Diluted | \$.83 | \$.65 | \$ 1.75 | \$ 1.18 |
| Weighted Average Common Shares Outstanding: | | | | |
| Basic | 356.0 | 365.9 | 356.5 | 365.8 |
| Diluted | 356.8 | 367.2 | 357.3 | 367.2 |
| Dividends declared per share | \$.20 | \$.12 | \$.38 | \$.24 |

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| | | | | |
|-----------------------------|-----------------|----------|-----------------|----------|
| Comprehensive Income | \$ 185.2 | \$ 305.6 | \$ 607.6 | \$ 631.1 |
|-----------------------------|-----------------|----------|-----------------|----------|

See Notes to Consolidated Financial Statements.

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Table of Contents**PACCAR Inc Form 10-Q****Consolidated Balance Sheets (Millions)**

| | June 30 2012 (Unaudited) | December 31 2011* |
|---------------------------------------------|-----------------------------------------|----------------------|
| ASSETS | | |
| TRUCK AND OTHER: | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,662.7 | \$ 1,990.6 |
| Trade and other receivables, net | 1,120.9 | 977.8 |
| Marketable debt securities | 928.5 | 910.1 |
| Inventories, net | 883.2 | 710.4 |
| Other current assets | 356.4 | 249.1 |
| Total Truck and Other Current Assets | 4,951.7 | 4,838.0 |
| Equipment on operating leases, net | 762.4 | 679.1 |
| Property, plant and equipment, net | 2,096.6 | 1,973.3 |
| Other noncurrent assets, net | 221.8 | 280.9 |
| Total Truck and Other Assets | 8,032.5 | 7,771.3 |
| FINANCIAL SERVICES: | | |
| Cash and cash equivalents | 57.2 | 116.1 |
| Finance and other receivables, net | 7,917.8 | 7,259.7 |
| Equipment on operating leases, net | 1,837.0 | 1,710.7 |
| Other assets | 400.3 | 314.9 |
| Total Financial Services Assets | 10,212.3 | 9,401.4 |
| | \$ 18,244.8 | \$ 17,172.7 |

* The December 31, 2011 consolidated balance sheet has been derived from audited financial statements. See Notes to Consolidated Financial Statements.

Table of Contents**PACCAR Inc Form 10-Q****Consolidated Balance Sheets (Millions)**

| | June 30 2012 (Unaudited) | December 31 2011* |
|---------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------|
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| TRUCK AND OTHER: | | |
| Current Liabilities | | |
| Accounts payable, accrued expenses and other | \$ 2,607.4 | \$ 2,377.4 |
| Dividend payable | | 250.3 |
| Total Truck and Other Current Liabilities | 2,607.4 | 2,627.7 |
| Long-term debt | 150.0 | 150.0 |
| Residual value guarantees and deferred revenues | 802.1 | 712.0 |
| Other liabilities | 500.0 | 507.0 |
| Total Truck and Other Liabilities | 4,059.5 | 3,996.7 |
| FINANCIAL SERVICES: | | |
| Accounts payable, accrued expenses and other | 335.5 | 363.4 |
| Commercial paper and bank loans | 3,381.5 | 3,909.9 |
| Term notes | 3,868.8 | 2,595.5 |
| Deferred taxes and other liabilities | 887.4 | 942.8 |
| Total Financial Services Liabilities | 8,473.2 | 7,811.6 |
| STOCKHOLDERS EQUITY | | |
| Preferred stock, no par value: Authorized 1.0 million shares, none issued | | |
| Common stock, \$1 par value: Authorized 1.2 billion shares, issued 357.1 and 356.8 million shares | 357.1 | 356.8 |
| Additional paid-in capital | 66.9 | 52.1 |
| Treasury stock, at cost - 3.6 million and nil shares | (139.5) | |
| Retained earnings | 5,663.5 | 5,174.5 |
| Accumulated other comprehensive loss | (235.9) | (219.0) |
| Total Stockholders Equity | 5,712.1 | 5,364.4 |