

PACCAR INC
Form 10-Q
August 10, 2009
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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, 2009

Commission File No. 001-14817

PACCAR Inc

(Exact name of registrant as specified in its charter)

Delaware

91-0351110

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(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

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

(425) 468-7400

98004
(Zip Code)

(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.

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 363,318,736 shares as of July 31, 2009

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PACCAR Inc AND SUBSIDIARIES

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Consolidated Statements of Income (Unaudited) (Millions Except Per Share Amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2009	2008	2009	2008
TRUCK AND OTHER:				
Net sales and revenues	\$ 1,602.3	\$ 3,782.0	\$ 3,332.7	\$ 7,403.0
Cost of sales and revenues	1,492.8	3,202.2	3,053.9	6,281.5
Research and development	52.8	90.7	105.1	173.6
Selling, general and administrative	79.2	127.5	167.6	253.6
Curtailment gain	(47.7)		(47.7)	
Interest and other expense (income), net	17.8	(3.1)	33.1	(2.0)
	1,594.9	3,417.3	3,312.0	6,706.7
Truck and Other Income Before Income Taxes	7.4	364.7	20.7	696.3
FINANCIAL SERVICES:				
Interest and fees	125.7	178.8	256.8	350.8
Operating lease, rental and other income	117.8	151.7	241.5	297.1
Revenues	243.5	330.5	498.3	647.9
Interest and other borrowing expenses	73.0	104.9	164.3	200.6
Depreciation and other	104.5	112.5	206.4	220.4
Selling, general and administrative	21.3	30.0	42.6	59.1
Provision for losses on receivables	29.1	24.4	54.1	41.8
	227.9	271.8	467.4	521.9
Financial Services Income Before Income Taxes	15.6	58.7	30.9	126.0
Investment income	4.9	22.6	12.9	47.3
Total Income Before Income Taxes	27.9	446.0	64.5	869.6
Income taxes	1.4	132.5	11.7	263.8
Net Income	\$ 26.5	\$ 313.5	\$ 52.8	\$ 605.8

Net Income Per Share:

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Basic	\$.07	\$.86	\$.15	\$ 1.66
Diluted	\$.07	\$.86	\$.14	\$ 1.65
Weighted Average Common Shares Outstanding:				
Basic	363.4	364.5	363.2	365.5
Diluted	364.4	366.5	364.3	367.4
Dividends declared per share	\$.18	\$.18	\$.36	\$.36

See Notes to Consolidated Financial Statements.

Table of Contents**FORM 10-Q****PACCAR Inc AND SUBSIDIARIES****Consolidated Balance Sheets (Millions)**

ASSETS	June 30 2009 (Unaudited)	December 31 2008*
TRUCK AND OTHER:		
Current Assets		
Cash and cash equivalents	\$ 1,795.8	\$ 1,899.2
Trade and other receivables, net	671.5	698.7
Marketable debt securities	165.1	175.4
Inventories	644.6	658.1
Deferred taxes and other current assets	301.7	211.7
Total Truck and Other Current Assets	3,578.7	3,643.1
Equipment on operating leases, net	473.5	425.3
Property, plant and equipment, net	1,733.2	1,782.8
Other noncurrent assets	319.1	368.2
Total Truck and Other Assets	6,104.5	6,219.4
FINANCIAL SERVICES:		
Cash and cash equivalents	73.9	56.0
Finance and other receivables, net	6,995.6	8,036.4
Equipment on operating leases, net	1,381.9	1,534.8
Other assets	366.6	403.2
Total Financial Services Assets	8,818.0	10,030.4
	\$ 14,922.5	\$ 16,249.8

Table of Contents**FORM 10-Q****PACCAR Inc AND SUBSIDIARIES****Consolidated Balance Sheets (Millions)**

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30 2009 (Unaudited)	December 31 2008*
TRUCK AND OTHER:		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,480.3	\$ 1,792.3
Dividend payable		36.3
Total Truck and Other Current Liabilities	1,480.3	1,828.6
Long-term debt	170.2	19.3
Residual value guarantees and deferred revenues	520.8	470.8
Deferred taxes and other liabilities	427.3	636.6
Total Truck and Other Liabilities	2,598.6	2,955.3
FINANCIAL SERVICES:		
Accounts payable, accrued expenses and other	220.2	249.2
Commercial paper and bank loans	3,021.3	3,576.2
Term notes	3,490.3	3,889.3
Deferred taxes and other liabilities	676.1	733.1
Total Financial Services Liabilities	7,407.9	8,447.8
STOCKHOLDERS' EQUITY		
Preferred stock, no par value: Authorized 1.0 million shares, none issued		
Common stock, \$1 par value: Authorized 1.2 billion shares, 363.7 million shares issued	363.7	363.1
Additional paid-in capital	59.3	46.1
Treasury stock - at cost .41 million shares	(17.4)	(17.4)
Retained earnings	4,646.8	4,724.7
Accumulated other comprehensive loss	(136.4)	(269.8)
Total Stockholders' Equity	4,916.0	4,846.7
	\$ 14,922.5	\$ 16,249.8

* The December 31, 2008 consolidated balance sheet has been derived from audited financial statements. See Notes to Consolidated Financial Statements.

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Condensed Consolidated Statements of Cash Flows (Unaudited)	Six Months Ended	
	June 30	
(Millions)	2009	2008
OPERATING ACTIVITIES:		
Net income	\$ 52.8	\$ 605.8
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and amortization:		
Property, plant and equipment	95.9	113.6
Equipment on operating leases and other	218.3	201.8
Provision for losses on financial services receivables	54.1	41.8
Curtailement gain	(47.7)	
Other	(10.8)	5.1
Pension contributions	(155.2)	(6.8)
Change in operating assets and liabilities:		
Wholesale receivables on new trucks	414.0	(63.5)
Sales-type finance leases and dealer direct loans on new trucks	83.2	54.6
Other	(294.6)	(198.8)
Net Cash Provided by Operating Activities		