

PACCAR INC
Form 10-Q
May 04, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2018

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.)

777 - 106th Ave. N.E., Bellevue, WA 98004
(Address of principal executive offices) (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

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

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 — 351,811,817 shares as of April 30, 2018

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Consolidated Statements of Comprehensive Income (Unaudited)

(Millions Except Per Share Amounts)

	Three Months Ended March 31	
	2018	2017
TRUCK, PARTS AND OTHER:		
Net sales and revenues	\$5,321.8	\$3,935.7
Cost of sales and revenues	4,535.5	3,390.9
Research and development	76.0	61.0
Selling, general and administrative	137.1	114.5
Interest and other (income), net	(18.7)	(14.0)
	4,729.9	3,552.4
Truck, Parts and Other Income Before Income Taxes	591.9	383.3
FINANCIAL SERVICES:		
Interest and fees	115.7	102.2
Operating lease, rental and other revenues	216.5	200.0
Revenues	332.2	302.2
Interest and other borrowing expenses	41.3	34.1
Depreciation and other expenses	186.4	179.7
Selling, general and administrative	31.1	25.7
Provision for losses on receivables	5.9	5.9
	264.7	245.4
Financial Services Income Before Income Taxes	67.5	56.8
Investment income	10.0	8.1
Total Income Before Income Taxes	669.4	448.2
Income taxes	157.3	137.9
Net Income	\$512.1	\$310.3
Net Income Per Share		
Basic	\$1.45	\$.88
Diluted	\$1.45	\$.88
Weighted Average Number of Common Shares Outstanding		
Basic	352.5	351.6

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Diluted	353.5	352.7
Dividends declared per share	\$.25	\$.24
Comprehensive Income	\$587.4	\$380.4

See Notes to Consolidated Financial Statements.

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Consolidated Balance Sheets (Millions)

	March 31 2018 (Unaudited)	December 31 2017*
ASSETS		
TRUCK, PARTS AND OTHER:		
Current Assets		
Cash and cash equivalents	\$ 2,425.5	\$ 2,254.8
Trade and other receivables, net	1,468.8	1,127.9
Marketable debt securities	1,046.5	1,367.1
Inventories, net	1,068.3	928.4
Other current assets	396.6	404.4
Total Truck, Parts and Other Current Assets	6,405.7	6,082.6
Equipment on operating leases, net	645.2	1,265.7
Property, plant and equipment, net	2,454.7	2,464.4
Other noncurrent assets, net	685.8	425.2
Total Truck, Parts and Other Assets	10,191.4	10,237.9
FINANCIAL SERVICES:		
Cash and cash equivalents	78.6	109.9
Finance and other receivables, net	10,103.9	9,697.1
Equipment on operating leases, net	2,874.6	2,876.3
Other assets	533.2	519.0
Total Financial Services Assets	13,590.3	13,202.3
	\$ 23,781.7	\$ 23,440.2

*The December 31, 2017 consolidated balance sheet has been derived from audited financial statements. See Notes to Consolidated Financial Statements.

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Consolidated Balance Sheets (Millions)

	March 31 2018 (Unaudited)	December 31 2017*
LIABILITIES AND STOCKHOLDERS' EQUITY		
TRUCK, PARTS AND OTHER:		
Current Liabilities		
Accounts payable, accrued expenses and other	\$ 3,016.8	\$ 2,569.5
Dividend payable		422.1
Total Truck, Parts and Other Current Liabilities	3,016.8	2,991.6
Residual value guarantees and deferred revenues	686.8	1,339.0
Other liabilities	1,137.7	939.8
Total Truck, Parts and Other Liabilities	4,841.3	5,270.4
FINANCIAL SERVICES:		
Accounts payable, accrued expenses and other	513.1	466.2
Commercial paper and bank loans	3,234.2	2,933.9
Term notes	5,895.8	5,945.5
Deferred taxes and other liabilities	730.0	773.7
Total Financial Services Liabilities	10,373.1	10,119.3
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 352.1 and 351.8 million shares	352.1	351.8
Additional paid-in capital	140.1	123.2
Treasury stock, at cost - .3 million and nil shares	(16.7)	
Retained earnings	8,810.1	8,369.1
Accumulated other comprehensive loss	(718.3)	(793.6)
Total Stockholders' Equity	8,567.3	8,050.5
	\$ 23,781.7	