This presentation may contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially. A summary of risks and uncertainties is described in more detail in our periodic reports filed with the Securities and Exchange Commission (SEC).

We undertake no duty to update or revise this presentation, whether as a result of new information, future events or otherwise. For the most recent financial, risk and other information about PACCAR, please see our SEC filings and most recent earnings release available on the Investor Relations page of www.paccar.com.
Powertrain

Aftermarket Support

Commercial Vehicles

Information Technology

Financial Services
PACCAR Strategy

Quality

Technology

Innovation

Premium Products and Services

Profitable Market Share Growth

Geographic Expansion
PACCAR Values

- Quality
- Highest Integrity
- Operational Excellence
- Conservative Financial Management
- Long Term Perspective
Trucking Moves the Economy
If you bought it, it probably was delivered by a truck

69% for Truck
15% for Rail
10% for Pipeline
6% for Water

% Total U.S. Freight Tonnage Hauled by Transportation Mode
Global >6T Truck Markets

- 2011 – 2.9 Million
- 2016 – 2.7 Million

North America
- 2011: 275, 2016: 330

South America
- 2011: 235, 2016: 100

Africa & Middle East
- 2011: 205, 2016: 215

EU28
- 2011: 305, 2016: 355

Russia/CIS
- 2011: 130, 2016: 60

India
- 2011: 335, 2016: 295

China
- 2011: 1,175, 2016: 960

Rest of Asia
- 2011: 210, 2016: 355

Australia
- 2011: 17, 2016: 20

Units in Thousands
>16T Truck Manufacturing
2016 Production (Units 000’s)

<table>
<thead>
<tr>
<th>Company</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daimler</td>
<td></td>
</tr>
<tr>
<td>Volvo</td>
<td></td>
</tr>
<tr>
<td>FAW</td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td></td>
</tr>
<tr>
<td>Dongfeng</td>
<td></td>
</tr>
<tr>
<td>PACCAR</td>
<td></td>
</tr>
<tr>
<td>Sinotruk</td>
<td></td>
</tr>
<tr>
<td>Shaanxi</td>
<td></td>
</tr>
<tr>
<td>Tata Motors</td>
<td></td>
</tr>
<tr>
<td>Beijing Foton</td>
<td></td>
</tr>
<tr>
<td>Ashok Leyland</td>
<td></td>
</tr>
<tr>
<td>Jianghuai</td>
<td></td>
</tr>
<tr>
<td>Iveco</td>
<td></td>
</tr>
<tr>
<td>Hino</td>
<td></td>
</tr>
<tr>
<td>KAMaz</td>
<td></td>
</tr>
<tr>
<td>Navistar</td>
<td></td>
</tr>
<tr>
<td>Isuzu</td>
<td></td>
</tr>
<tr>
<td>Dayun</td>
<td></td>
</tr>
<tr>
<td>Hongyan</td>
<td></td>
</tr>
<tr>
<td>Hualing</td>
<td></td>
</tr>
</tbody>
</table>

Total Production 2016 = 1.8 Million
PACCAR Truck Production
1.3 Million Trucks Produced 2007-2016

133,900
125,900
61,000
78,800
138,000
140,400
137,100
142,900
154,700
140,900

Brasil
Australia
Europe
Mexico
Canada
US
PACCAR

Excellent Financial Performance Throughout the Business Cycle

- **Revenue**: $ Billions, 7% growth.
- **Net Income**: $ Billions, 5% (10% Adj. NI)**.
- **Operating Cash Flow**: $ Billions, 10% growth.
- **Capital Investments and R&D Expenses**: $ Billions, $ Millions.

---

* 2016 adjusted net income excludes non-recurring European Commission charge of $833 million. See appendix for supplementary information on Non-GAAP measures.

** 10% Compounded Annual Growth Rate was determined using Adjusted Net Income of $1,355 million.
Best-in-Class Operating Efficiency
Commercial Vehicle Segment Operating Margin
Best-in-Class Operating Efficiency

Inventory Turns

# Inventory Turns

PACCAR

Volkswagen

Daimler

Volvo

CNH

Navistar

July 2017
Best-in-Class Operating Efficiency
SG&A % of Sales

PACCAR
Volkswagen
Daimler
Volvo
CNH
Navistar
* 2016 Adjusted Net Income Per Truck was determined using Adjusted Net Income of $1,355 million, which excludes non-recurring European Commission charge of $833 million. See appendix for supplementary information on non-GAAP measures.
Annualized Shareholder Total Return %
Fifteen Years, As of June 30, 2017

- PACCAR
- Deere
- Volvo
- Caterpillar
- Eaton
- Hino
- Volkswagen
- S&P 500
- Toyota
- Daimler
- Ford
- Navistar

-4 0 4 8 12 16
## PACCAR Inc
### A+/A1 Credit Ratings

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Securities</td>
<td>$3,005</td>
</tr>
<tr>
<td>Manufacturing Assets</td>
<td>6,360</td>
</tr>
<tr>
<td>Financial Services Assets</td>
<td>12,688</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$22,053</strong></td>
</tr>
<tr>
<td>Manufacturing Debt</td>
<td>$0</td>
</tr>
<tr>
<td>Manufacturing Liabilities</td>
<td>4,598</td>
</tr>
<tr>
<td>Financial Services Liabilities</td>
<td>9,955</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>7,500</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td><strong>$22,053</strong></td>
</tr>
</tbody>
</table>
PACCAR Overview – Q2 2017

- Consolidated Sales & Revenues $4.7 Billion
- Net Income $373 Million
- PACCAR Financial Pre-Tax Profit $63 Million
- PACCAR Parts Record Pre-Tax Profit $152 Million
- Stockholders’ Equity $7.5 Billion
- A1/A+ Credit Ratings
- Regular Dividend Increased 25% in Last 5 Years
## PACCAR Revenues and Profit

### 2nd Quarter and Six Months

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$4,704</td>
<td>$4,413</td>
<td>$8,942</td>
<td>$8,713</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>373</td>
<td>481</td>
<td>683</td>
<td>(113)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>1.06</td>
<td>1.37</td>
<td>1.94</td>
<td>(0.32)</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>372</td>
<td></td>
<td></td>
<td>720</td>
</tr>
<tr>
<td>(Non-GAAP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>1.06</td>
<td></td>
<td></td>
<td>2.05</td>
</tr>
</tbody>
</table>

### Highlights
- 78 consecutive years of net profit
- Dividends every year since 1941

Note: See appendix for supplementary information on non-GAAP financial measures
PACCAR Capital Allocation

R&D and capex investments drive future growth.
Credit rating of A+/A1 reflects strategic nature of our financial services operations.
Long history of successful acquisitions; highly selective, strategic, clear path to value creation.
Quarterly plus special dividends.
Strategic share repurchases.

Uses of Cash Flow
2012 – 2016: $8 Billion

- Capex $1.9
- R&D $1.2
- Dividend $3.2
- Finance Company $1.0
- Debt Repayment $0.2
- Share Repurchase $0.5

Capital Allocation Strategy

- R&D and capex investments drive future growth.
- Credit rating of A+/A1 reflects strategic nature of our financial services operations.
- Long history of successful acquisitions; highly selective, strategic, clear path to value creation.
- Quarterly plus special dividends.
- Strategic share repurchases.
New Products and Technologies

2017 DAF CF & XF

PACCAR Axles

Platooning

HoloLens – Augmented Reality
PACCAR Investments

DAF Sales Office, Haddenham, U.K.

DAF, Westerlo, Belgium

PACCAR Engine Factory, Columbus, Mississippi

PACCAR Parts Distribution Center, Toronto, Canada
Dividends Declared and Stock Repurchases

- **Dividends**
- **Stock Repurchased**

The chart shows the trend of dividends declared and stock repurchased from 1997 to 2016. The vertical axis represents millions, while the horizontal axis represents the years from 1997 to 2016. The chart uses green bars to represent dividends and red bars to represent stock repurchased.
PACCAR Engines Worldwide

PACCAR PX-5
4.5 Liter

PACCAR PX-7
6.7 Liter

PACCAR PX-9
8.9 Liter

PACCAR PR
9.2 Liter

PACCAR MX-11
10.8 Liter

PACCAR MX-13
12.9 Liter
Cumulative PACCAR MX Engines Produced

Engines (000s)

Years: 2007 to 2016

- DAF MX-13
- KW/PB MX-13
- MX-11
PACCAR Parts Revenue

8%
PACCAR Parts Distribution Centers and Dealers

- PACCAR Distribution Centers
- KW, PB, DAF Dealers
PACCAR Parts Investments

Eindhoven, NL

Lancaster, PA

Renton, WA

Ponta Grossa, BR
PACCAR Global Dealer Network
Road to Autonomous Commercial Vehicles

### Component Controls
1980-2014
- Anti Lock Braking
- Lane Departure Warning
- Object Detection
- Adaptive Cruise Control

### System Integration
2015-2017
- Collision Avoidance
- Lane Keeping Assist
- Predictive Cruise Control

### Network Integration
2018-2024
- Vehicle to Vehicle Network
- Driver Monitoring
- Vehicle to Infrastructure Network
- Automatic Lane Change
- Automatic Routing

### Automated Vehicle
2025+
- Greater Vehicle Autonomy
  - Improves Safety, Fuel Efficiency and Truck Utilization
  - Increases Truck Content
  - Increases Parts Demand

July 2017
Environmental Leadership

Ranked in Top 10% of Companies Reporting to CDP (Carbon Disclosure Project)

Reduce Environmental Impact Through Product Design

Product Recyclability

90%+ Reduction in NOx and Particulate Emissions

Alternative Fuel Vehicles (Natural Gas, Hybrid)

Zero Waste to Landfill

Environmental Certification (ISO 14001)

EPA SmartWay
$12.7 Billion in Assets
Pre-tax Profit $63 Million
180,000 Vehicles Financed
Dealer Floorplan Retail Financing
Full Service Leasing
PACCAR Financial Services
24 Countries on Four Continents

PACCAR Financial
Regional Offices
PACCAR Financial Services Assets

2006 - $9.8 Billion

2Q17 - $12.7 Billion

U.S. & Canada $5.2 Billion
PacLease $1.5 Billion
Europe $2.2 Billion
Australia & Mexico $0.9 Billion

U.S. & Canada $6.2 Billion
PacLease $2.2 Billion
Europe $2.9 Billion
Australia & Mexico $1.4 Billion

53%
16%
22%
9%

53%
18%
23%
10%
PACCAR Financial Europe

- 48,200 Vehicles
- 200 DAF Dealers
- 16 European Countries
PACCAR Leasing

![Graph showing truck lease trends over years](image)

- Trucks 000's

- Years: 2007 to 2016
PACCAR Financial Services Delivers Strong Performance

Low 30+ Days Past Due

Assets and Pretax Profit

- Pretax Profit
- Avg Earnings Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Pretax Profit</th>
<th>Avg Earnings Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets $ Billions</th>
<th>Pre-tax Profit $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## PACCAR Financial Services

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance &amp; Other Receivables</strong></td>
<td>$9,229</td>
</tr>
<tr>
<td><strong>Equipment on Operating Leases</strong></td>
<td>2,788</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td>671</td>
</tr>
<tr>
<td><strong>Total Financial Services Assets</strong></td>
<td>$12,688</td>
</tr>
<tr>
<td><strong>Commercial Paper &amp; Bank Loans</strong></td>
<td>$2,889</td>
</tr>
<tr>
<td><strong>Term Notes</strong></td>
<td>5,655</td>
</tr>
<tr>
<td><strong>Deferred Taxes &amp; Other Liabilities</strong></td>
<td>1,411</td>
</tr>
<tr>
<td><strong>Total Financial Services Liabilities</strong></td>
<td>9,955</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>2,733</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>$12,688</td>
</tr>
</tbody>
</table>
PACCAR Competitive Advantages

- Excellent Shareholder Return
- Experienced Management Team
- Highest Quality Products
- Rigorous Cost Control
- Balanced Global Diversification
- Excellent Supplier Partnerships
- Extensive Capital Investments
- Innovative Technology
- Global Aftermarket Parts Sales
- Profitable Financial Services
- Strongest Dealer Network
Reconciliation of GAAP to Non-GAAP Financial Measures

This presentation includes “adjusted net income (non-GAAP)” and “adjusted net income per diluted share (non-GAAP)”, which are financial measures that are not in accordance with U.S. generally accepted accounting principles (“GAAP”), since they exclude the non-recurring European Commission charge in 2016. These measures differ from the most directly comparable measures calculated in accordance with GAAP and may not be comparable to similarly titled non-GAAP financial measures used by other companies.

Management utilizes these non-GAAP measures to evaluate the Company’s performance and believes these measures allow investors and management to evaluate operating trends by excluding a significant non-recurring charge that is not representative of underlying operating trends.

Reconciliations from the most directly comparable GAAP measures to adjusted net income (non-GAAP) and adjusted net income per diluted share (non-GAAP) are as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2016</td>
<td>June 30, 2016</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$ 481.3</td>
<td>$ (113.3)</td>
</tr>
<tr>
<td>Non-Recurring European Commission Charge</td>
<td>(109.6)</td>
<td>833.0</td>
</tr>
<tr>
<td>Adjusted Net Income (Non-GAAP)</td>
<td>$ 371.7</td>
<td>$ 348.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per Diluted Share:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss)</td>
<td>1.37</td>
<td>$ (0.32)</td>
</tr>
<tr>
<td>Non-Recurring European Commission Charge</td>
<td>(0.31)</td>
<td>2.37</td>
</tr>
<tr>
<td>Adjusted Net Income (Non-GAAP)</td>
<td>1.06</td>
<td>$ 2.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(in millions) Shares used in per diluted share calculations:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>351.6</td>
</tr>
<tr>
<td>Non-GAAP</td>
<td>351.6</td>
</tr>
</tbody>
</table>