PACCAR Inc
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.
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

- Truck: 71%
- Rail: 13%
- Pipeline: 10%
- Water: 6%

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

- North America: 2011 – 2.9 Million, 2016 – 2.7 Million
- South America: 2011 – 235,000, 2016 – 100,000
- Africa & Middle East: 2011 – 205,000, 2016 – 215,000
- EU28: 2011 – 305,000, 2016 – 355,000
- Russia/CIS: 2011 – 130,000, 2016 – 60,000
- China: 2017 – 1,175,000, 2016 – 960,000
- Rest of Asia: 2011 – 210,000, 2016 – 355,000
- Australia: 2017 – 17,000, 2016 – 20,000

Units in Thousands

PACCAR Truck Assembly

October 2017
Heavy Duty Commercial Vehicles

[Heavy duty commercial vehicle sales chart for US & Canada, Europe, and South America from 1999 to 2017 with a forecast for 2017.]

- **US & Canada**: Green line
- **Europe**: Red line
- **South America**: Blue line

The chart shows a fluctuating trend in units (000s) with peaks and troughs across different regions.
>16T Truck Manufacturing
2016 Production (Units 000’s)

<table>
<thead>
<tr>
<th>Company</th>
<th>Production (Units 000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daimler</td>
<td>200</td>
</tr>
<tr>
<td>Volvo</td>
<td>180</td>
</tr>
<tr>
<td>FAW</td>
<td>160</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>140</td>
</tr>
<tr>
<td>Dongfeng</td>
<td>120</td>
</tr>
<tr>
<td>PACCAR</td>
<td>120</td>
</tr>
<tr>
<td>Sinotruk</td>
<td>100</td>
</tr>
<tr>
<td>Shaanxi</td>
<td>90</td>
</tr>
<tr>
<td>Tata Motors</td>
<td>80</td>
</tr>
<tr>
<td>Beijing Foton</td>
<td>70</td>
</tr>
<tr>
<td>Ashok Leyland</td>
<td>60</td>
</tr>
<tr>
<td>Jianghuai</td>
<td>50</td>
</tr>
<tr>
<td>Iveco</td>
<td>40</td>
</tr>
<tr>
<td>Hino</td>
<td>30</td>
</tr>
<tr>
<td>KAMaz</td>
<td>20</td>
</tr>
<tr>
<td>Navistar</td>
<td>15</td>
</tr>
<tr>
<td>Isuzu</td>
<td>10</td>
</tr>
<tr>
<td>Dayun</td>
<td>5</td>
</tr>
<tr>
<td>Hongyan</td>
<td>4</td>
</tr>
<tr>
<td>Hualing</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Production 2016</strong></td>
<td><strong>= 1.8 Million</strong></td>
</tr>
</tbody>
</table>
PACCAR Truck Production
1.3 Million Trucks Produced 2007-2016

- Brasil
- Australia
- Europe
- Mexico
- Canada
- US
PACCAR
Excellent Financial Performance Throughout the Business Cycle

$ Billions

Revenue

Net Income

Operational Cash Flow

Capital Investments and R&D Expenses

$ Billions

$ Millions

$ Billions

$ Billions

$ Billions

$ Billions

$ Million

$ Million

$ Million

20
15
10
5
0
96 98 00 02 04 06 08 10 12 14 16
0.0
0.3
0.6
0.9
1.2
1.5
1.8
96 98 00 02 04 06 08 10 12 14 16

96 98 00 02 04 06 08 10 12 14 16

0.0
0.3
0.6
0.9
1.2
1.5
1.8

0.0
0.5
1.0
1.5
2.0
2.5
3.0
96 98 00 02 04 06 08 10 12 14 16

96 98 00 02 04 06 08 10 12 14 16

0.0
0.5
1.0
1.5
2.0
2.5
3.0

0.0
1.0
1.5
2.0
2.5
3.0
4.0
5.0
6.0
7.0
8.0
9.0
10.0
11.0
12.0

7%

10%

5% (10% Adj. NI)**

* 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

-9% 6% 3% 0% 3% 6% 9% 12% 15%
07 08 09 10 11 12 13 14 15 16

PACCAR  Volkswagen  Daimler  Volvo  Iveco  Navistar
Best-in-Class Operating Efficiency

Inventory Turns

# Inventory Turns

07 08 09 10 11 12 13 14 15 16

PACCAR  Volkswagen  Daimler  Volvo  CNH  Navistar
Best-in-Class Operating Efficiency

SG&A % of Sales

- PACCAR
- Volkswagen
- Daimler
- Volvo
- CNH
- Navistar
Net Income per Truck

*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 September 30, 2017

- Volvo
- Caterpillar
- Deere
- Eaton
- Hino
- Volkswagen
- S&P 500
- Daimler
- Toyota
- Navistar
- Ford
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Securities</td>
<td>3,421</td>
</tr>
<tr>
<td>Manufacturing Assets</td>
<td>6,621</td>
</tr>
<tr>
<td>Financial Services Assets</td>
<td>13,062</td>
</tr>
<tr>
<td>Total Assets</td>
<td>23,104</td>
</tr>
<tr>
<td>Manufacturing Debt</td>
<td>0</td>
</tr>
<tr>
<td>Manufacturing Liabilities</td>
<td>4,885</td>
</tr>
<tr>
<td>Financial Services Liabilities</td>
<td>10,284</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>7,935</td>
</tr>
<tr>
<td>Total Liabilities &amp; Equity</td>
<td>23,104</td>
</tr>
</tbody>
</table>
PACCAR Overview – Q3 2017

Consolidated Sales & Revenues $5.1 Billion
Net Income $403 Million
PACCAR Financial Pre-Tax Profit $71 Million
PACCAR Parts Record Pre-Tax Profit $153 Million
Stockholders’ Equity $7.9 Billion
A1/A+ Credit Ratings
Regular Dividend Increased 25% in Last 5 Years
# PACCAR Revenues and Profit

<table>
<thead>
<tr>
<th></th>
<th>3rd Quarter</th>
<th>Nine Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong> ($ Millions)</td>
<td>$5,060</td>
<td>$4,249</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>403</td>
<td>346</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>1.14</td>
<td>0.98</td>
</tr>
<tr>
<td><strong>Adjusted Net Income (Non-GAAP)</strong></td>
<td>1,066</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Diluted EPS</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Uses of Cash Flow
2012 – 2016: $8 Billion

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

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

- Years: 1997 to 2016
- $ Millions scale: 0 to 1,200

- Dividends and stock repurchased data for each year.
Cumulative PACCAR MX Engines Produced

Engines (000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>DAF MX-13</th>
<th>KW/PB MX-13</th>
<th>MX-11</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>200</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>250</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>300</td>
<td>100</td>
<td></td>
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<tr>
<td>2013</td>
<td>350</td>
<td>150</td>
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<tr>
<td>2014</td>
<td>400</td>
<td>200</td>
<td>50</td>
</tr>
<tr>
<td>2015</td>
<td>450</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>500</td>
<td>300</td>
<td></td>
</tr>
</tbody>
</table>

October 2017
PACCAR Parts Revenue

The chart shows the revenue for PACCAR parts from 2002 to 2016, with a steady increase of 8% per year.
PACCAR Parts Distribution Centers and Dealers
PACCAR Parts Investments

Eindhoven, NL
Renton, WA
Lancaster, PA
Ponta Grossa, BR
PACCAR Global Dealer Network
DAF Brasil
# 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

## Automated Vehicle
- 2025+
  - Vehicle to Infrastructure Network
  - Automatic Lane Change
  - Automatic Routing

### Greater Vehicle Autonomy
- Improves Safety, Fuel Efficiency and Truck Utilization
  - Increases Truck Content
  - Increases Parts Demand
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
PACCAR Financial Services – Q3 2017

- $13.1 Billion in Assets
- Pre-tax Profit $71 Million
- 184,000 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**

- U.S. & Canada: $5.2 Billion (53%)
- Europe: $2.2 Billion (22%)
- PacLease: $1.5 Billion (16%)
- Australia & Mexico: $0.9 Billion (9%)

**3Q17 - $13.1 Billion**

- U.S. & Canada: $6.4 Billion (49%)
- Australia & Mexico: $1.4 Billion (11%)
- Europe: $3.0 Billion (23%)
- PacLease: $2.3 Billion (17%)
PACCAR Financial Europe

Assets € Billions

0.0
0.5
1.0
1.5
2.0
2.5
3.0

07 08 09 10 11 12 13 14 15 16

48,500 Vehicles
200 DAF Dealers
16 European Countries
PACCAR Financial Services Delivers Strong Performance

Low 30+ Days Past Due

Assets and Pretax Profit

Pre-tax Profit $ Millions

Avg Earnings Assets

Pretax Profit

Assets $ Billions

% 8
7 6 5 4 3 2 1 0
0 90 92 94 96 98 00 02 04 06 08 10 12 14 16

% 8
7 6 5 4 3 2 1 0
0 07 08 09 10 11 12 13 14 15 16
## PACCAR Financial Services

<table>
<thead>
<tr>
<th></th>
<th>9/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance &amp; Other Receivables</td>
<td>$9,549</td>
</tr>
<tr>
<td>Equipment on Operating Leases</td>
<td>2,836</td>
</tr>
<tr>
<td>Other Assets</td>
<td>677</td>
</tr>
<tr>
<td><strong>Total Financial Services Assets</strong></td>
<td><strong>$13,062</strong></td>
</tr>
<tr>
<td>Commercial Paper &amp; Bank Loans</td>
<td>2,865</td>
</tr>
<tr>
<td>Term Notes</td>
<td>5,967</td>
</tr>
<tr>
<td>Deferred Taxes &amp; Other Liabilities</td>
<td>1,452</td>
</tr>
<tr>
<td><strong>Total Financial Services Liabilities</strong></td>
<td><strong>10,284</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>2,778</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td><strong>$13,062</strong></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
Appendix

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>Nine Months Ended September 30, 2016</th>
<th>(in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$ 232.9</td>
</tr>
<tr>
<td>Non-recurring European Commission Charge</td>
<td>833.0</td>
</tr>
<tr>
<td>Adjusted Net Income (Non-GAAP)</td>
<td>$ 1,065.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per Diluted Share:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
</tr>
<tr>
<td>Non-recurring European Commission Charge</td>
</tr>
<tr>
<td>Adjusted Net Income (Non-GAAP)</td>
</tr>
</tbody>
</table>