PACCAR Investor Conference presentations 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 these presentations, 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.
Investor Conference

Harrie Schippers
President and Chief Financial Officer
Performance 2014 - 2017

- Operating Cash Flow $9.7 Billion
- Capital Investments $1.4 Billion
- Research and Development Expenditures $1 Billion
- Dealer Investment $1.2 Billion; added 171 Dealer Locations
- Regular Dividend Increased 40%
- Average Total Dividend Yield 3.3%
- Repurchased 6.0 Million Shares for $315 Million
- A+ Credit Rating
113 Years of Superior Performance
79 Consecutive Years of Net Profit
Dividend Paid Every Year Since 1941

• 2017 Results
  - $19.46 Billion Revenue
  - $1.68 Billion Net Income
  - $2.72 Billion Operating Cash Flow
  - $8.05 Billion Stockholders’ Equity

• Returns and Dividends Last Five Years:
  - Stockholder Annual Return 13%
  - $3.0 Billion Paid in Dividends
Gross Margins

Excellent Truck and Parts Gross Margins
- Truck margins have increased due to new products and operating efficiencies
- Parts margins have benefited from investments and growing populations of PACCAR trucks and engines

- Truck
  - 2013: 10%
  - 2014: 11%
  - 2015: 12%
  - 2016: 12%
  - 2017: 13%
  - 1Q18: 13%

- Parts
  - 2013: 25%
  - 2014: 26%
  - 2015: 27%
  - 2016: 28%
  - 2017: 28%
  - 1Q18: 28%

- Total
  - 2013: 12%
  - 2014: 13%
  - 2015: 14%
  - 2016: 15%
  - 2017: 15%
  - 1Q18: 15%
Best-in-Class Operating Efficiency
Inventory Turns

- PACCAR
- Volvo
- Daimler
- Volkswagen
- CNH
- Navistar
Best-in-Class Operating Efficiency
Receivable Days Sales Outstanding

08 09 10 11 12 13 14 15 16 17 1Q18

- PACCAR
- Volvo
- Daimler
- Volkswagen
Pre-Tax Profit by Segment

- Trucks
- Parts
- Finance

$ Millions

0 300 600 900 1,200 1,500

10 11 12 13 14 15 16 17

$ Millions

0 300 600 900 1,200 1,500
Net Income Growth per Truck
Capital Allocation Strategy

- Dividends Paid Every Year Since 1941
- Quarterly Dividend Plus Special Dividend
- Strategic Share Repurchases
- R&D and Capital Investments Drive Consistent Growth
- Credit Rating of A+/A1 Supports Financial Services Operations
- Selective Acquisitions
  - Strategic
  - Clear Path to Value Creation
Return on Invested Capital

2017

Average 2012 - 2017

ROIC = NOPAT/(Equity + Manufacturing Debt + Postemployment Benefit Liabilities)
Cash + Marketable Securities % of Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets $ Billions</th>
<th>Cash % of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>15</td>
<td>10%</td>
</tr>
<tr>
<td>2009</td>
<td>16</td>
<td>12%</td>
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<td>2010</td>
<td>14</td>
<td>11%</td>
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<tr>
<td>2011</td>
<td>16</td>
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<td>2015</td>
<td>20</td>
<td>14%</td>
</tr>
<tr>
<td>2016</td>
<td>21</td>
<td>14%</td>
</tr>
<tr>
<td>2017</td>
<td>22</td>
<td>15%</td>
</tr>
</tbody>
</table>
Operating Cash Flow

Average $2.4 Billion in Cash Flow in Last Five Years

10% CAGR
Capital Investments and R&D Expenses

Strategic Investments Throughout the Business Cycle

$ Millions

0 100 200 300 400 500 600 700 800 900

$ Millions

0 100 200 300 400 500 600 700 800 900

98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18F

Capital  R&D

PACCAR inc
Growth in Total Dividends Per Share

530% Increase in Total Dividend Per Share
Excellent Dividend Yield

Average Dividend Yield = 2.8%
Total Shareholder Return
15 Years Annualized April 30, 2018

- PACCAR
- Eaton
- Daimler
- S&P 500
- Toyota
- Hino
- Ford
- Meritor
- Navistar