



Kenworth Robotic Cab Build Cell, Chillicothe, Ohio

PACCAR's Strong Balance Sheet and Dividend Announcement

“PACCAR is in a strong financial position, with excellent liquidity and investment-grade credit ratings of A+/A1,” shared Mark Pigott, executive chairman. Manufacturing cash and marketable securities were \$4.3 billion at March 31, 2020. The company also has access to committed bank facilities of \$3.0 billion.

PACCAR's Board of Directors declared a regular quarterly cash dividend of thirty-two cents (\$.32) per share, payable on June 2, 2020, to stockholders of record at the close of business on May 12, 2020.

Highlights – First Quarter 2020

Highlights of PACCAR's financial results during the first quarter of 2020 include:

- Consolidated net sales and revenues of \$5.16 billion.
- Net income of \$359.4 million.
- PACCAR Parts revenues of \$998.6 million and pretax profits of \$214.7 million.
- PACCAR Financial Services revenues of \$383.7 million and pretax profits of \$48.3 million.
- Research and development expenses of \$71.0 million.
- Capital investments of \$177.1 million
- Cash flow from operations of \$425.9 million.
- Manufacturing cash and marketable securities of \$4.3 billion.
- Stockholders' equity of \$9.64 billion.

Kenworth, Peterbilt and DAF Gain Market Share in Uncertain Global Truck Markets

“The outlook for global economies and truck markets is weaker due to the coronavirus pandemic,” said Gary Moore, executive vice president. “Governments worldwide have implemented fiscal and monetary actions to assist individuals and businesses and prepare for an eventual recovery. In this uncertain time it is difficult to estimate 2020 truck industry retail sales in North America, Europe and South America.”

Kenworth and Peterbilt's U.S. and Canada Class 8 truck retail sales market share increased to 30.4% in the first quarter of 2020. Darrin Siver, senior vice president, said, “Customers recognize the industry-leading quality and low total cost of ownership of Peterbilt and Kenworth trucks.”

DAF increased its market share in the European above 16-tonne segment in the first quarter this year to 16.7%. Harry Wolters, DAF president said, “DAF trucks deliver exceptional value to customers through their premium quality and excellent fuel efficiency.”

DAF Brasil’s market share increased to 8.7% in the above 40-tonne truck segment, compared to 6.1% market share in 2019. “Customers appreciate the durability and reliability of DAF trucks in Brasil, which is one of the most demanding operating environments in the world,” said Mike Kuester, assistant vice president of South America.



PACCAR Parts Distribution Center in Ponta Grossa, Brasil

PACCAR Parts Achieves Excellent Quarterly Sales and Record Profit

PACCAR Parts 18 parts distribution centers (PDCs) support more than 2,200 DAF, Kenworth and Peterbilt dealer sales, parts and service locations. PACCAR Parts earned record quarterly pretax income of \$214.7 million in the first quarter of 2020, which is 3% higher than the \$207.6 million earned in the same period last year. PACCAR Parts achieved first quarter revenues of \$998.6 million, compared to the \$1.0 billion reported in the same period last year. David Danforth, PACCAR vice president and PACCAR Parts general manager, said, “PACCAR Parts is achieving solid results due to investments in distribution and innovative technology, initiatives such as TRP all-makes parts and TRP stores, and a growing population of connected PACCAR vehicles.”

Jim Walenczak, PACCAR Parts assistant general manager, added, “PACCAR Parts has invested in its e-commerce platform for many years, which is benefiting our customers and dealers in this challenging time.” PACCAR Parts is expanding its logistical footprint and plans to open a new 250,000 square foot PDC in Las Vegas, Nevada, and a 160,000 square foot PDC in Ponta Grossa, Brasil, in the second quarter of 2020.



PACCAR Parts Distribution Center in Las Vegas, Nevada

PACCAR Financial Services Results

PACCAR Financial Services (PFS) has a portfolio of 209,000 trucks and trailers, with total assets of \$15.64 billion. PacLease, a major full-service truck leasing company in North America, Europe and Australia with a fleet of 39,000 vehicles, is included in this segment. PFS earned first quarter 2020 revenues of \$383.7 million and pretax income of \$48.3 million. Todd Hubbard, vice president, said, “PACCAR Financial achieved reasonable first quarter results considering the challenging market. The high quality of the portfolio is supported by conservative underwriting and matched-term funding of receivables. The used truck market, mostly in Europe, has experienced lower industry-wide vehicle values. PACCAR Financial is leveraging its investments in worldwide used truck retail center capacity to sell an increased number of used trucks at retail prices, which enhances used truck sales margins. PFS recently opened a used truck center in Denton, Texas, and plans to open retail used truck facilities in Prague, Czech Republic and Madrid, Spain this year.”



PACCAR Financial Used Truck Center

“PACCAR’s strong balance sheet, complemented by its A+/A1 credit ratings, enables PFS to offer competitive retail financing to Kenworth, Peterbilt and DAF dealers and customers in 26 countries on four continents,” said Craig Gryniewicz, PACCAR Financial Corp. president. “PACCAR Financial Services has excellent ongoing access to the debt markets, issuing commercial paper on a regular basis and \$632 million of three- and five-year term notes during the first quarter of 2020.”

Capital Investments and Research and Development

PACCAR's excellent long-term profits, strong balance sheet, and consistent focus on quality, technology and productivity have enabled the company to invest \$7.0 billion in new and expanded facilities, innovative products and new technologies during the past decade.

"PACCAR is rigorously reviewing capital investments and R&D projects. We have reduced 2020 capital expenditures by \$100 million to a range of \$525-\$575 million, and have lowered research and development expenses by \$45 million to a range of \$265-\$295 million," noted Mike Dozier, senior vice president.

Peterbilt, Kenworth and DAF are field-testing battery electric, hydrogen fuel cell and hybrid powertrain trucks with customers in North America and Europe. "PACCAR is enhancing its environmental and engineering leadership with the development of innovative alternative powertrain commercial vehicles," said Kyle Quinn, chief technology officer.



DAF LF Electric, CF Electric and CF Hybrid Trucks

PACCAR will hold a conference call with securities analysts to discuss first quarter earnings on April 21, 2020, at 8:00 a.m. Pacific time. Interested parties may listen to the call by selecting "Q1 Earnings Webcast" at PACCAR's homepage. The Webcast will be available on a recorded basis through May 5, 2020. PACCAR shares are traded on the Nasdaq Global Select Market, symbol PCAR. Its homepage is www.paccar.com.

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in this release due to a variety of factors. More information about these factors is contained in PACCAR's filings with the Securities and Exchange Commission.