Disclosure Regarding Forward-Looking Statements

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
A Global Technology Company in Commercial Vehicles

2020 Revenues $18.7B
2020 Net Income $1.30B
2020 Avg Dividend Yield 2.5%

82 Years of Consecutive Profitability; Dividend Paid Every Year Since 1941

Truck and Other
$13.2B Revenues
Premium Quality Light, Medium and Heavy Commercial Vehicles, Diesel and Alternative Fuel Powertrains

Aftermarket Parts
$3.9B Revenues
Distribute Aftermarket Parts through Global Network of over 2,200 Dealerships

Financial Services
$1.6B Revenues
Finance and leasing portfolio of 203,000 trucks and trailers, with assets of $15.80B

2020 Revenues $18.7B
2020 Net Income $1.30B
2020 Avg Dividend Yield 2.5%
PACCAR is a company with a great culture and a bright future. Our focus is on doing things in an ethical and disciplined manner. We make decisions utilizing conservative financial principles and common sense for the **long-term** benefit of our customers, employees and shareholders.
PACCAR’s business segments include Commercial Vehicles, Powertrain, Aftermarket Parts, Financial Services and Information Technology. PACCAR’s premium brands Kenworth, Peterbilt and DAF are the premier light, medium and heavy duty commercial trucks in their markets. Other brands include PACCAR Powertrain, PACCAR Parts, PACCAR Financial, and PACCAR Leasing.
• PACCAR’s product investments deliver industry-leading performance and value to our customers

• Our products reflect our core brand values of quality, innovation and technology
The integrated PACCAR Powertrain is the most advanced powertrain in the market. The PACCAR MX-13 and MX-11 engines are optimally matched to the advanced PACCAR 12-Speed automated transmission and the efficient 40K tandem drive axle to achieve exceptional performance and fuel economy.

The PACCAR MX-13 engine offers 510 hp and 1,850 lb.-ft. of torque and the PACCAR MX-11 engine features 430 hp and 1,650 lb.-ft. of torque. PACCAR designs MX engines to an industry-leading B10 life of one million miles. This means 90% of PACCAR MX-13 and MX-11 engines are expected to reach one million miles without the need for a major overhaul.

In addition to the PACCAR tandem drive axle, Kenworth and Peterbilt offer the PACCAR steer axle. DAF trucks include a range of lightweight and durable PACCAR front and rear axles.
PACCAR Truck Production
Over 1.5 Million Trucks Produced 2011 - 2020

PACCAR produced 133,300 trucks in 2020

Units (000s)

2011 138.0
2012 140.4
2013 137.1
2014 142.9
2015 154.7
2016 140.9
2017 158.9
2018 189.1
2019 198.8
2020 133.3

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

- Reputation for superior operational excellence and premium-quality products and services
- Long-term growth in revenues and net income reflect increased market share in North America and Europe, excellent aftermarket parts performance and growth in financial services
- Maintain profitability throughout the cycle due to strong cost control discipline and experienced management team
PACCAR maintains a strong liquidity position to manage through all phases of the business cycle

- Strong cash & marketable securities position: $5.0 billion as of Dec 31, 2020
- No manufacturing debt
- Excellent liquidity reserve for Financial Services debt maturities
- Credit ratings: S&P A+, Moody’s A1
- Finance Company:
  - High quality portfolio secured by truck collateral
  - Conservative debt to equity ratio of 3.1 as of Dec 31, 2020
  - Matched-term funding
  - Currency matched
PACCAR’s operating margin has been at the top of the industry since 2012, reflecting the premium value of our products and our leadership in operating efficiency.

This is a testament to the outstanding performance of PACCAR’s employees.
PACCAR’s inventory turns are the highest in the industry, a result of the PACCAR Production System, Lean Manufacturing and Six Sigma.
PACCAR’s SG&A as a percentage of sales is much lower than its peer group, reflecting strong financial discipline.
Net Income per Truck

- Net income per truck is PACCAR’s net income divided by total truck unit sales.

- Truck sales not only generate profit from the sale, but also parts and finance profit. This illustrates the strength of PACCAR’s business model, providing the highest quality trucks, aftermarket support and financing.

- PACCAR achieved $9,700 net income per truck in 2020.
Capital Allocation Strategy

- High ROI Capital Investments
- Pay Regular Quarterly and Annual Dividend
  - Dividend paid every year since 1941
  - Total dividends paid approximately 50% of net income for many years
  - Regular quarterly dividend 10-year annualized growth of 13%
- Share Buybacks
  - $500 Million authorized; $390 Million remaining as of 12/31/2020
- Strategic M&A
  - Disciplined valuation and screening process
  - Clear path to value creation
- No Unfunded Pension Obligation
Dividends Declared and Stock Repurchases

CAGR = 8%
Excellent Dividend Yield

- PACCAR’s dividend yield, reflects the total quarterly + special dividends declared in the year, divided by the average stock price for the year
- PACCAR’s dividend yield has averaged 3.5% over the last ten years

Average Dividend Yield = 3.5%
Trucking is the lifeblood of the economy. In the U.S., the economy depends on trucks to deliver ten billion tons of virtually every commodity consumed - 74% of all the freight transported in 2020. 36.9 million commercial trucks, including 3.9 million heavy-duty trucks, move that freight. The percentage of tonnage by mode is stable over time.
>6t Truck Market

2015 – 2.4 Million
2020 – 3.0 Million

PACCAR Truck Assembly

Units in Thousands
>16t Truck Market Size

2021 Market Forecast Estimate

- U.S. and Canada: 250,000 – 280,000
- Europe: 250,000 – 280,000
- S. America: 100,000 – 110,000
Strategy
PACCAR Strategy

Brand Values

Quality

Technology

Innovation

Premium Products and Services

Profitable Market Share Growth

Geographic Expansion

Profitable Growth

January 2021
Page 22
• Operating cash flow has averaged $2.8 billion for the last five years and has grown 9% annually over the last 20 years
• Strong operating cash flow enables PACCAR to invest in growth throughout the business cycle
• PACCAR has invested $7.3 billion in capital projects, innovative products and new technologies in the last decade through 2020
• Key investments:
  − DAF XF/CF trucks
  − PACCAR MX-13 and MX-11 engine factory in North America
  − Kenworth and Peterbilt 2.1 meter wide cab program in North America, South America, and Australia
  − DAF Brasil factory
  − PACCAR Parts distribution centers
The PACCAR MX-13 is the flagship of PACCAR’s engine line-up with over 530,000 engines produced in Europe and over 240,000 engines installed in North America and a growing presence in South America and Australia.

The PACCAR engine factory in Columbus, MS, celebrated 10 years of manufacturing excellence in 2020.

PACCAR expanded its engine program in 2013 with the introduction of the PACCAR MX-11 in Europe. The MX-11 was launched in North America in January 2016.

PACCAR MX-13
12.9 Liter

PACCAR MX-11
10.8 Liter
Zero Emission Trucks – Production Begins in Q2 2021

Peterbilt 220 EV
Peterbilt 579EV
Peterbilt 520 EV
Kenworth 270E
Kenworth T680E
DAF CF Electric
Battery Charging Solutions

• PACCAR Parts has introduced new electric vehicle charging stations to support the global launch of electric vehicles

• Compatible with Kenworth, Peterbilt and DAF electric trucks and other brands

• Charging power from 20 kW up to 350 kW

• PACCAR is collaborating with Faith Technologies and Schneider Electric to provide charging infrastructure solutions for customers who purchase Kenworth and Peterbilt electric trucks in the US and Canada.
Zero Emission Kenworth & Peterbilt Conquer Pikes Peak

• October 16, 2020, Kenworth’s T680 hydrogen fuel cell & Peterbilt’s 579EV battery electric truck became the first Class 8 Zero Emissions vehicles to summit Pikes Peak in Colorado.

• Both vehicles made the 14.2 mile Pikes Peak climb with superb acceleration up the steep grades while exhibiting excellent drivability over the 156 turns it takes to reach the 14,115 ft. summit.
In January 2021, PACCAR and Aurora formed a global strategic partnership to develop autonomous Peterbilt 579 and Kenworth T680 trucks. PACCAR’s autonomous vehicle platform will be integrated with the Aurora self-driving technologies. PACCAR customers will benefit from the autonomous vehicles’ enhanced safety and operational efficiency. Kenworth T680 and Peterbilt 579 trucks utilizing the Aurora Driver are expected to be delivered in the next several years.
Connected Services

Enhancing connected service for over 400,000 Kenworth, Peterbilt, and DAF trucks
PACCAR Innovation Center in Silicon Valley enhances PACCAR’s access to emerging technologies and talent from around the world.

- The Innovation Center collaborates with other PACCAR engineering teams to develop next generation technologies such as autonomous trucks.
- PACCAR Innovation Center establishes strategic partnerships, such as the autonomous vehicle collaboration with Aurora.
- The Innovation Center truck lab is equipped with the tools needed to integrate emerging technologies.
PACCAR Global Embedded Services

PACCAR has three embedded service technology centers located at Kenworth in Kirkland, WA, at DAF in Eindhoven, the Netherlands; and in Pune, India.

The centers will accelerate embedded software development and connected vehicle solutions to benefit customers’ operating efficiency.
PACCAR Facility Investments

DAF Factory, Ponta Grossa, Brasil

Dynacraft, McKinney, Texas

PACCAR Engine Factories

Kenworth New Cab Paint Facility, Chillicothe, OH
PACCAR Parts Strategy

PACCAR Parts achieved $3.91 billion in sales in 2020. PACCAR Parts has achieved a sales CAGR of 6% over the last 15 years.

Long-Term Growth Drivers:

• Growing population of Kenworth, Peterbilt and DAF trucks due to geographic expansion and market share growth

• Growing population of PACCAR engines due to North America introduction in 2010

• Best-in-class Distribution Network
  – 18 parts distribution centers and 2,200+ dealer locations. Louisville PDC will be added in 2022.

• Proprietary, PACCAR Genuine and TRP branded parts enhance margins

• Growing network of TRP stores

Louisville, KY, PDC to Open Early 2022
PACCAR Parts Distribution Centers and Dealers

18 PDCs in 11 Countries; 2,200+ Dealer Locations

- PACCAR Distribution Centers
- KW, PB, DAF Dealers
PACCAR Global Dealer Network

- Independent dealer network of 2,200+ dealer locations
- Premium customer experience
- Strong dealer profitability and expanded opportunities from PACCAR engines and TRP stores
- Competitive flooring and retail financing provided by PACCAR Financial and PACCAR Leasing
Growth in Kenworth and Peterbilt Dealer Locations
U.S. and Canada

- PACCAR MX-13 Introduced in 2010
- Dealer Investments of $1.9 Billion since 2010
- 70% Growth in Dealer Locations
- Drives Long-Term PACCAR Parts Growth
PACCAR Financial Services Strategy

- PACCAR Financial Services supports truck sales by providing financing and leasing services to PACCAR customers
- In 2020, PACCAR Financial financed 28% of all Kenworth, Peterbilt and DAF trucks
- Geographical diversification, disciplined credit underwriting, and rigorous portfolio management have enabled PACCAR Financial to earn excellent profits throughout the business cycle.
- Key strategies and investments:
  - Predictive data analytics for credit quality
  - Expanded used truck centers
  - Mobile finance and credit system
  - E-contract and e-signature
  - Customer on-line portal

Total Assets 12/31/20 = $15.8 Billion

- U.S. & Canada $7.5 Billion (48%)
- Europe $4.1 Billion (26%)
- Australia, Mexico & Brasil $1.6 Billion (10%)
- PacLease $2.6 Billion (16%)

Low 30+ Days Past Due
Long-Term Growth in PACCAR Heavy Duty Market Share

- Since 2000, PACCAR’s above 16 tonne market share has increased in North America, Europe and South America.
- Kenworth is the market leader in Australia.
- PACCAR’s investment in truck manufacturing in Brasil supports PACCAR’s medium-term goal of 10% market share for Kenworth and DAF products in South America.
Since 2000, PACCAR’s medium duty market share has increased in the U.S. and Canada and in Europe.

In the U.S. and Canada, Kenworth and Peterbilt achieved a record share of 22.6% in 2020.

DAF share increased to 9.5% in Europe in 2020.
Environmental Leadership

CDP “A” Rating

PACCAR Achieved an “A” rating for its Environmental Practices; Top 15% of over 9,500 Reporting Companies

Science Based Targets

PACCAR announced that it will establish new emission reduction targets in partnership with the Science Based Targets Initiative

Facilities

Over 90% of PACCAR Manufacturing Locations have Achieved ISO 14001 Certification

Over 80% of PACCAR Locations are “Zero Waste to Landfill”
### PACCAR Revenues and Profit

#### 82 consecutive years of net profit

#### Dividends every year since 1941

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>4th Quarter</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$5,569</td>
<td>$18,729</td>
</tr>
<tr>
<td>Net Income</td>
<td>$406</td>
<td>$1,298</td>
</tr>
<tr>
<td>Return on Revenues</td>
<td>7.3%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.17</td>
<td>$3.74</td>
</tr>
<tr>
<td>New Truck Deliveries (units)</td>
<td>40,800</td>
<td>133,300</td>
</tr>
</tbody>
</table>
$6.12
$5.57

Sales and Revenues (Billions of Dollars)

2019 2020

$531 $406

Net Income (Millions of Dollars)

2019 2020

2020 Financial Results
Fourth Quarter 2020 vs. Fourth Quarter 2019

- Sales and Revenues of $5.57 Billion
- Net Income of $405.8 Million
- After-tax Return on Revenues of 7.3%
- PACCAR Parts Revenues of $1.07 Billion
- PACCAR Parts Pretax Income of $222.5 Million
- Financial Services Pretax Income of $63.8 Million
- R&D Expenses of $71.7 Million
- Capital Investments of $130.7 Million
- Deliveries of 40,800 Trucks
• Truck margins increased through 2019 due to new products and operating efficiencies
• Truck margins in 2020 affected by lower production volumes and global pandemic
• Parts margins have benefited from distribution and technology investments and growing populations of PACCAR trucks and engines in operation
• Sales decreased 14%
• Pretax operating profit of $234.4 million
• Fourth quarter 2020 deliveries of 40,800 trucks compared to 45,700 trucks in the same period a year ago
• Record 4th quarter sales of $1.07 billion, an increase of 8%

• Pretax profit increased 8% to $223 million

• Fourth quarter parts sales and profits benefited from a stronger economy, increased vehicle utilization and growth in PACCAR Parts’ e-commerce platform
## Financial Services
### Balance Sheet & Fourth Quarter Profit

<table>
<thead>
<tr>
<th>Segment Pretax Profit ( Millions of Dollars )</th>
<th>$68</th>
<th>$64</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
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</tbody>
</table>

### Segment Pretax Profit

**2019**: $68

**2020**: $64

<table>
<thead>
<tr>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2020</td>
</tr>
<tr>
<td>$11,821</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance &amp; Other Receivables</th>
<th>$11,821</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment on Operating Leases</td>
<td>3,163</td>
</tr>
<tr>
<td>Other Assets</td>
<td>816</td>
</tr>
<tr>
<td><strong>Total Financial Services Assets</strong></td>
<td>$15,800</td>
</tr>
</tbody>
</table>

| Commercial Paper & Bank Loans | $3,344 |
| Term Notes | 7,509 |
| Deferred Taxes & Other Liabilities | 1,416 |
| **Total Financial Services Liabilities** | 12,269 |

| Equity | 3,531 |
| **Total Liabilities & Equity** | $15,800 |

- Robust new financing business
- Portfolio performed well with low provision for bad debt and 0.5% past dues
- High quality portfolio of 203,000 trucks and trailers
- Increased demand for used trucks and higher pricing
- Used truck centers recently opened in Lyon, France, Denton, Texas, and Prague, Czech Republic. Madrid, Spain, center will open in 2021.
PACCAR Inc
A+/A1 Credit Ratings

- Superb balance sheet

- $4.8 billion in manufacturing cash and securities to support growth opportunities and investments in all phases of the cycle

- No manufacturing debt – a capital structure that has proven beneficial throughout the business cycle

- A+/A1 credit rating provides excellent access to the credit markets for PACCAR Financial Services

($ Millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mfg Cash &amp; Securities</td>
<td>$ 4,834</td>
</tr>
<tr>
<td>Other Manufacturing Assets</td>
<td>7,651</td>
</tr>
<tr>
<td>Financial Services Assets</td>
<td>15,800</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 28,285</td>
</tr>
<tr>
<td>Manufacturing Debt</td>
<td>$ -</td>
</tr>
<tr>
<td>Manufacturing Liabilities</td>
<td>5,601</td>
</tr>
<tr>
<td>Financial Services Liabilities</td>
<td>12,269</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>10,415</td>
</tr>
<tr>
<td>Total Liabilities &amp; Equity</td>
<td>$ 28,285</td>
</tr>
</tbody>
</table>

12/31/20
PACCAR Competitive Advantages

- Experienced Management Team
- Highest Quality Products
- Rigorous Cost Control
- Excellent Supplier Partnerships
- Innovative Technology
- Global Aftermarket Parts Sales
- Profitable Financial Services
- Strongest Dealer Network