

PACCAR Inc
SUMMARY STATEMENTS OF OPERATIONS

(in millions except per share amounts)

	Three Months Ended	
	March 31	
	2023	2022
Truck, Parts and Other:		
Net sales and revenues	\$ 8,050.1	\$ 6,106.4
Cost of sales and revenues	6,493.1	5,285.5
Research and development	97.2	78.0
Selling, general and administrative	159.8	148.0
Interest and other expenses (income), net	578.8 (1)	(32.0)
<i>Truck, Parts and Other Income Before Income Taxes</i>	721.2	626.9
Financial Services:		
Revenues	423.2	366.2
Interest and other	236.1	183.3
Selling, general and administrative	35.2	35.7
Provision for losses on receivables	3.1	.2
<i>Financial Services Income Before Income Taxes</i>	148.8	147.0
Investment income (loss)	49.0	(2.5)
<i>Total Income Before Income Taxes</i>	919.0	771.4
Income taxes	185.1	170.9
<i>Net Income</i>	\$ 733.9	\$ 600.5
Net Income Per Share:		
Basic	\$ 1.40	\$ 1.15
Diluted	\$ 1.40	\$ 1.15
Weighted Average Shares Outstanding:		
Basic	523.5	522.4
Diluted	524.4	523.3
Dividends declared per share	\$.25	\$.23

(1) Includes a \$600.0 million non-recurring charge related to civil litigation in Europe (EC-related claims).

PACCAR Inc
CONDENSED BALANCE SHEETS
(in millions)

	March 31	December 31
	2023	2022
ASSETS		
Truck, Parts and Other:		
Cash and marketable securities	\$ 5,922.2	\$ 6,158.9
Trade and other receivables, net	2,347.0	1,919.8
Inventories, net	2,609.2	2,198.8
Property, plant and equipment, net	3,511.6	3,468.4
Equipment on operating leases and other, net	2,526.6	2,350.0
Financial Services Assets	17,909.8	17,179.6
	\$ 34,826.4	\$ 33,275.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Truck, Parts and Other:		
Accounts payable, deferred revenues and other	\$ 7,514.2	\$ 7,185.6
Financial Services Liabilities	13,430.2	12,922.8
STOCKHOLDERS' EQUITY	13,882.0	13,167.1
	\$ 34,826.4	\$ 33,275.5
Common Shares Outstanding	522.6	522.0

PACCAR Inc
CONDENSED CASH FLOW STATEMENTS
(in millions)

Three Months Ended March 31	2023	2022
OPERATING ACTIVITIES:		
Net income	\$ 733.9	\$ 600.5
Depreciation and amortization:		
Property, plant and equipment	103.0	74.0
Equipment on operating leases and other	118.1	111.7
Net change in trade receivables, inventory and payables	(187.2)	(61.6)
Net increase in wholesale receivables on new trucks	(451.2)	(327.4)
All other operating activities, net	368.2	62.1
Net Cash Provided by Operating Activities	684.8	459.3
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(138.7)	(138.4)
Acquisitions of equipment for operating leases	(153.1)	(230.2)
Net increase in financial services receivables	(178.9)	(248.5)
Net increase in marketable debt securities	(10.9)	(3.8)
Proceeds from asset disposals and other	188.9	214.8
Net Cash Used in Investing Activities	(292.7)	(406.1)
FINANCING ACTIVITIES:		
Payments of cash dividends	(1,105.3)	(639.4)
Purchases of treasury stock	(3.0)	(1.9)
Proceeds from stock compensation transactions	20.5	16.7
Net increase in debt and other	397.0	468.2
Net Cash Used in Financing Activities	(690.8)	(156.4)
Effect of exchange rate changes on cash	17.9	(10.2)
Net Decrease in Cash and Cash Equivalents	(280.8)	(113.4)
Cash and cash equivalents at beginning of period	4,690.9	3,428.3
Cash and cash equivalents at end of period	\$ 4,410.1	\$ 3,314.9

PACCAR Inc
SEGMENT AND OTHER INFORMATION
(in millions)

	Three Months Ended March 31	
	2023	2022
Sales and Revenues:		
Truck	\$ 6,413.8	\$ 4,697.1
Parts	1,623.0	1,388.9
Financial Services	423.2	366.2
Other	13.3	20.4
	\$ 8,473.3	\$ 6,472.6
Pretax Profit:		
Truck	\$ 894.3	\$ 276.7
Parts	438.6	340.2
Financial Services	148.8	147.0
Investment Income and Other	(562.7) (1)	7.5
	\$ 919.0	\$ 771.4

GEOGRAPHIC REVENUE
(in millions)

	Three Months Ended March 31	
	2023	2022
United States and Canada	\$ 5,040.1	\$ 3,761.4
Europe	2,275.5	1,873.3
Other	1,157.7	837.9
	\$ 8,473.3	\$ 6,472.6

NEW TRUCK DELIVERIES

	Three Months Ended March 31	
	2023	2022
United States and Canada	26,000	20,700
Europe	17,400	16,100
Other	7,700	6,200
	51,100	43,000

(1) Includes a \$600.0 million non-recurring charge related to civil litigation in Europe (EC-related claims).

PACCAR Inc
SUPPLEMENTARY INFORMATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

This earnings release 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 a charge for EC-related claims. 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.

Adjustment for the EC-related claims relates to a pre-tax charge of \$600.0 million (\$446.4 million after-tax) for estimable total costs recorded in Interest and other expenses (income), net in the first quarter 2023.

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:

<i>(\$ in millions, except per share amounts)</i>	Three Months Ended March 31, 2023
Net income	\$ 733.9
EC-related claims, net of taxes	446.4
Adjusted net income (non-GAAP)	\$ 1,180.3

Per diluted share:	
Net income	\$ 1.40
EC-related claims, net of taxes	.85
Adjusted net income (non-GAAP)	\$ 2.25