
PACCAR

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.

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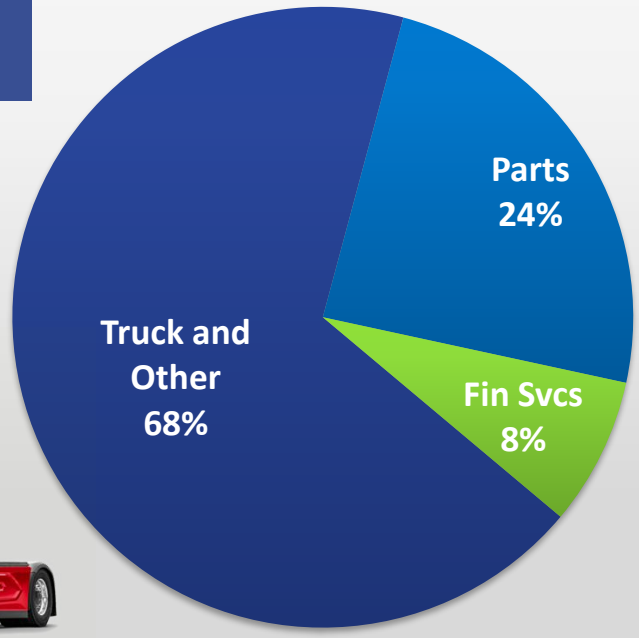
PACCAR
A Global Technology Company in Commercial Vehicles

2025 Revenues $28.4B | **2025 Net Income $2.4B** | **2025 Avg Dividend Yield 2.7%**

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

Truck and Other
$19.4B Revenues
Premium Quality Light, Medium, and Heavy Commercial Vehicles, Diesel and Alternative Fuel Powertrains





Aftermarket Parts
$6.9B Revenues
Distribute Aftermarket Parts through Global Network of 2,400 Dealerships





Financial Services
$2.2B Revenues
Finance and leasing portfolio of 226,000 trucks and trailers, with assets of $22.8B

Our Vision

PACCAR is creating trucks and transportation solutions that drive the world's 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.

- Quality
- Highest Integrity
- Operational Excellence
- Conservative Financial Management
- Long-Term Perspective



PACCAR Inc

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.

KENWORTH

Peterbilt

DAF

PACCAR MEXICO

PACCAR INFORMATION TECHNOLOGY

LEYLAND TRUCKS

PACCAR POWERTRAIN

PACCAR Australia

PacLease

PACCAR INNOVATION CENTER

PACCAR PARTS

DYNACRAFT
A PACCAR COMPANY

PACCAR TECHNICAL CENTER

PACCAR FINANCIAL

Kenworth W990



Kenworth’s W990 long-hood blends classic styling with contemporary aerodynamics, electronics, and cab architecture.



Peterbilt Model 589

Peterbilt's new Model 589 Class 8 truck features a new 2.1-meter-wide cab with advanced driver technology and a new digital display.





Peterbilt and Kenworth Medium Duty





The latest medium duty product line-up features an 8” wider cab with 3-person seating. Powered by the updated PACCAR PX engine and PACCAR TX-8 automatic transmission.



Innovative DAF XB, XD, XF, XG, XG+

DAF is the first truck manufacturer in the industry to have taken full advantage of Europe's new regulations governing truck design. The new trucks feature a new aerodynamic design, 13% greater fuel efficiency, and larger interior space.



DAF XF and XD Electric



DAF XF and XD Electric won International Truck of the Year in 2026. The trucks have a range of 200 to 500 kilometers. The impressive range is due to the highly efficient drivelines, in combination with DAF's smart battery management system, which distributes the energy stored in the battery across the driveline and other components for maximum efficiency.

New DAF Truck Models



DAF Electric Lineup – XF, XG, XG+ and XD



DAF XG+ Interior



XF and XG+

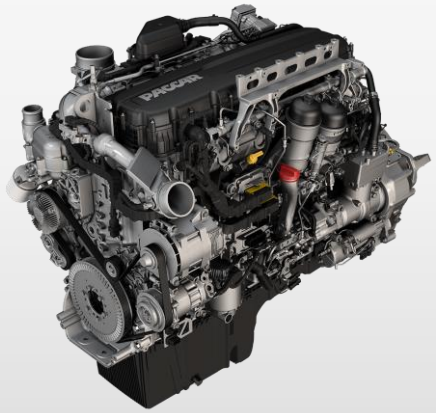


XD Vocational

PACCAR POWERTRAIN

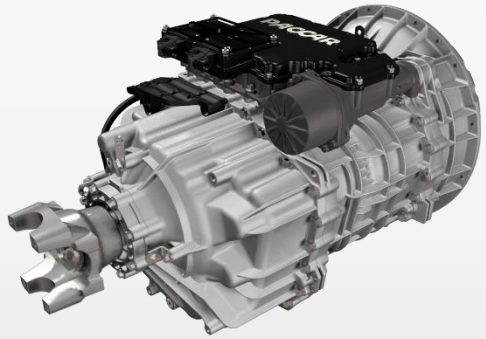
The proprietary PACCAR Powertrain is the most advanced heavy-duty powertrain in the market. The PACCAR MX engines are integrated to the PACCAR TX-12 automated transmission and the efficient DX-40 tandem drive axle to achieve exceptional performance and fuel economy.

PACCAR ENGINES



PACCAR engines undergo rigorous validation including one-million mile endurance testing.
MX-13: up to 510 hp and 1,850 lb.-ft. of torque
MX-11: up to 445 hp and 1,700 lb.-ft. of torque

PACCAR TRANSMISSIONS



PACCAR AXLES

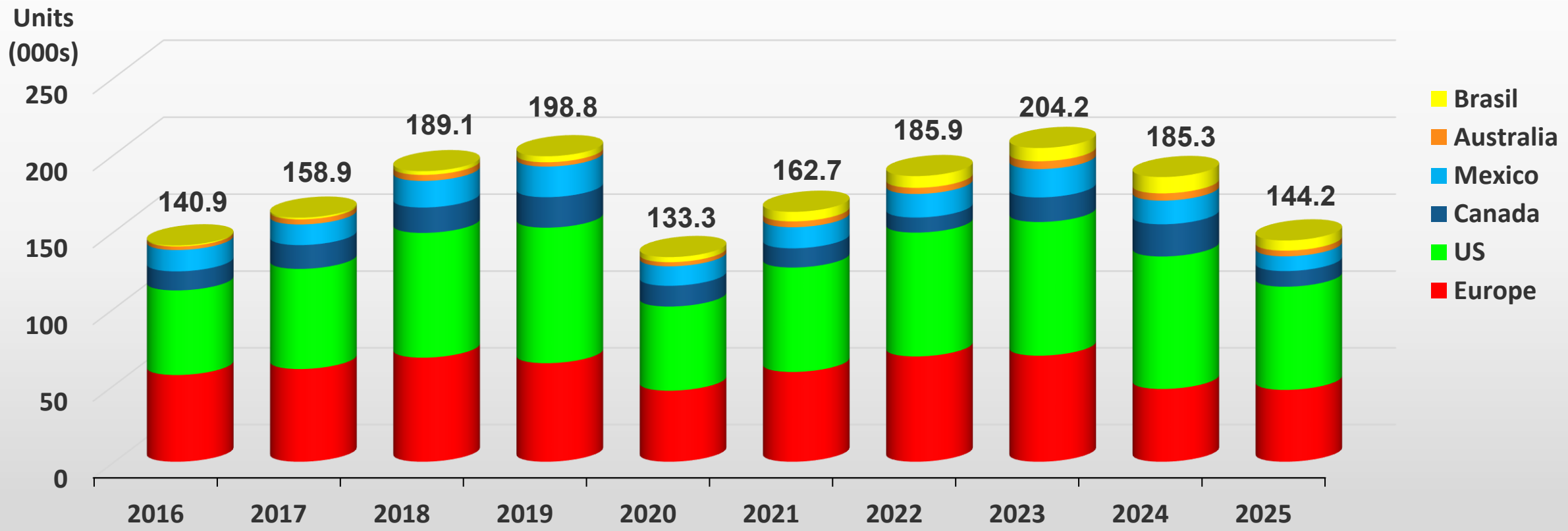


Kenworth and Peterbilt offer the PACCAR FX-20 steer axle in addition to PACCAR DX-40 tandem drive axle. DAF includes a range of lightweight and durable PACCAR front and rear axles.

PACCAR Truck Production

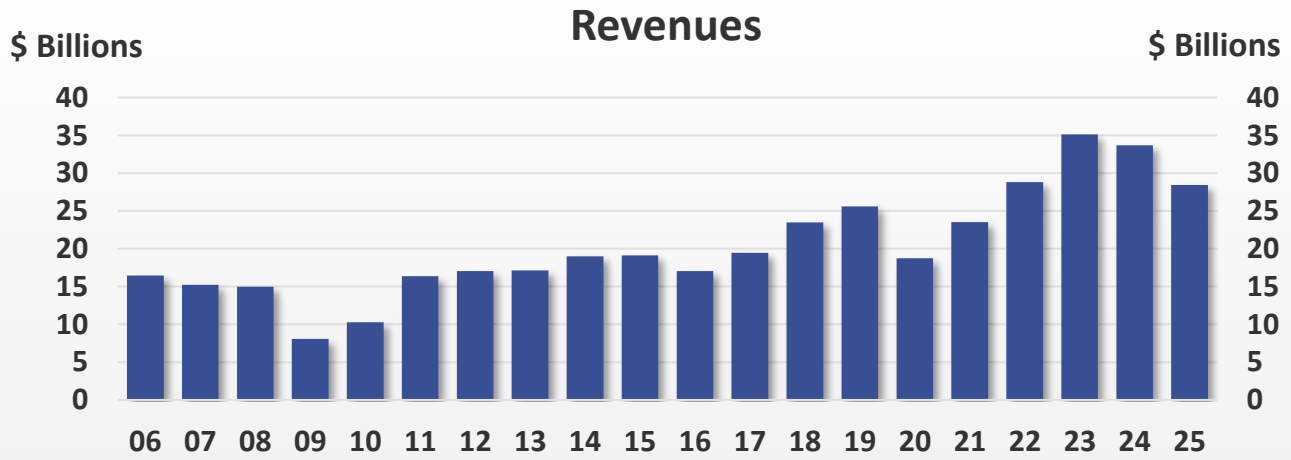
Over 1.7 Million Trucks Produced 2016 - 2025

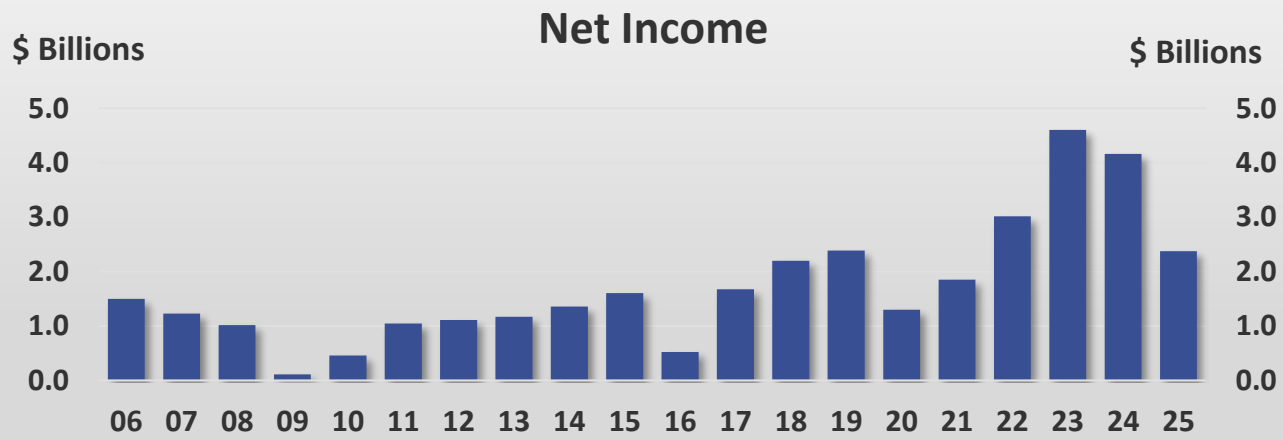
PACCAR produced 144,200 trucks in 2025



PACCAR

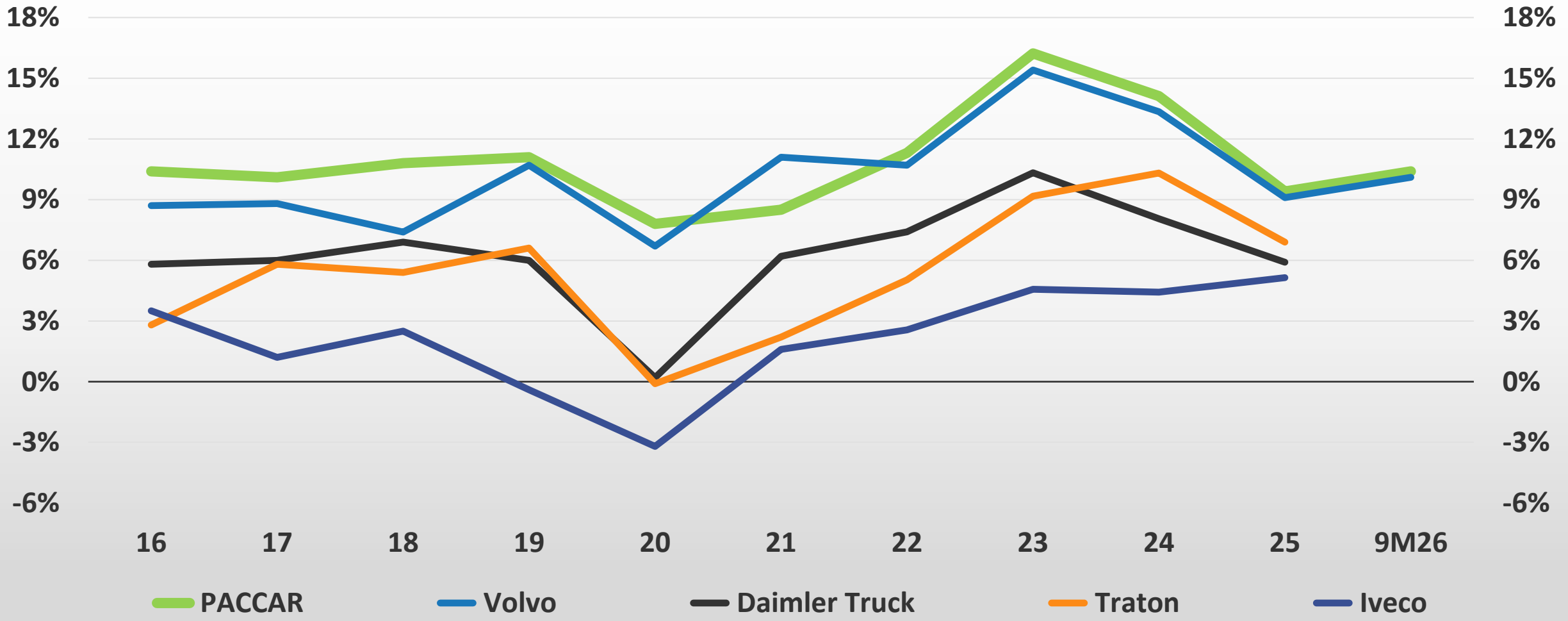
Excellent Financial Performance Throughout the Business Cycle





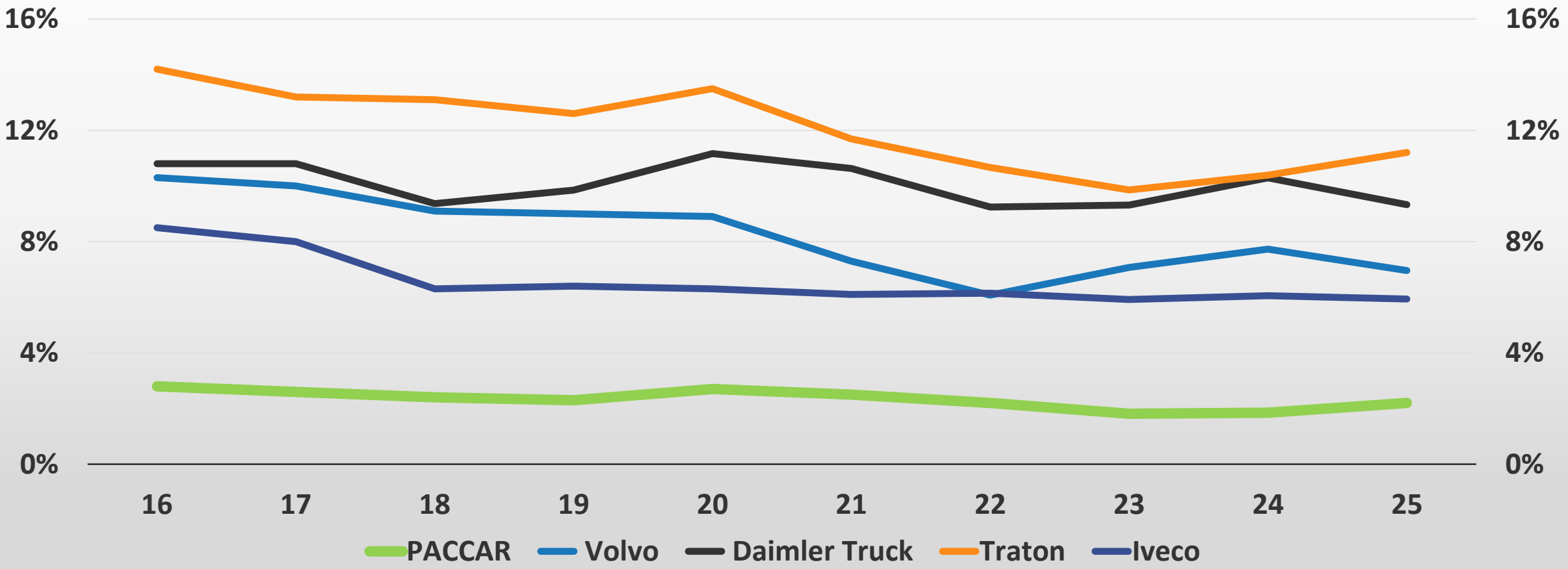
- Superior operational excellence and premium-quality products and services
- Long-term growth in revenues and net income reflect increased market share, excellent aftermarket parts performance, and growth in financial services
- Profitability throughout the cycle due to strong cost control discipline and experienced management team

Best-in-Class Operating Efficiency
Industry Operating Margin

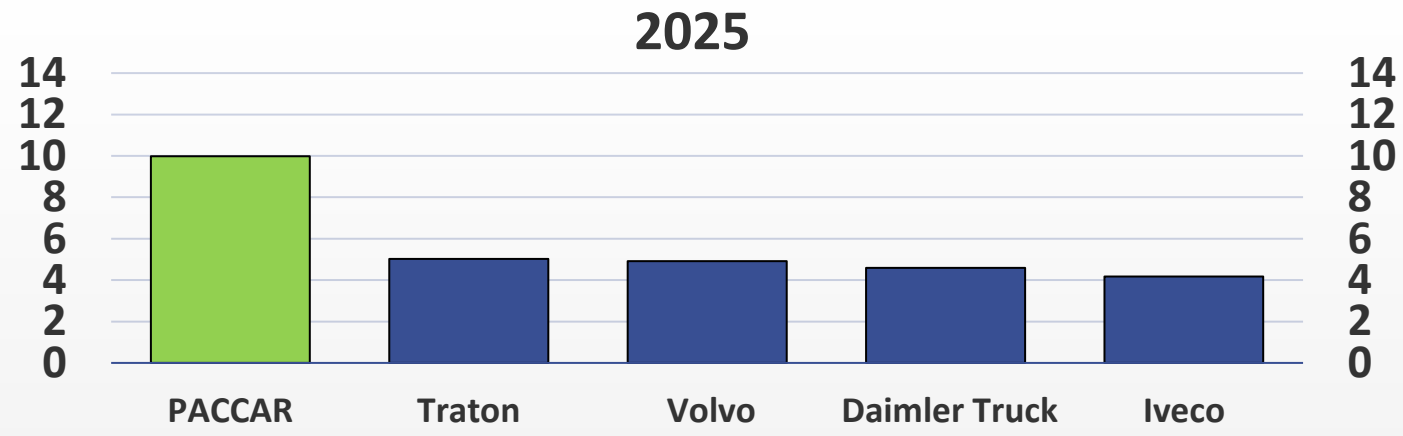


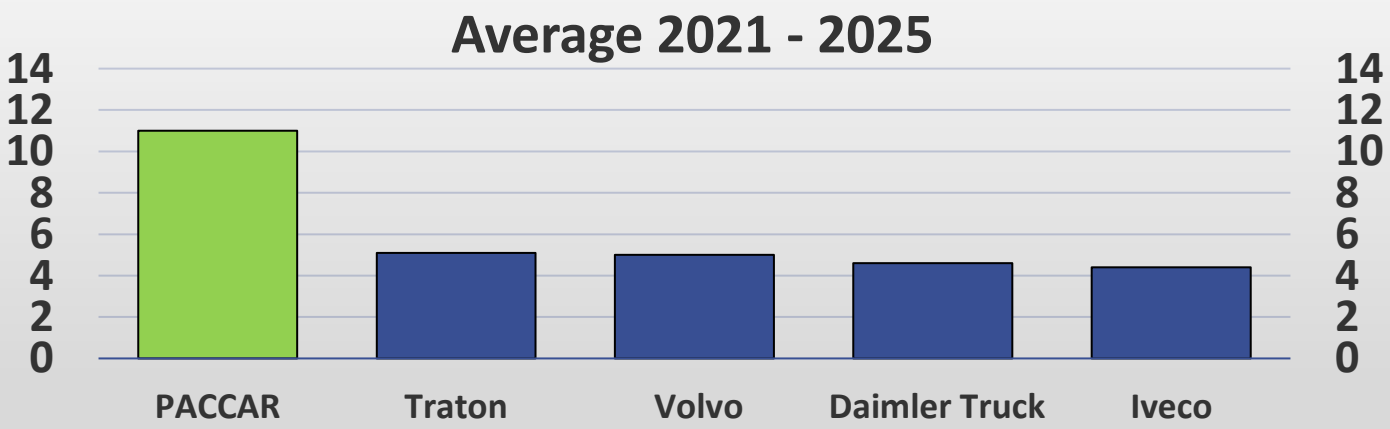
Best-in-Class Operating Efficiency
SG&A % of Sales

PACCAR's SG&A as a percentage of sales is much lower than its peer group, reflecting strong financial discipline and an independent dealer network



Best-in-Class Inventory Turns

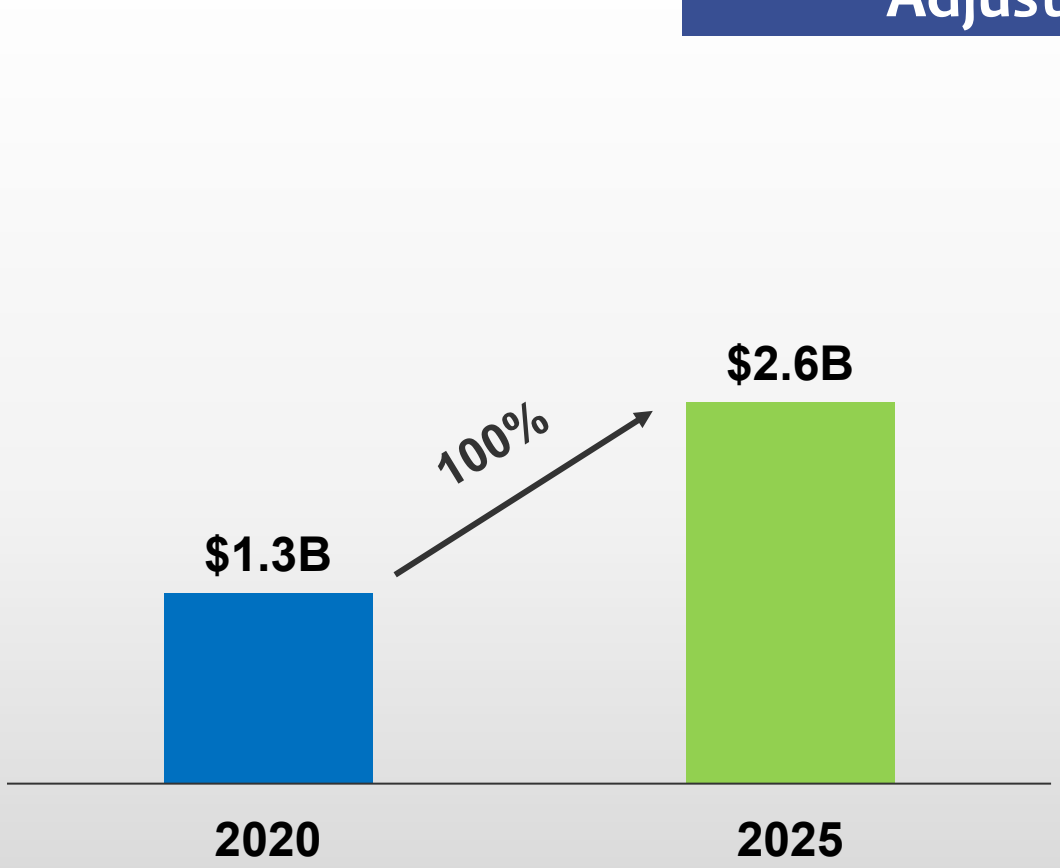




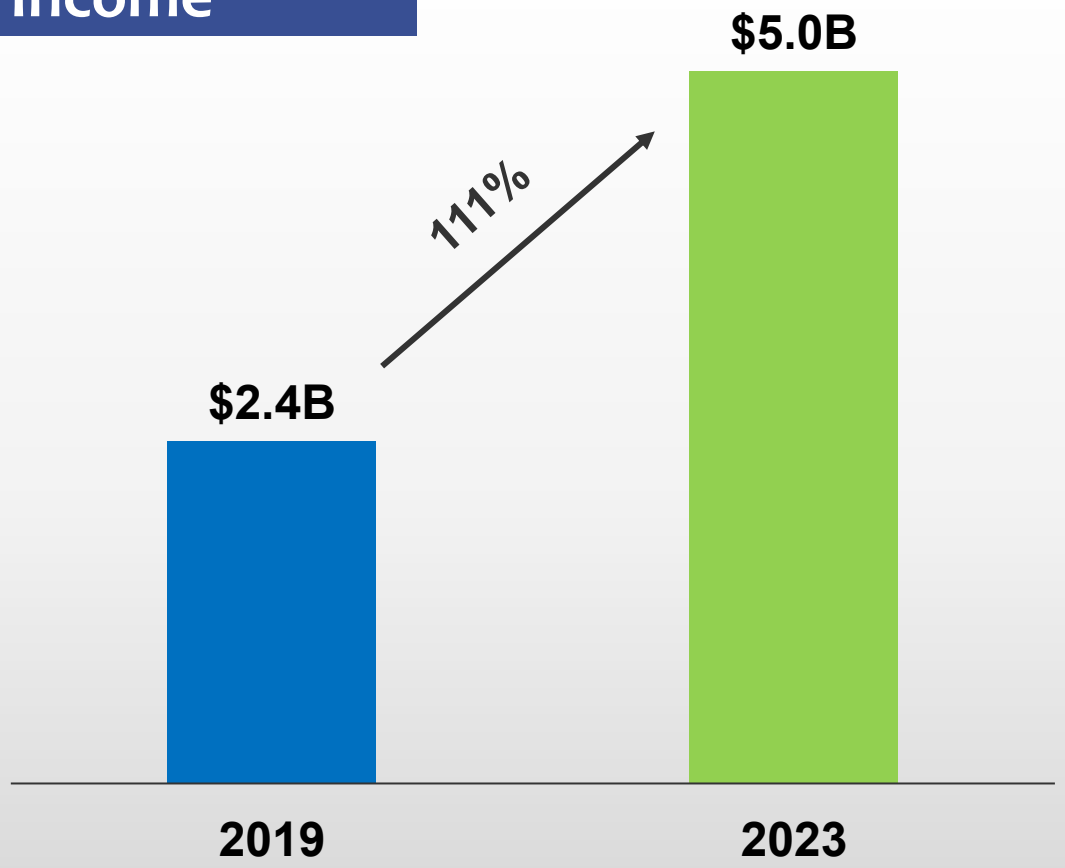
PACCAR's inventory turns are the highest in the industry, a result of the PACCAR Production System, Lean Manufacturing, and Six Sigma.

PACCAR is Structurally Stronger

Adjusted Net Income



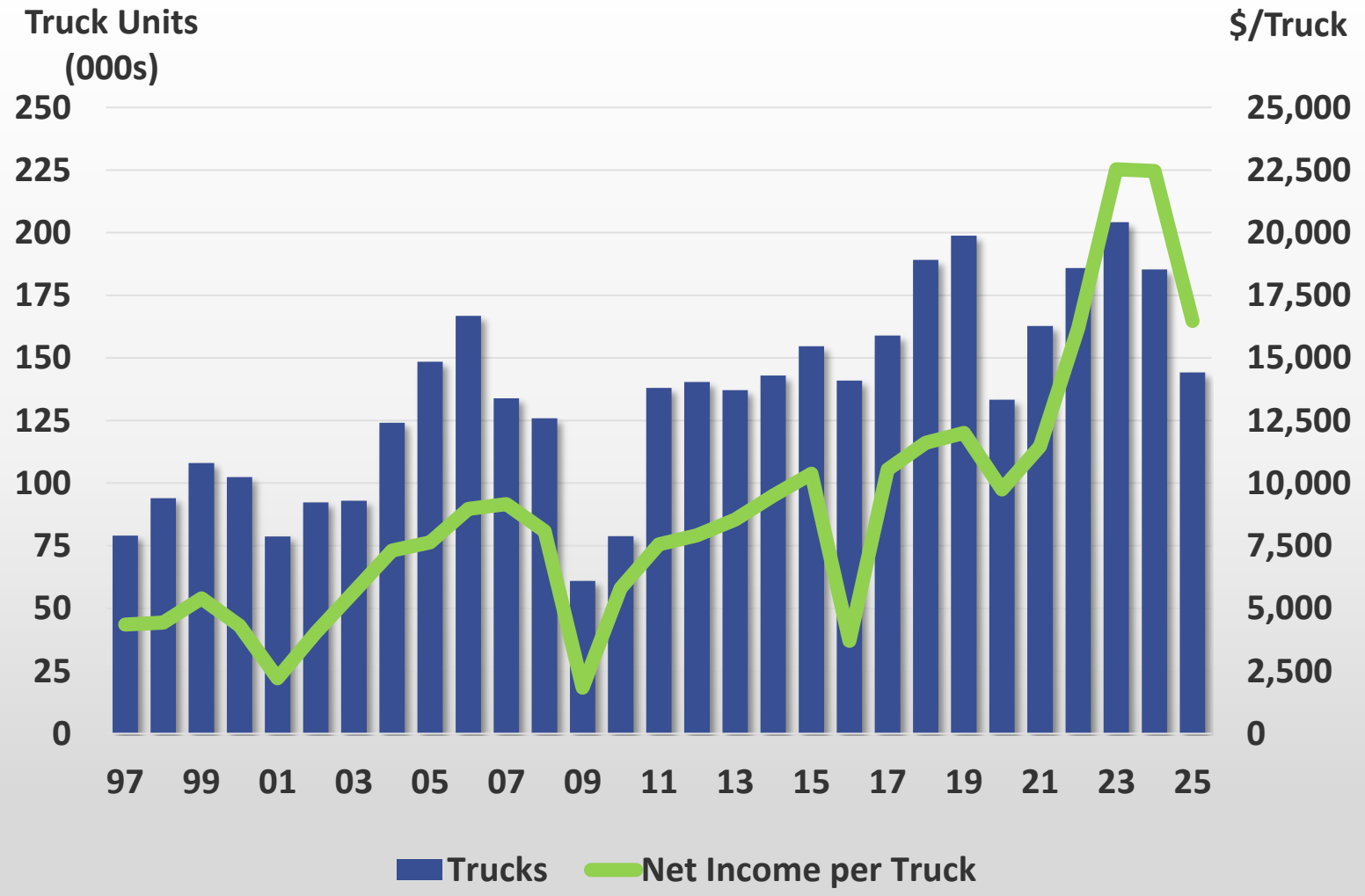
Market Troughs



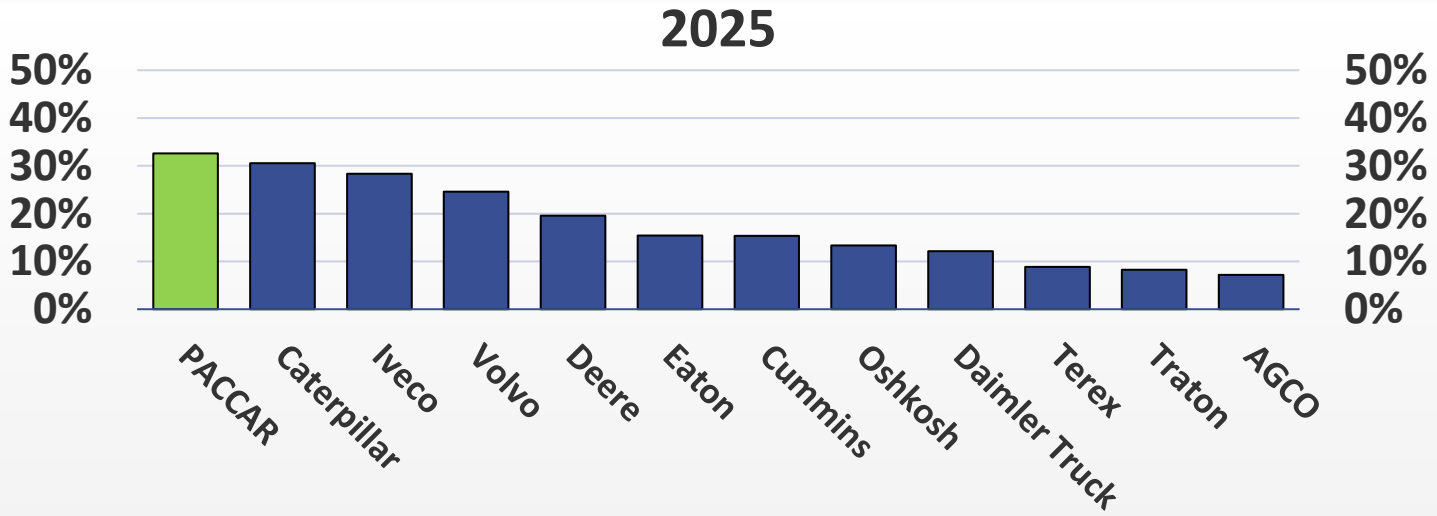
Market Peaks

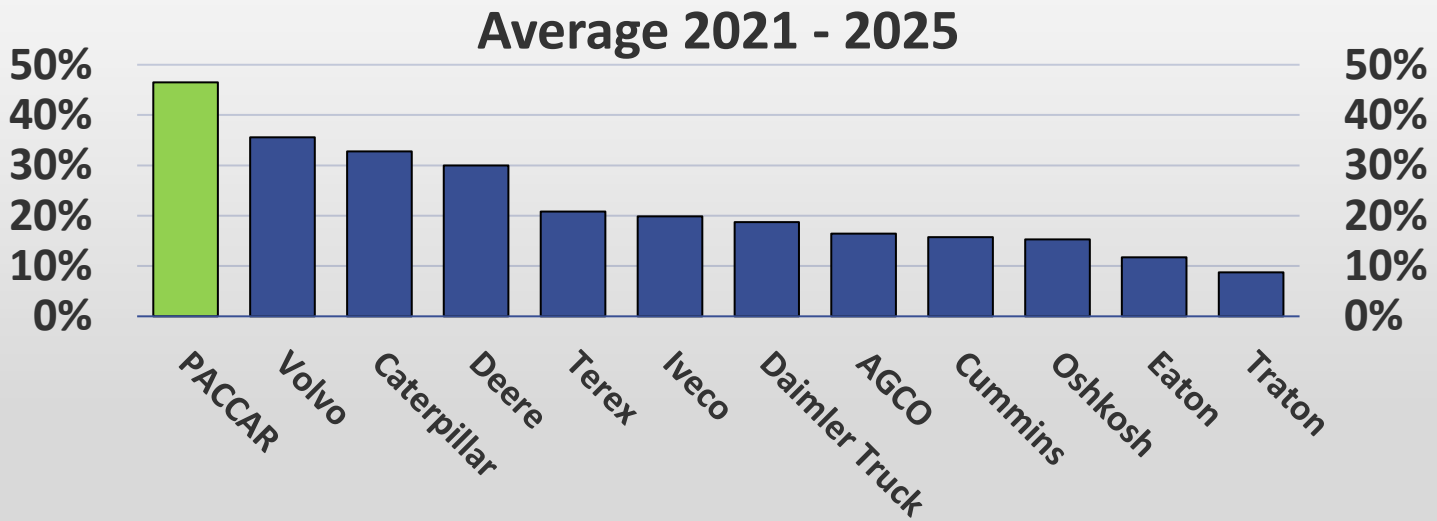
Net Income per Truck

- 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 $16,500 net income per truck in 2025.



Best-in-Class Return on Invested Capital





ROIC = NOPAT/(Equity + Manufacturing Debt + Postemployment Benefit Liabilities- Cash)

- 33% ROIC in 2025
- Premium price and strong profitability
- Effective capital allocation process
- Lean operations from PACCAR production system
- Independent dealer network

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 grew 10% year-over-year (as of 4Q25)
- Strategic M&A
  - Disciplined valuation and screening process
  - Clear path to value creation
- No unfunded pension obligation

Optimized Research and Development Strategy

Volumes High

Stable Technology Path

Proprietary Opportunity



BUILD

Volumes Uncertain

Expensive Development



PARTNER

Supplier Volume Leverage

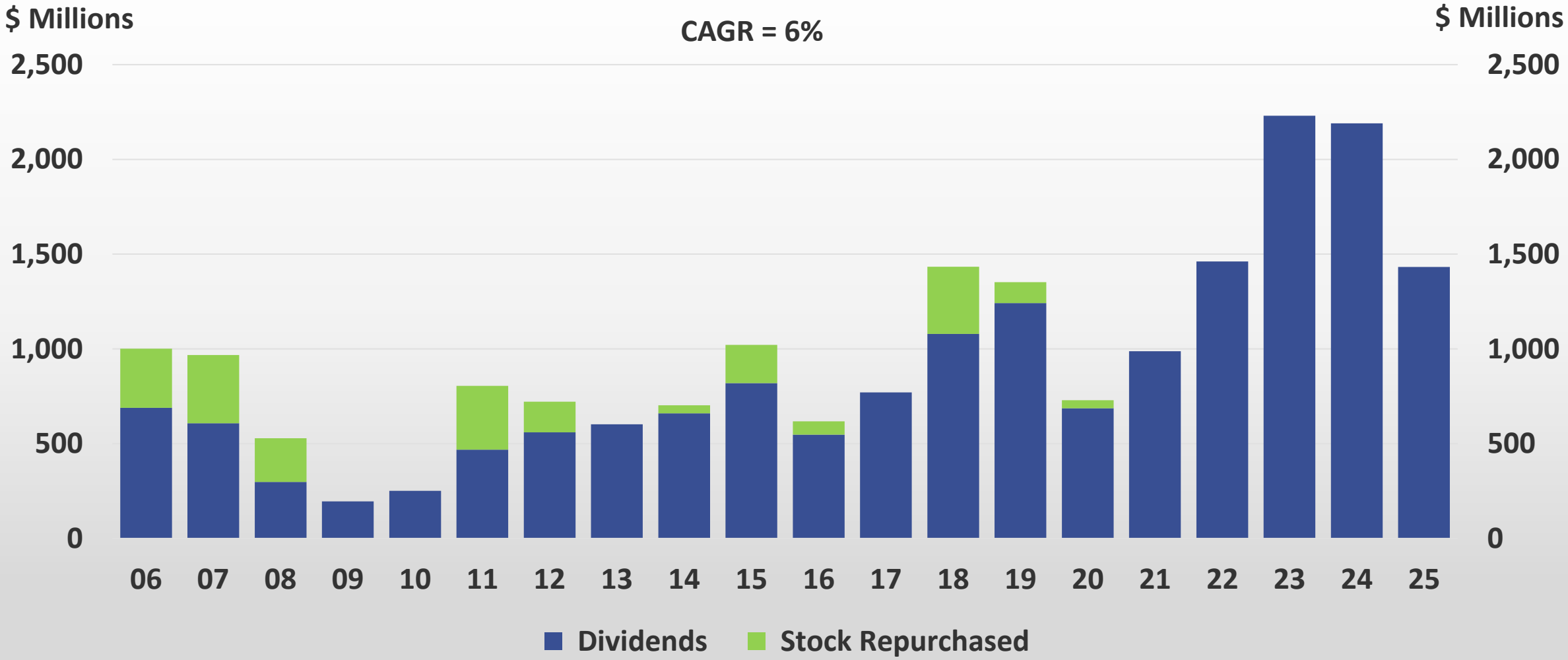
Supplier R&D Expense

Regulatory Uncertainty



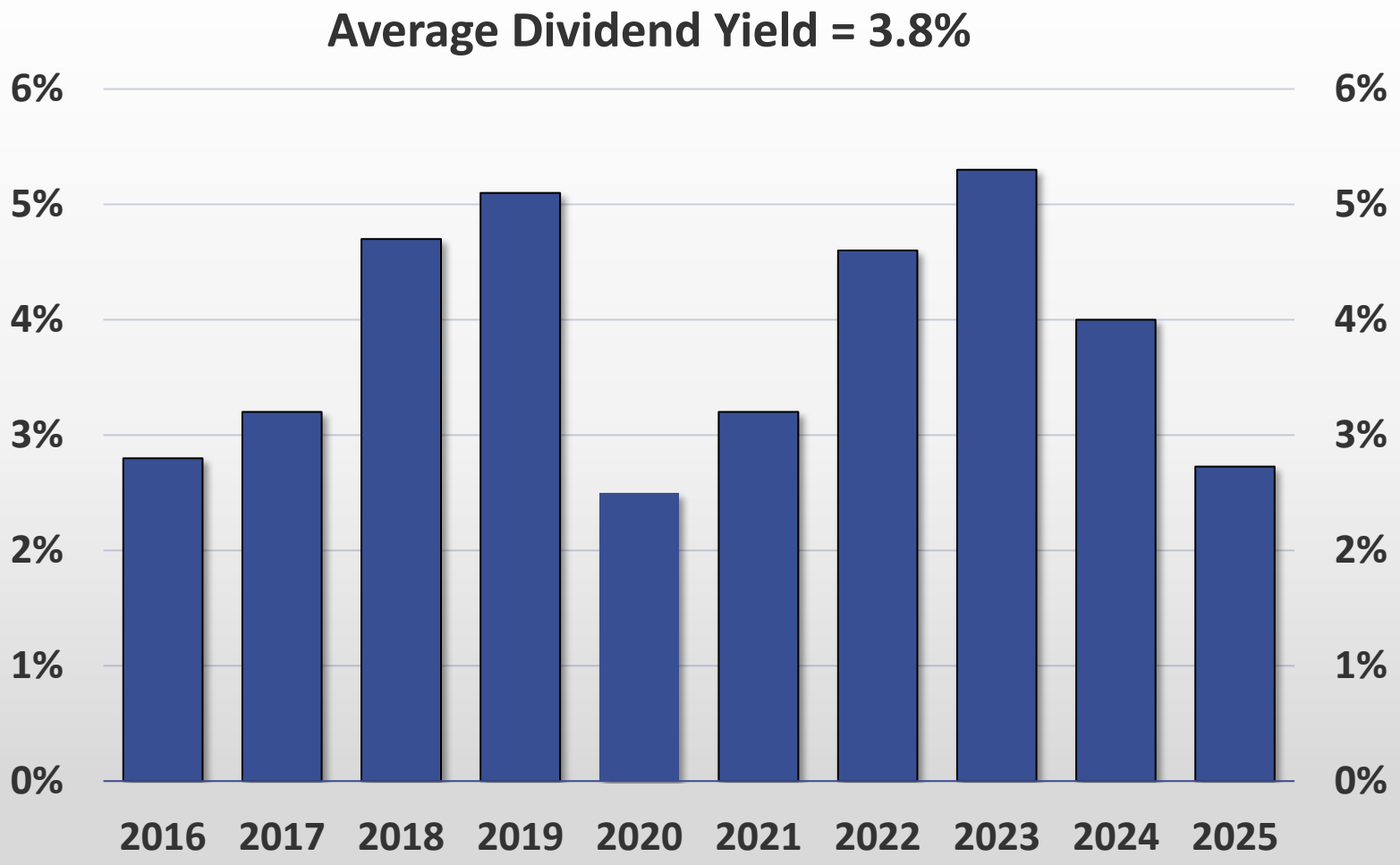
BUY

Dividends Declared and Stock Repurchases



Excellent Dividend Yield

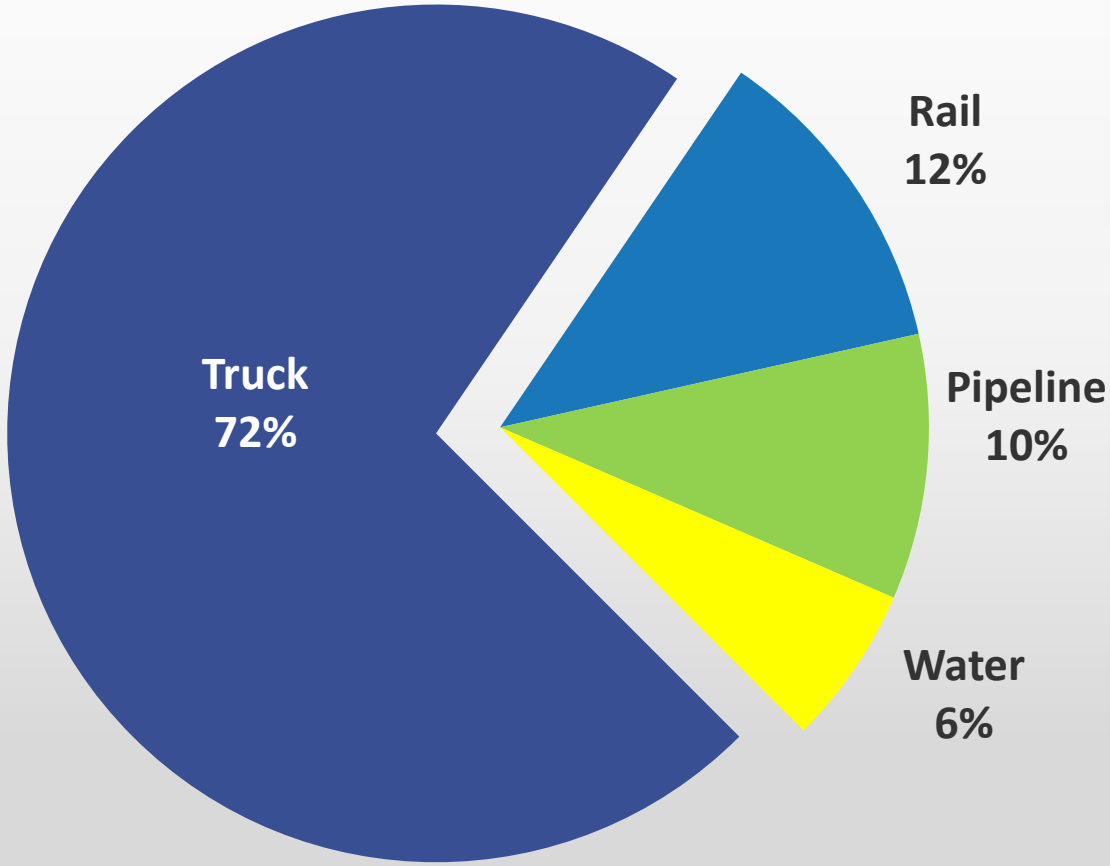
- PACCAR's dividend yield reflects the total quarterly + annual dividends declared in the year, divided by the average stock price for the year
- PACCAR's dividend yield has averaged 3.8% over the last ten years



Trucking Moves the Economy
72% of U.S. Freight is Moved by Truck

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 - 72% of all the freight transported.
38.9 million commercial trucks, including 4.3 million heavy-duty trucks, move that freight. The percentage of tonnage by mode is stable over time.





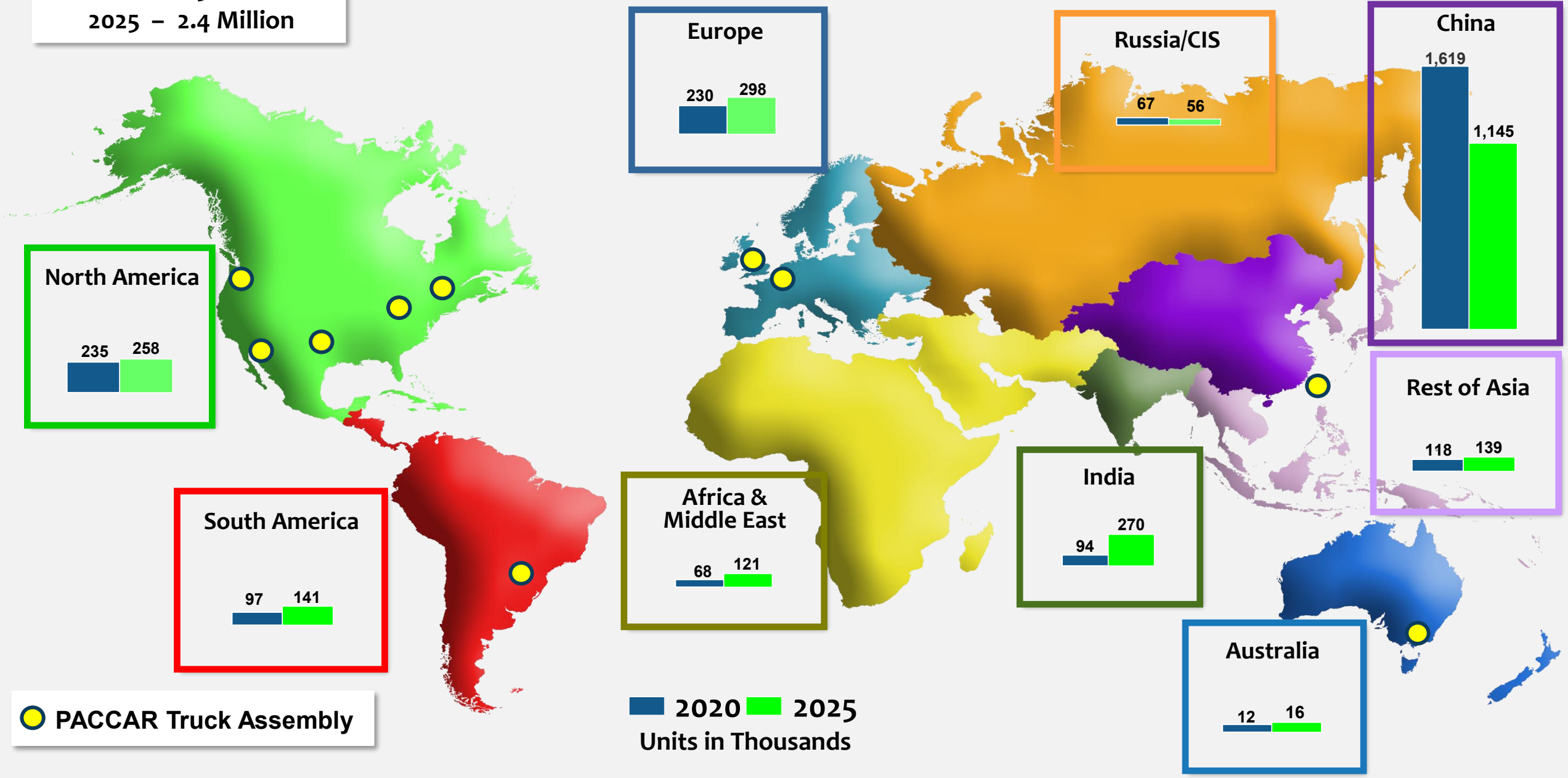




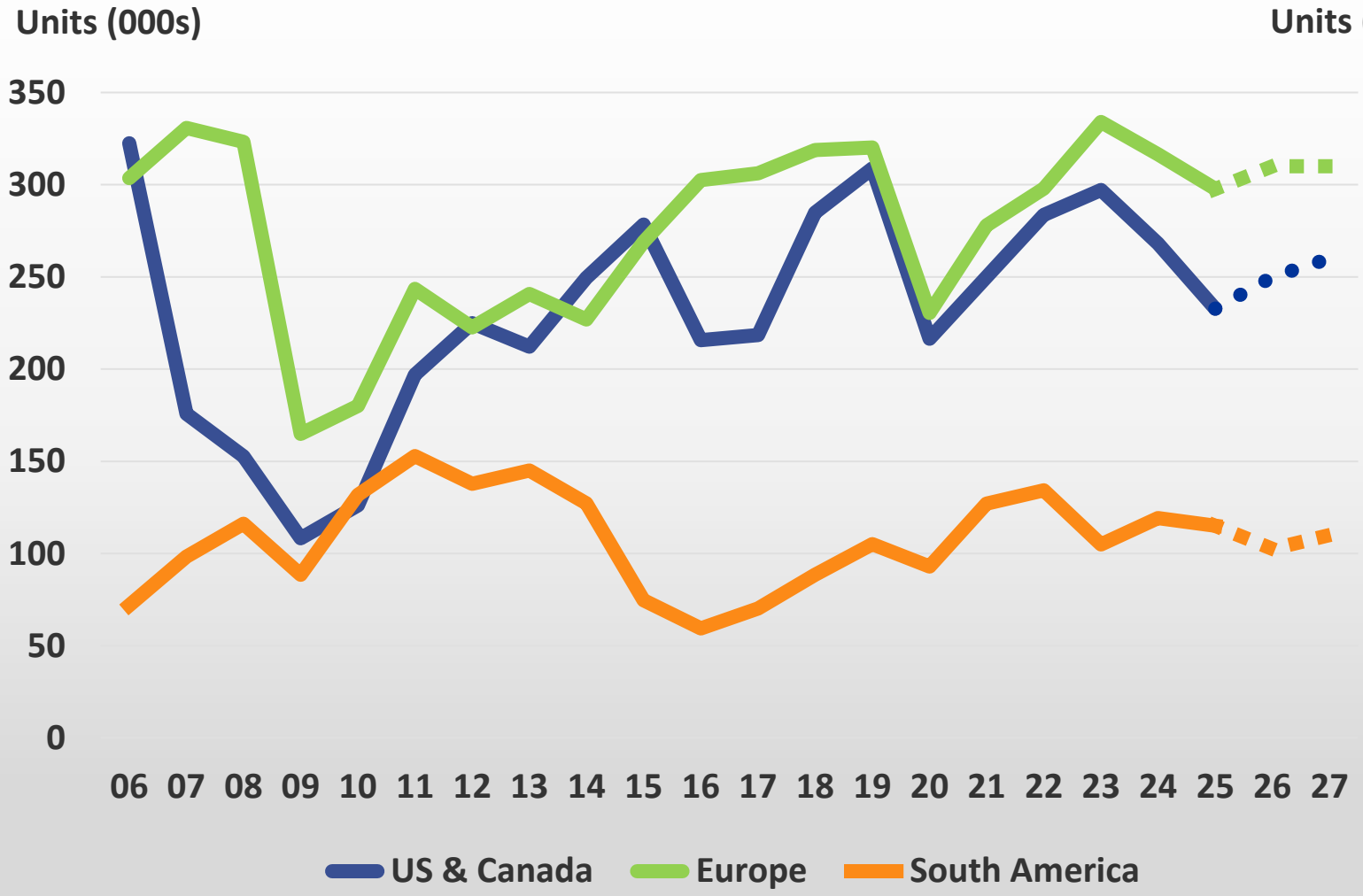


>16t Global Truck Market

>16t Truck Market
2020 – 2.5 Million
2025 – 2.4 Million



>16t Truck Market Size



Units (000s)

350
300
250
200
150
100
50
0

2026 Market Forecast Estimate

U.S. and Canada	240,000 – 260,000
Europe	300,000 – 320,000
S. America	100,000 – 105,000

2027 Market Forecast Estimate

U.S. and Canada	240,000 – 280,000
Europe	300,000 – 320,000
S. America	105,000 – 115,000



Strategy

A Culture of Excellence

Profitable Growth

- Premium Trucks
- Transportation Solutions
- Market Expansion
- Advanced Manufacturing

Foundation

Quality



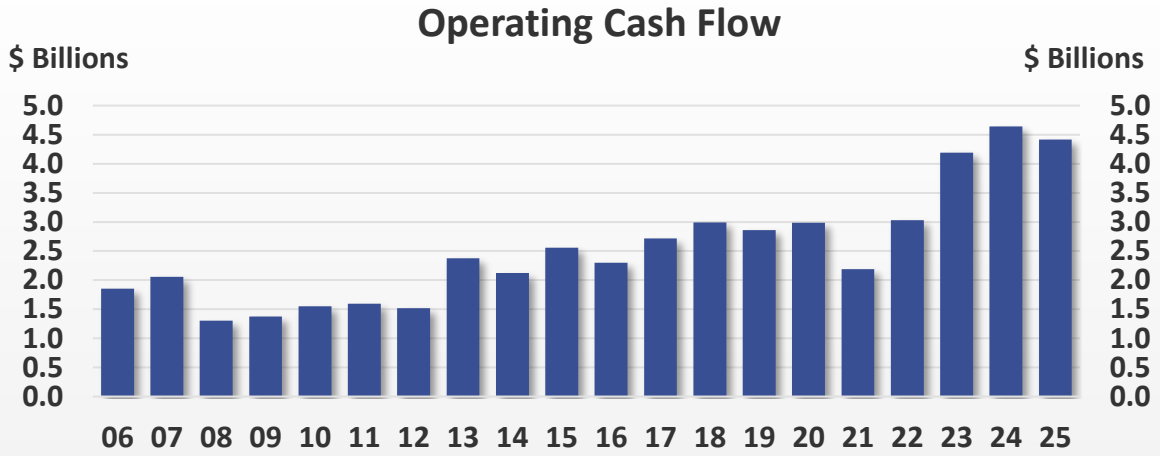
Technology

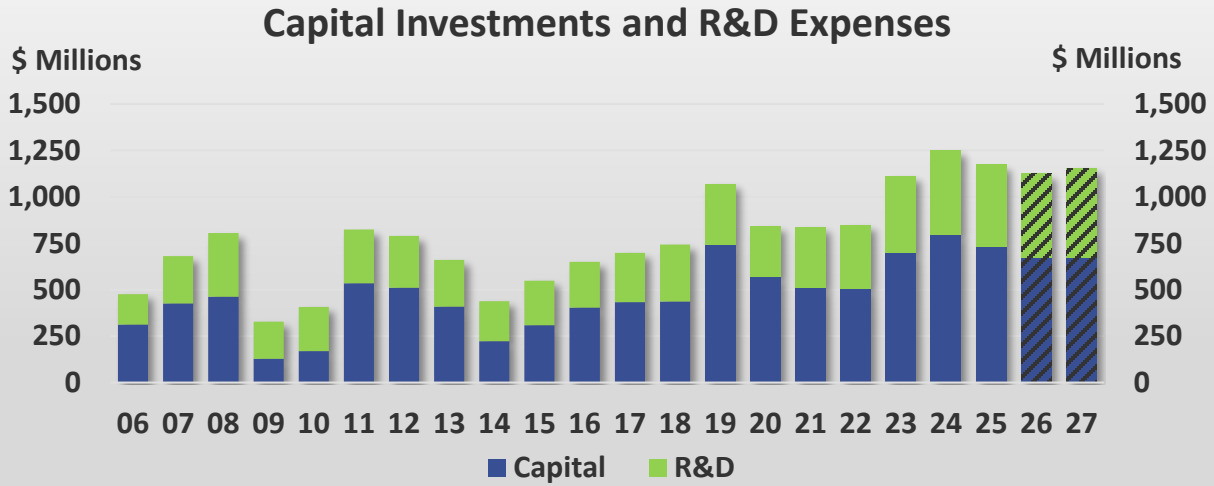


Innovation



PACCAR
Investing Throughout the Business Cycle





- Operating cash flow has averaged $3.7 billion for the last five years and has grown 8% CAGR over the last 20 years
- PACCAR has invested $9.2 billion in capital projects, new products, and technologies in the last decade ended 2025
- PACCAR partners with suppliers and technology providers to reduce initial investments in speculative technologies
- Key investments:
  - Next generation Kenworth and Peterbilt Class 8 trucks
  - Next generation Kenworth and Peterbilt Class 5-7 trucks
  - Next generation DAF XB, XD, XF, XG and XG+ trucks
  - Integrated powertrains including diesel, battery electric, and hybrid technologies
  - PACCAR MX-13 and MX-11 engine factory in North America
  - Engine remanufacturing facility in Columbus, MS
  - DAF Brasil factory
  - Global factory expansions and enhancements
  - PACCAR Parts distribution centers

Cumulative PACCAR MX Engines Produced

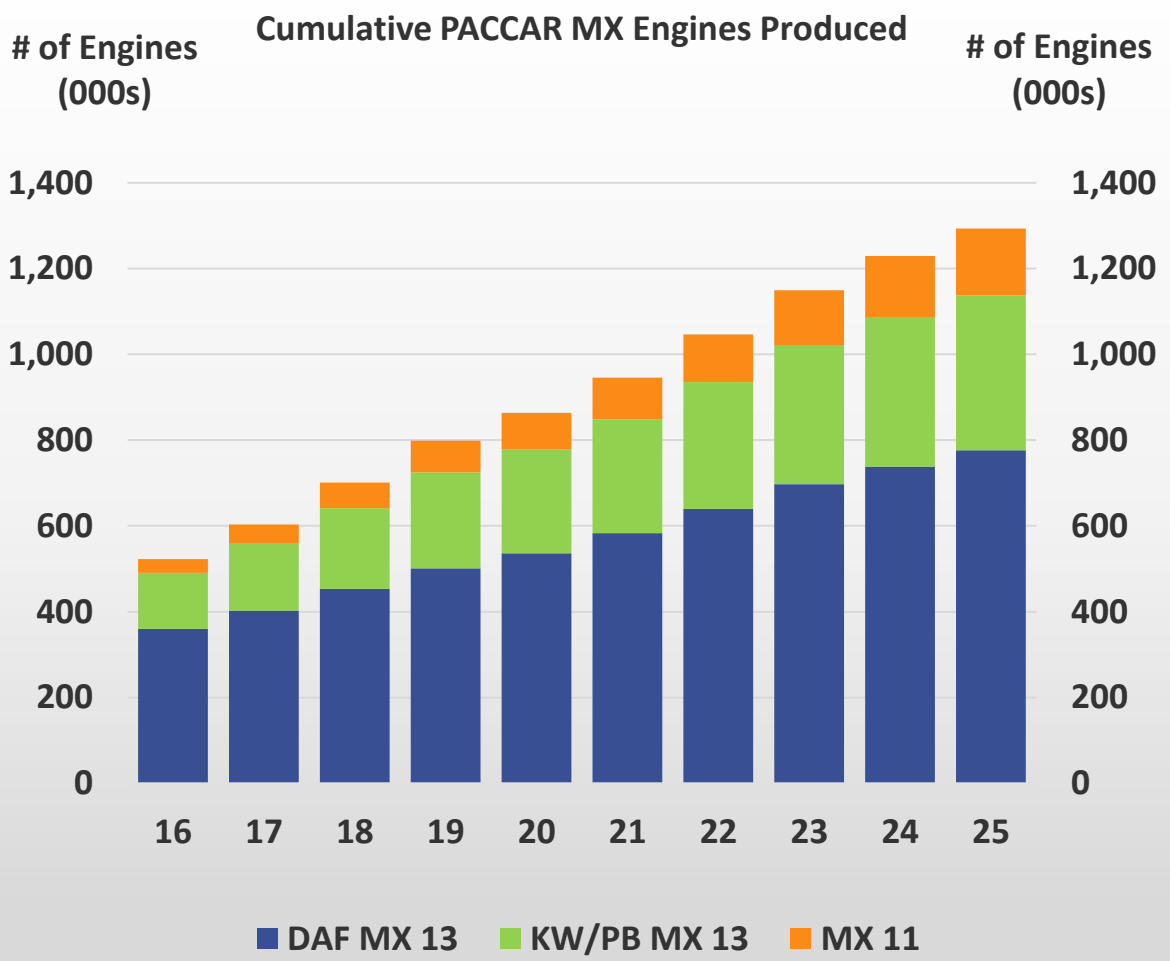
- PACCAR has produced over 776,000 engines in Europe and over 362,000 engines in North America.
- Growing presence in South America and Australia.
- The PACCAR engine factory in Columbus, MS, began operations in 2010 with the North American launch of the flagship MX-13 engine.
- PACCAR expanded its engine 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 opened a new engine remanufacturing facility in Columbus, MS, in 2026



PACCAR MX-13
12.9 Liter



PACCAR MX-11
10.8 Liter



PACCAR Zero Emission Truck Lineup



Market Specific Models

PACCAR Batteries Reduce Cost in Multiple Applications



Battery Electric



Fuel Cell Electric



Hybrid Electric



Charger Energy Storage

Level 4 Autonomous Trucking



L4 Autonomy Technology

Maturing Technology Solutions

Expanding Operational Scenarios

Supplier and Service Ecosystem Solidifying



Commercial Traction

Increasing Scale: > 150 Weekly Autonomous Trips

Strong Interest from Carriers and Shippers

Planning Initial Commercial Deployments

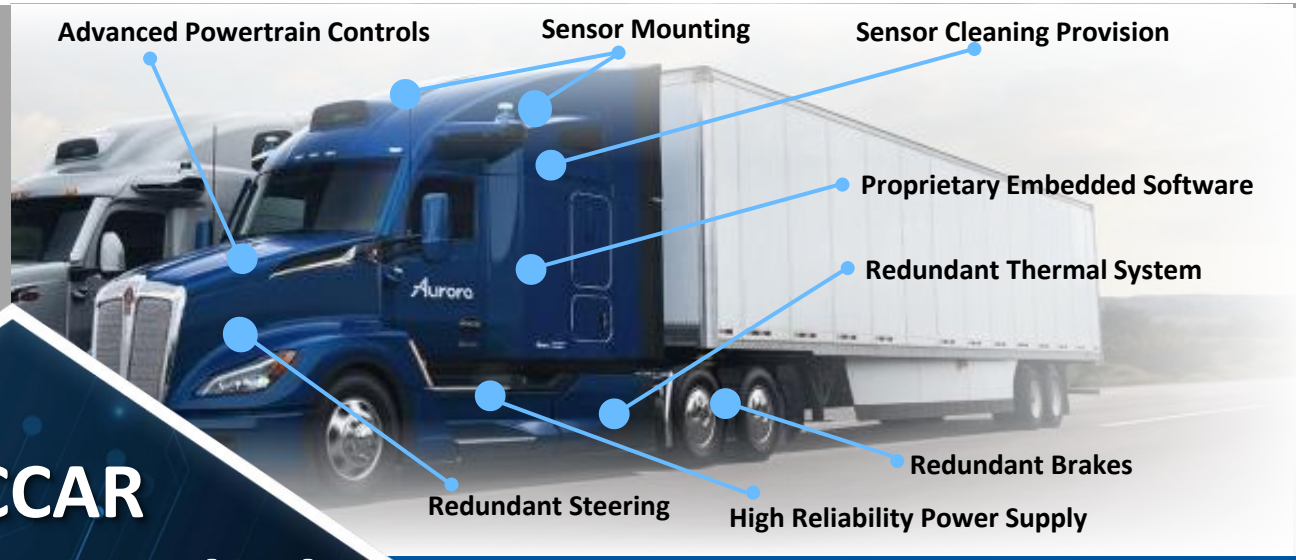
No Longer "Always 5 Years Away"

PACCAR Inc

PACCAR is Integral in Autonomous Trucking



Multi-Partner Strategy



Proprietary Vehicle Systems

PACCAR Autonomous Vehicle Platform

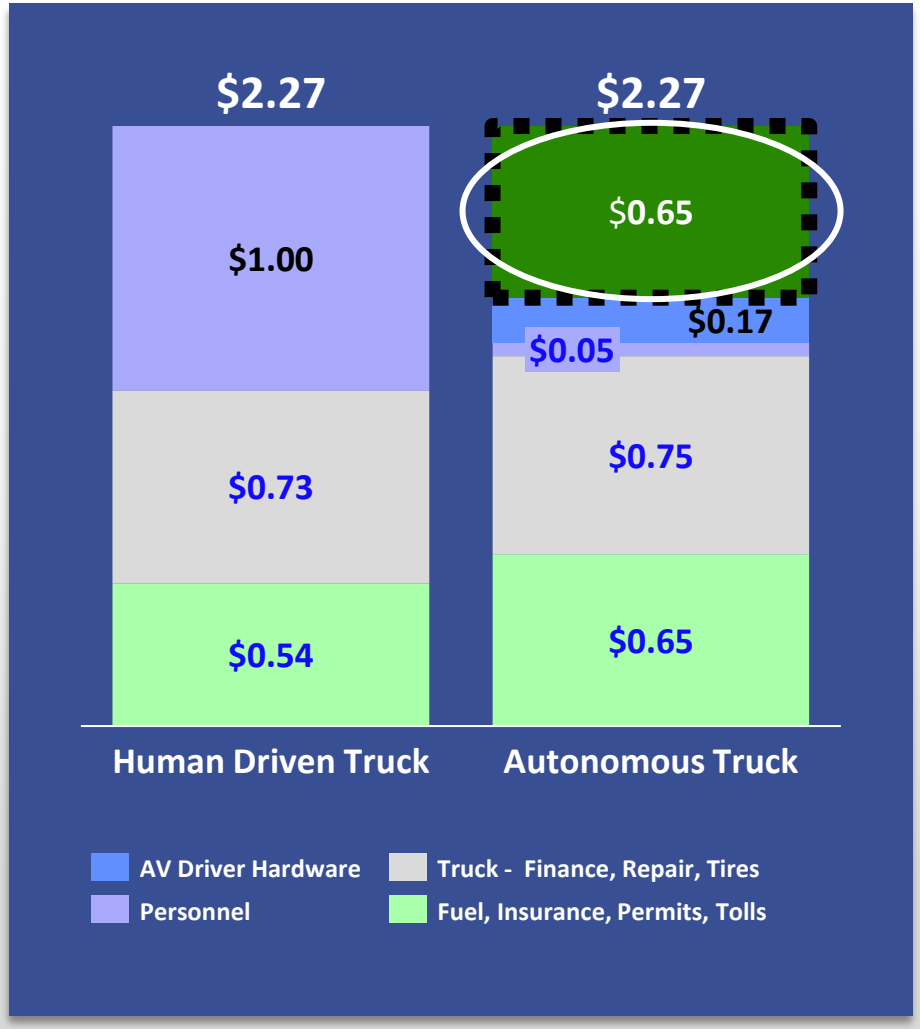


Replacement Parts



Service and Uptime

Autonomy Value Creation and Claims



~$25B Annual Value Creation

- AV Driver
- PACCAR
- Fleet
- Shipper

Enhances PACCAR Profit Pools

PACCAR Electronics Creates Competitive Advantage



Engine Controller





- PACCAR Electronics addresses the growing importance of electronics within product development
- Electronic systems include new vehicle architecture, safety systems, vehicle controls and switches and connectivity
- PACCAR trucks have approx. 100 control systems with about 100 million lines of code
- Connected trucks are sophisticated and run by software that requires ongoing investment
- Proprietary content creates a strong advantage for PACCAR

Connected Services

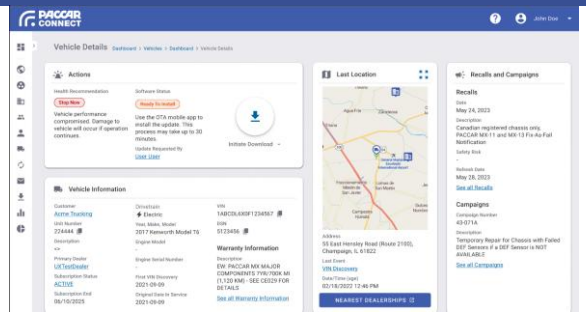
PACCAR Connect is a state-of-the-art global connected truck platform built on proprietary hardware.

It enables:

- **Integrated uptime and fleet vehicle insights**
- **Data-as-a-Service capabilities**
- **Direct access to transportation and fleet applications**
- **First-to-market integrated display and transportation marketplace**
- **Enterprise-grade cybersecurity and over-the-air software updates**

PACCAR CONNECT

Core Services



Data Services



Marketplace Services



Vehicle Services



PACCAR Inc

PACCAR Innovation Center, Sunnyvale, CA





- PACCAR Innovation Center in Silicon Valley enhances PACCAR's access to emerging technologies and talent globally
- The Innovation Center collaborates across PACCAR to develop next generation technologies such as vehicle prognostics
- PACCAR Innovation Center establishes strategic partnerships, such as the autonomous vehicle collaborations with Aurora and Stack AV
- The Innovation Center truck lab is equipped with advanced tools for working with emerging technologies

Artificial Intelligence

PACCAR Manufacturing



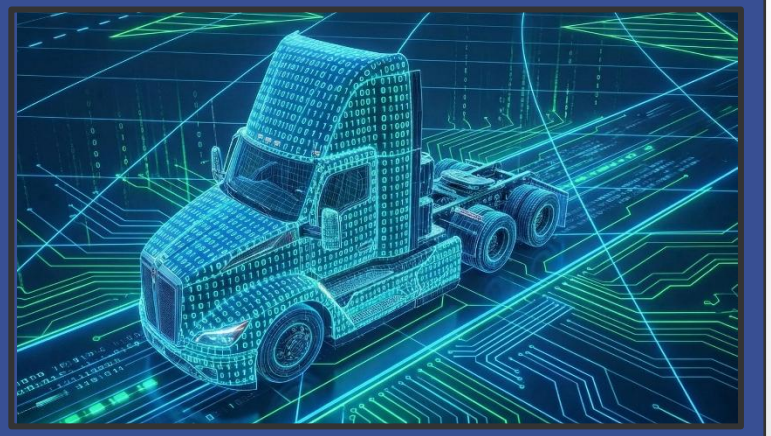
Greater Flexibility in Factories

PACCAR Parts



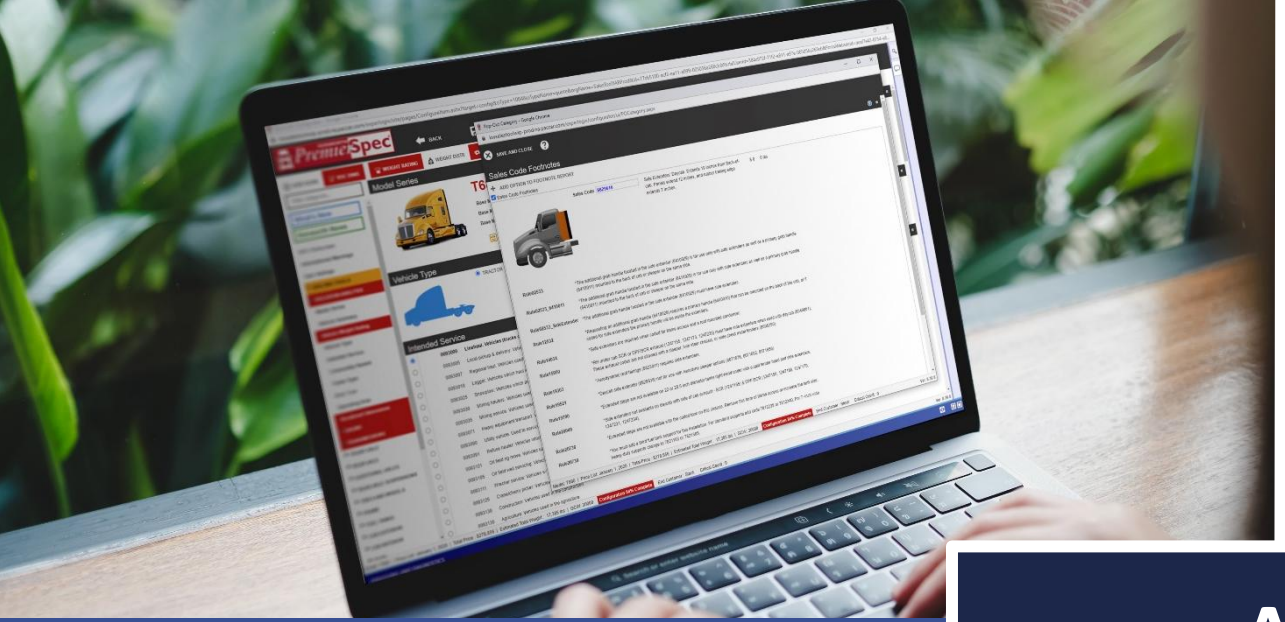
Advanced Material Management

Internal Development



Faster Product Development

AI Implementations



Truck Specification



Weld Quality



Paint Color Match



Option Verification

Best in Class Factory Operations

Safety	Average OSHA Score of 1.36 Across All Factories (2025)
Quality	Best in Class Quality
Capacity	Capacity Increased by 17% Over the Past 3 Years
Efficiency	Deployment of Industry 5.0 & Vision A.I. Technology
Flexibility	Local for Local Production

PACCAR Manufacturing Capacity Investments



Chassis Paint Booth, Chillicothe, Ohio



PACCAR Mexico Expansion



PACCAR Engine Factories and Remanufacturing Center



Autonomous Guided Vehicles

Local for Local Production - Optimally Positioned for Tariffs



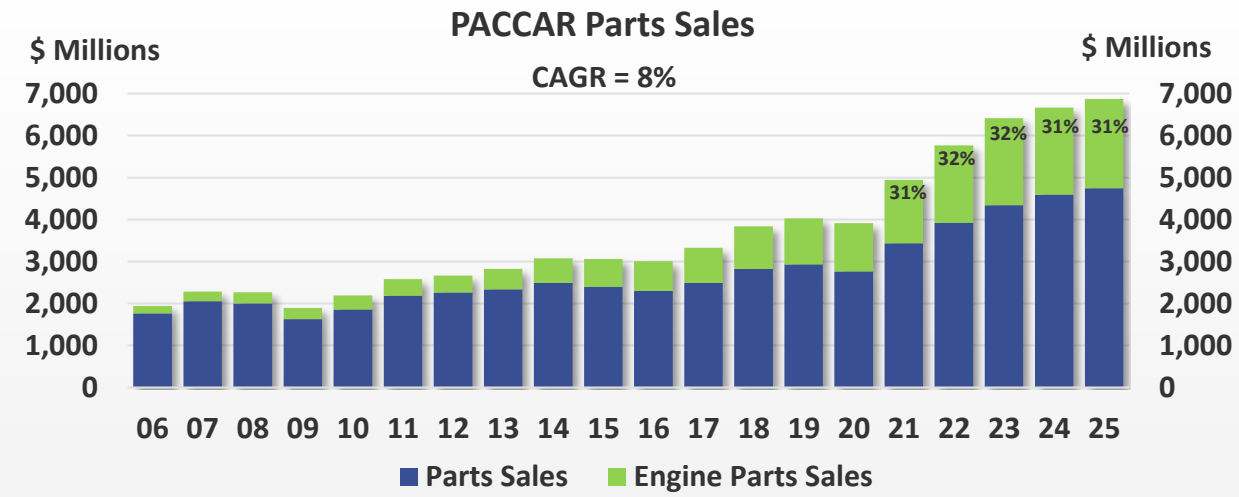
Tariffs March – November 2025	Post-Section 232 Finding
Tariffs on non-USMCA Components	Tariff Offset Program
Tariffs on Steel and Aluminum	>50% Reduction in Tariff Charges
No Tariffs on Trucks from Canada and Mexico	Tariffs on Trucks from Canada and Mexico

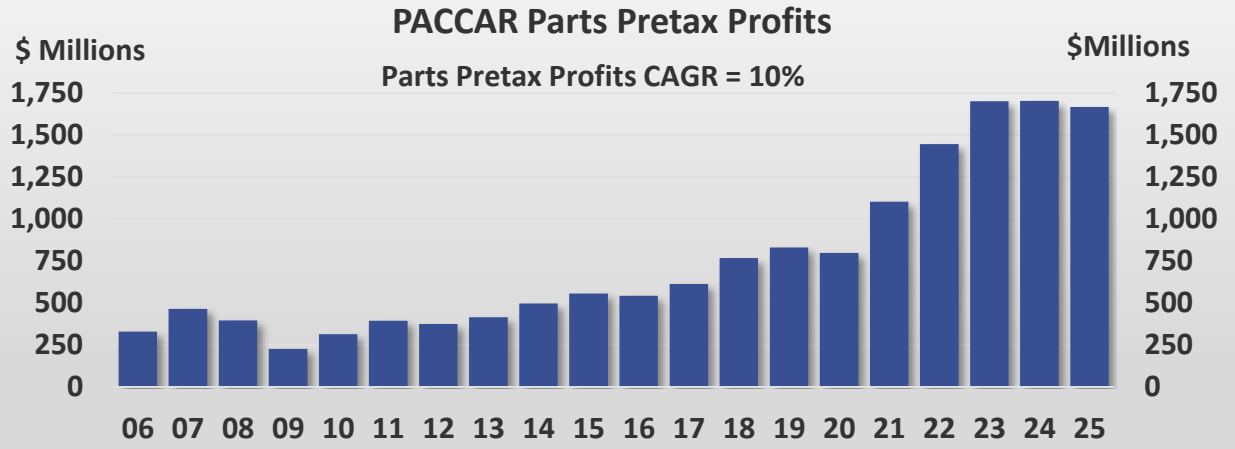
PACCAR Parts Strategy

PACCAR Parts achieved record $6.9 billion in sales and $1.7 billion in pretax profits in 2025. Over the last 20 years, PACCAR Parts has achieved a sales CAGR of 8% and profit CAGR of 10%.

Long-Term Growth Drivers:

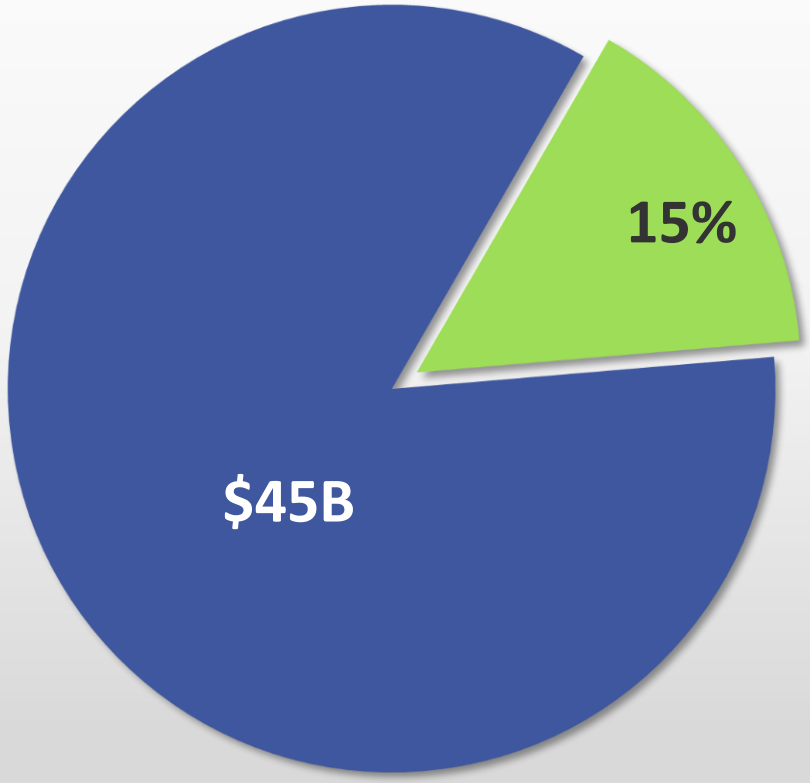
- Growing population of Kenworth, Peterbilt and DAF trucks due to geographic expansion and market share growth
- Increasing number of TRP locations
  - 2025: 365 locations
  - 2016: 76 locations
- Best-in-class Distribution Network
  - 21 parts distribution centers and nearly 2,400 dealer locations.
  - Proprietary, PACCAR Genuine and TRP branded parts enhance margins



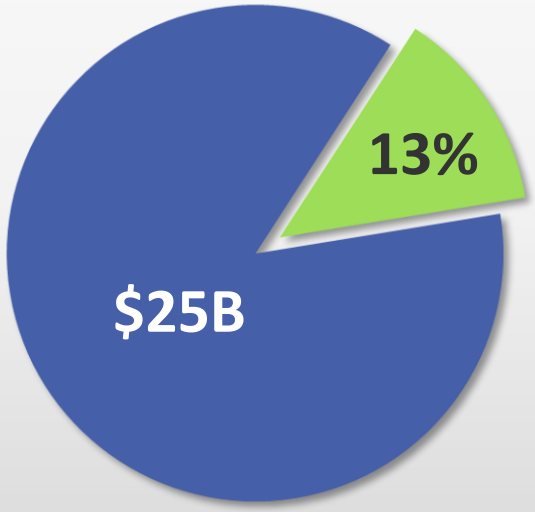


Dealer Retail Parts Market Opportunity

North America Parts Market



Europe & Rest of World Parts Market



$70B Opportunity

5% Point Gain

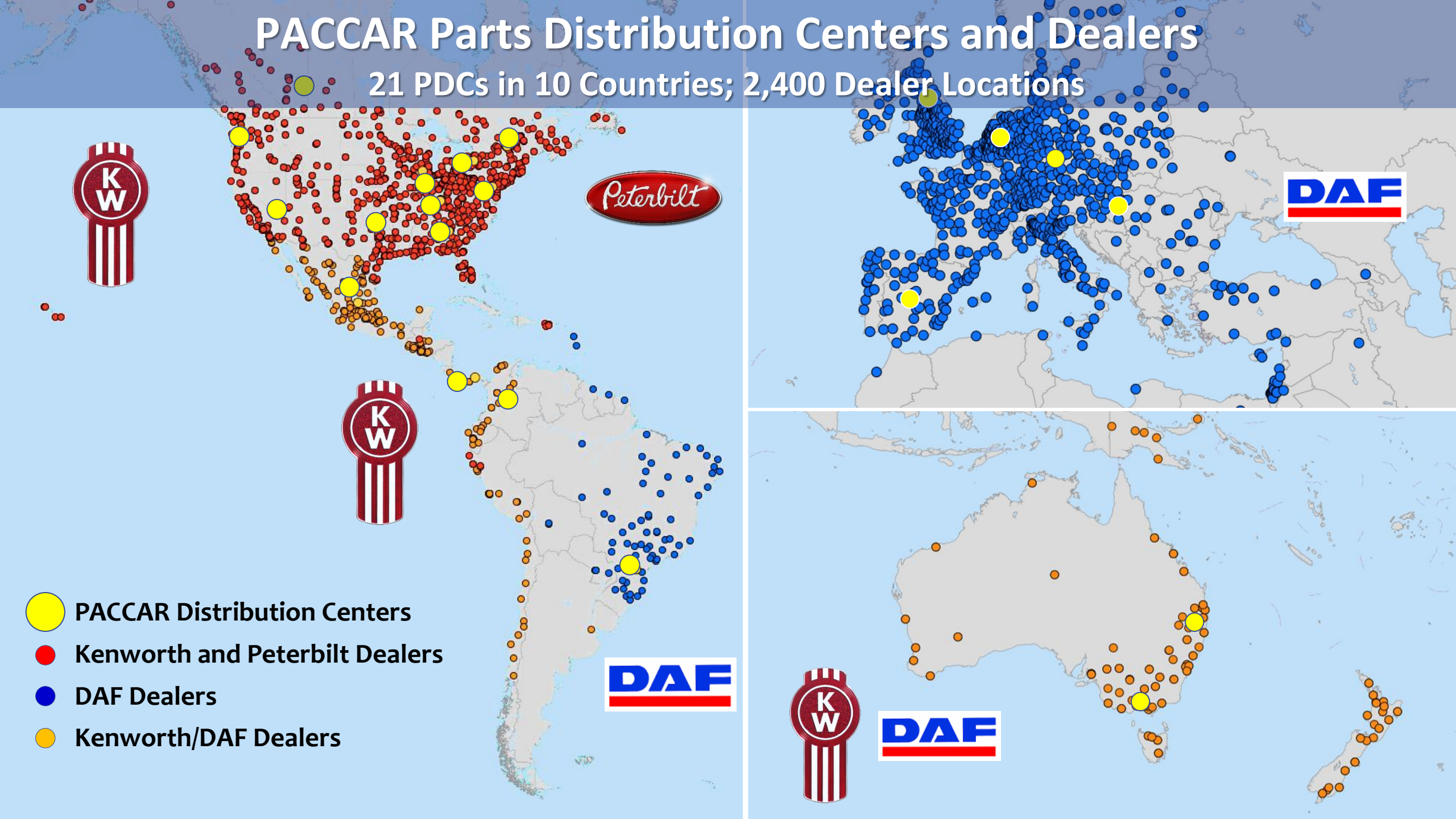
$3.5B Retail Sales 2030

Overall Market Size

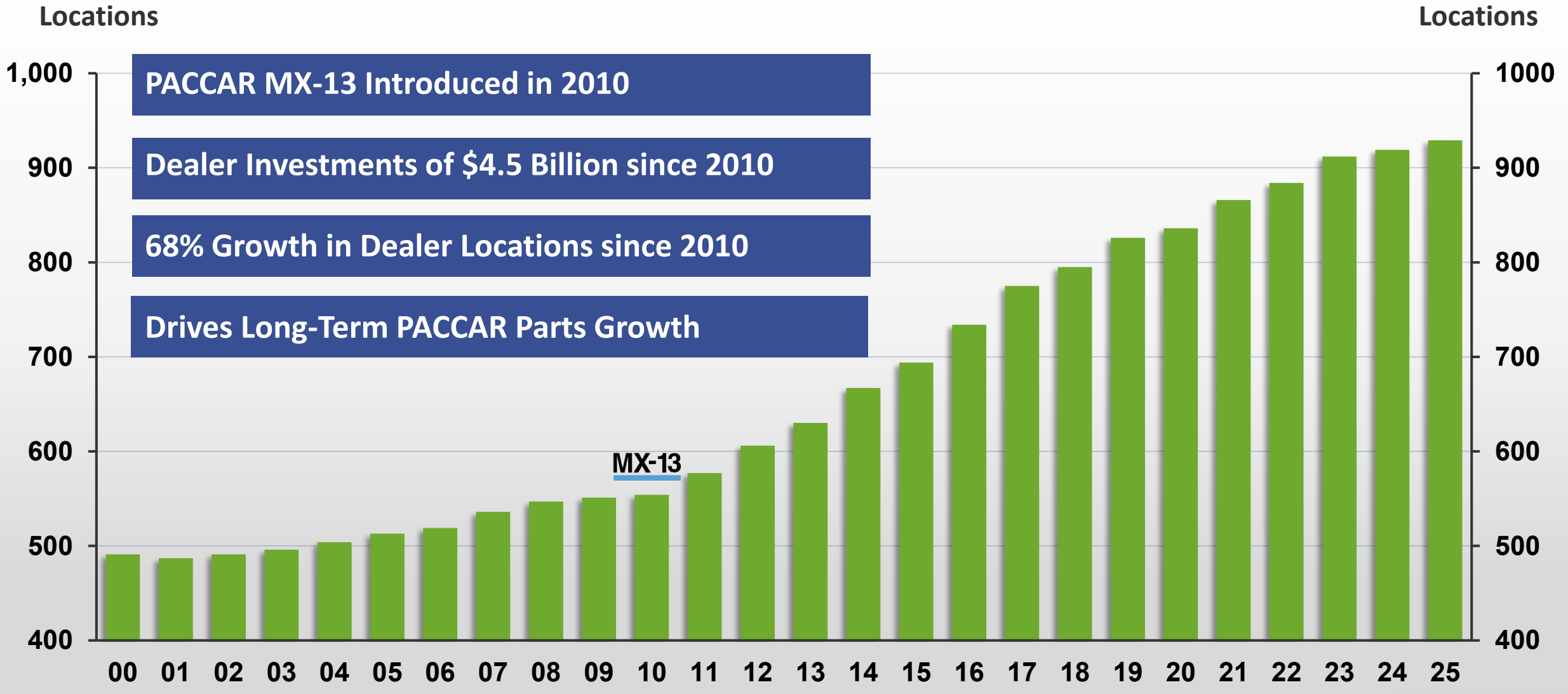
PACCAR Parts Market Share

PACCAR Parts Distribution Centers and Dealers

21 PDCs in 10 Countries; 2,400 Dealer Locations



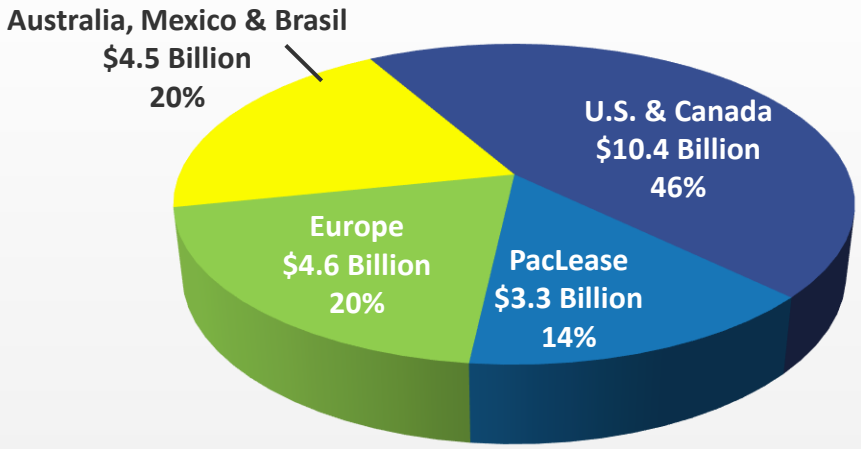
Growth in Kenworth and Peterbilt Dealer Locations
U.S. and Canada



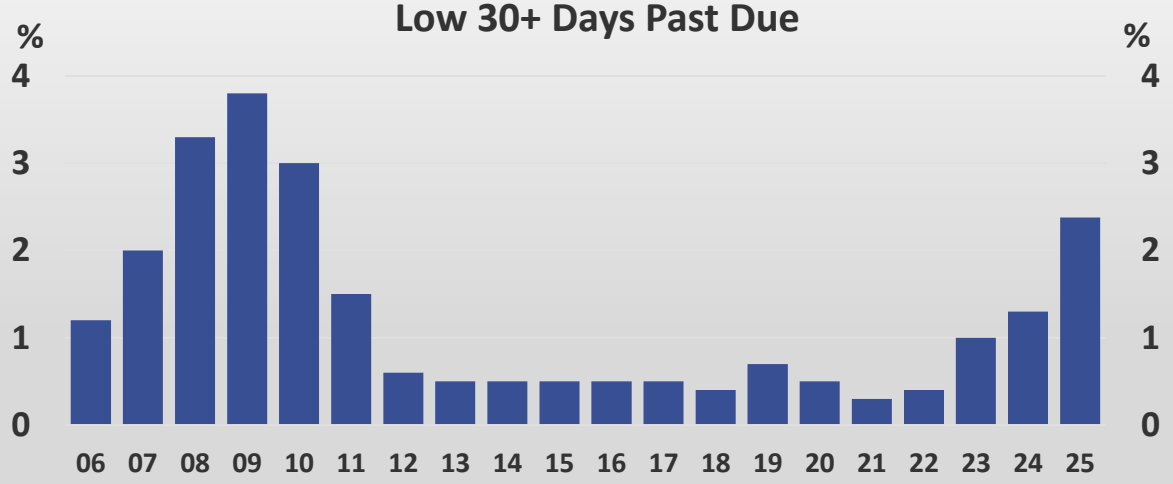
PACCAR Financial Services Strategy

- PACCAR Financial Services supports truck sales by providing financing and leasing services to PACCAR customers
- In 2025, PACCAR Financial financed 27% 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 12/31/25 = $22.8 Billion

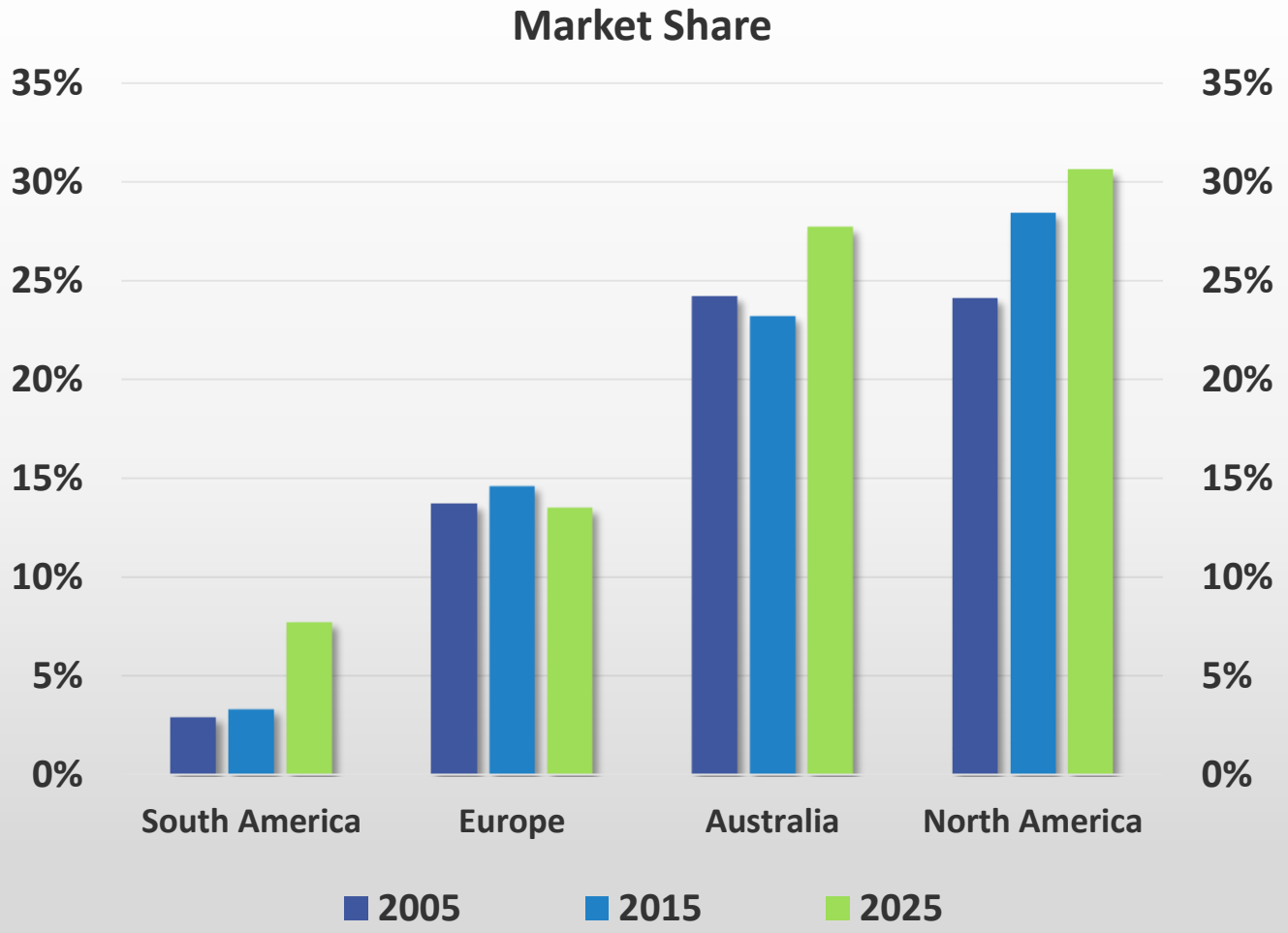


Low 30+ Days Past Due

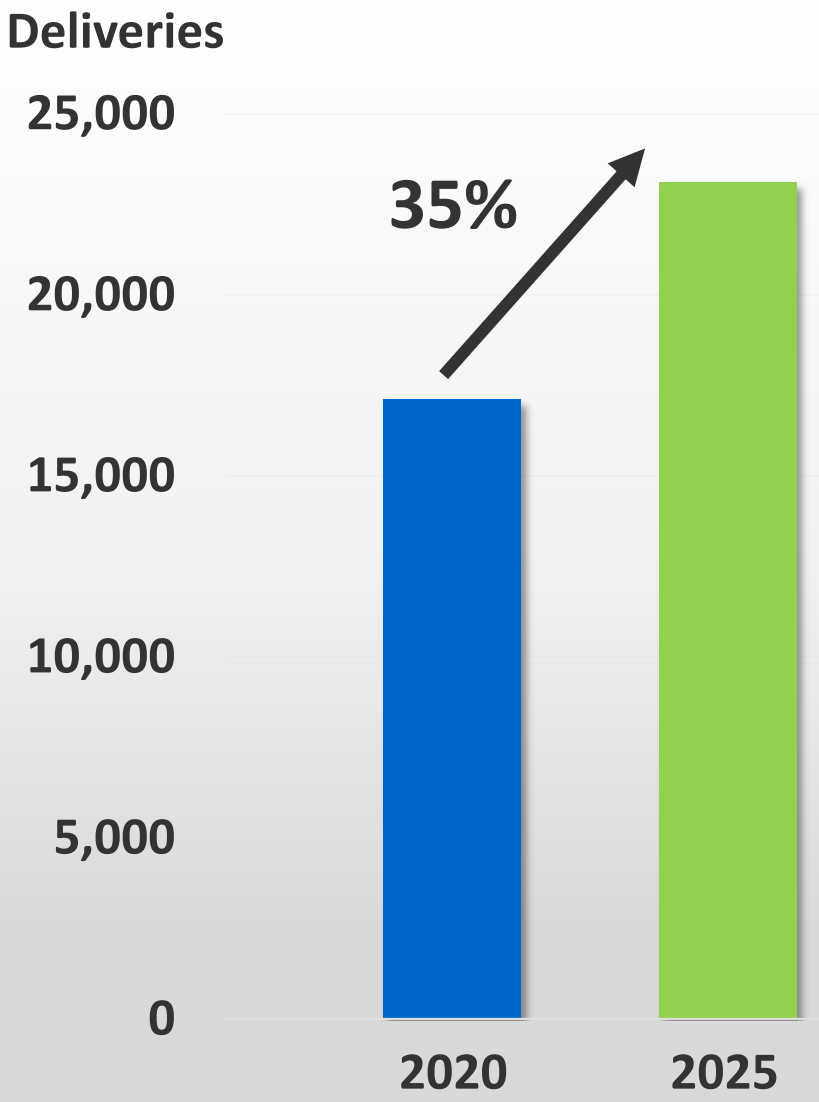


Long-Term Growth in PACCAR Heavy Duty Market Share

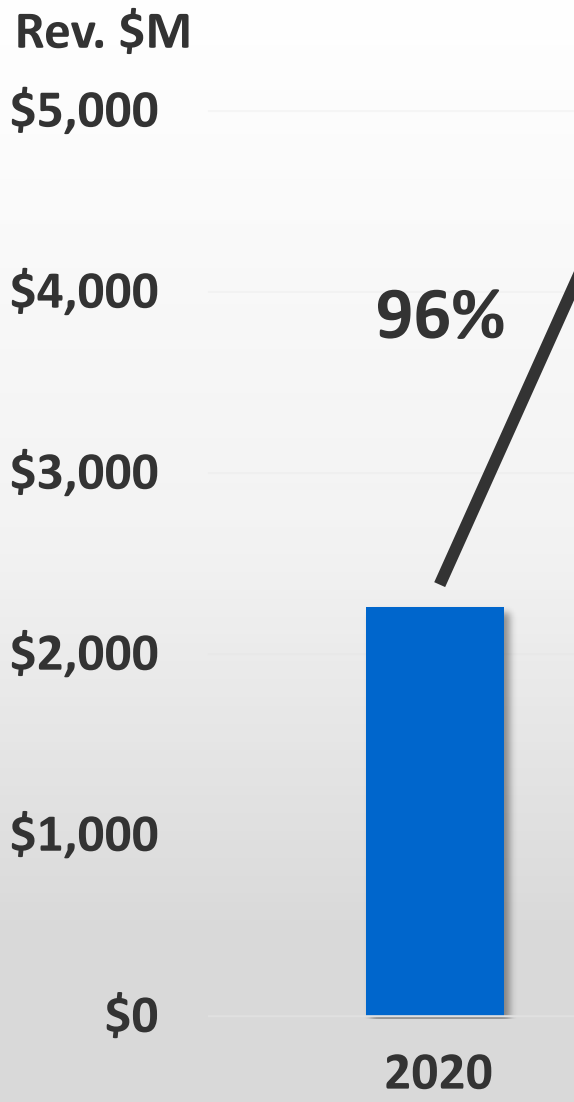
- Since 2005, PACCAR's above 16 tonne market share has increased in South America, Australia, and North America
- Kenworth is the market leader in Australia
- PACCAR's investment in truck manufacturing in Brasil supports PACCAR's medium-term goal of 15% market share for Kenworth and DAF products in South America.

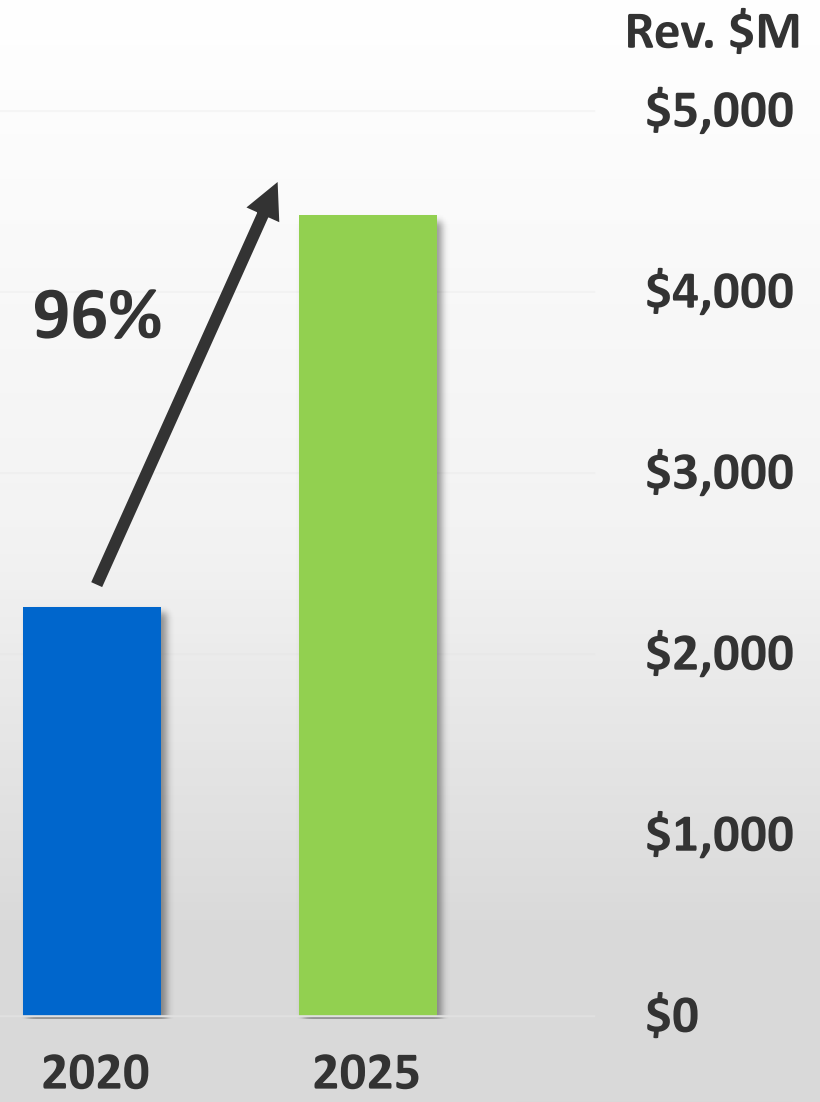


PACCAR Global Markets Growth









DAF Brasil

Opened Manufacturing Plant	2013
PFS Brasil Begins Operations	2019
Opened New Parts Distribution Center	2020
4th Brand of the Year Award from FENABRAVE	2021
DAF CF Rigid Introduced	2021
DAF Brasil Builds 20,000th Truck	2022
DAF Brasil 10th Anniversary	2023



DAF CF



Parts Distribution Center Ponta Grossa, Brasil



DAF Brasil Manufacturing Plant

Emissions Regulations

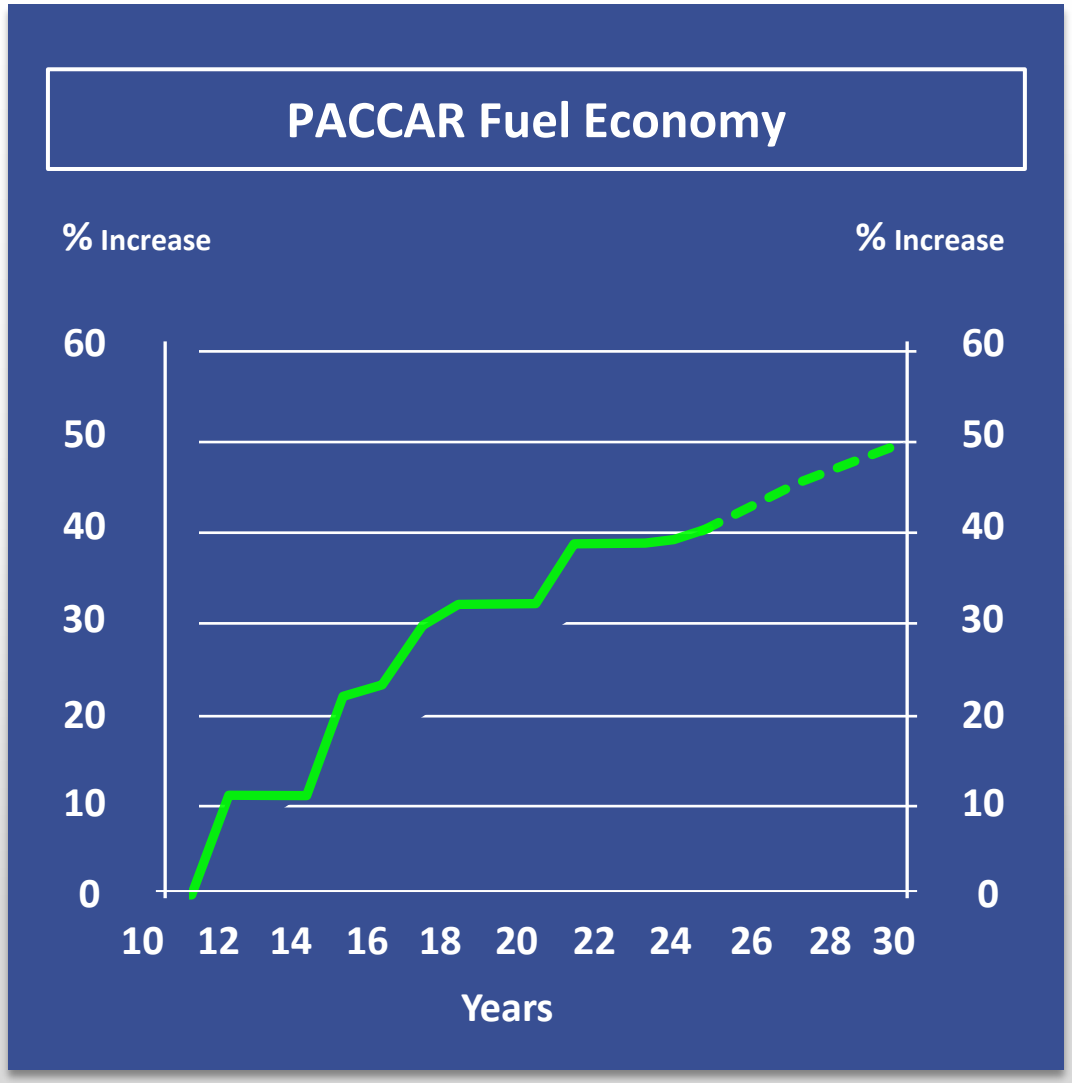


- NCP Proposed to Phase in 2027 35mg NOx Emission Technology
- Allows Technology to Mature and Offer Best Cost Solutions
- All EPA GHG Regulations have been Rescinded



- No Changes to Expected GHG and NOx Regulations and Deadlines
- NOx 50% Reduction in 2029 (Euro VII)
- GHG 28% Reduction in 2030

Fuel Economy Improvement



40% Improvement Since 2010

NHTSA Fuel Economy Remains (2027 Final Step)

New Engine Platforms Meet Standards Without Electrification

Fuel Economy Improvements Drive Customer Benefit

PACCAR is a Global Leader

Environmental

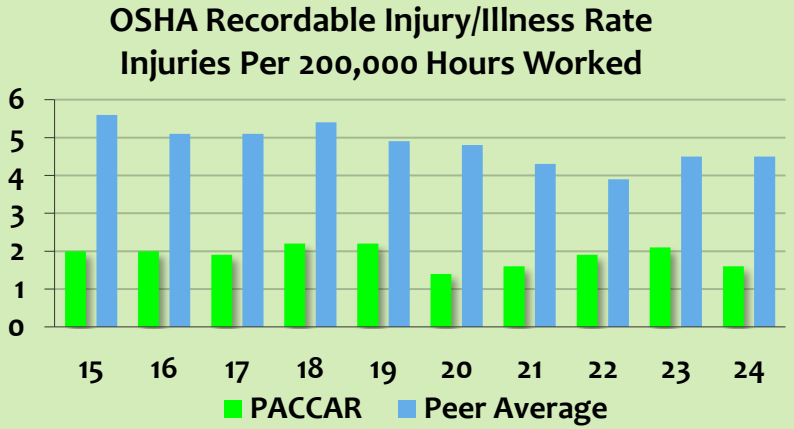
Climate CDP A List 2025

PACCAR Earned “A” Rating

Top 4% of Companies

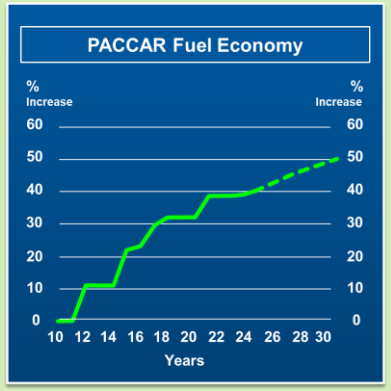
Earned “A” or “A-” For 11 Years.

Operational Safety



Record OSHA Score of 1.36 in 2025

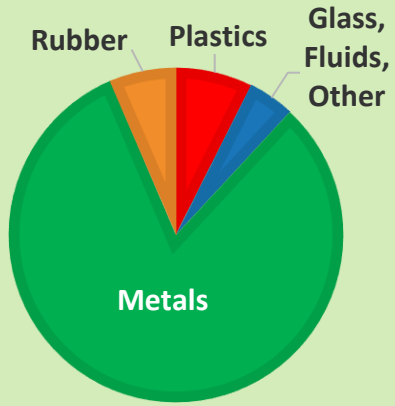
Fuel Efficiency



Highest Fuel Economy

Lowest GHG Emissions

Truck Material Recyclability



90% Recyclable



Third Quarter 2026 Earnings

PACCAR Revenues and Profit

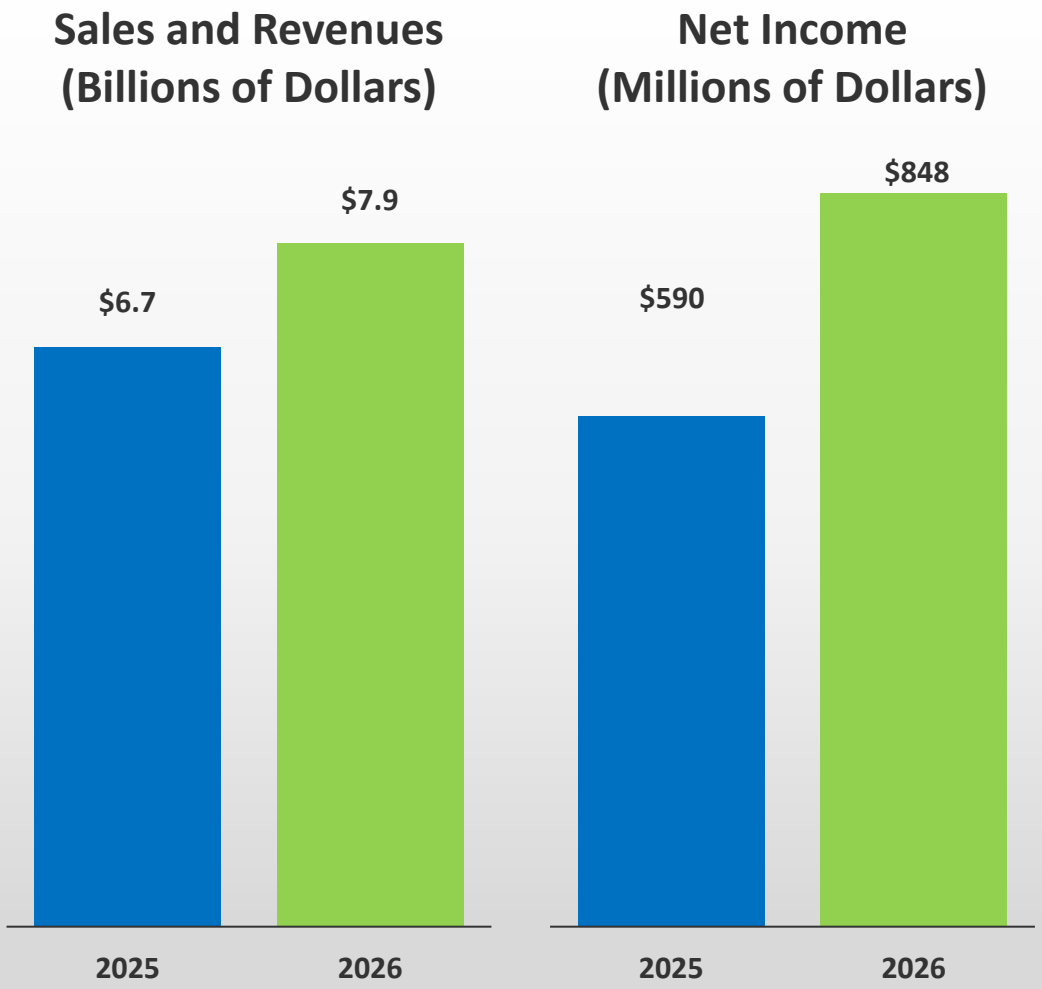
87 consecutive years of net profit

Dividends every year since 1941

	3rd Quarter		Nine Months	
($ in Millions)	2026	2025	2026	2025
Revenues	$7,937	$6,672	$22,260	$21,624
Net Income	$848	$590	$2,205	$1,819
Adjusted Net Income	$848	$590	$2,205	$2,083
Adjusted Return on Revenues	10.7%	8.8%	9.9%	9.6%
Adjusted Diluted EPS	$1.61	$1.12	$4.18	$3.95
New Truck Deliveries (units)	40,100	31,900	111,900	111,300

Note: See appendix for supplementary information on non-GAAP financial metrics

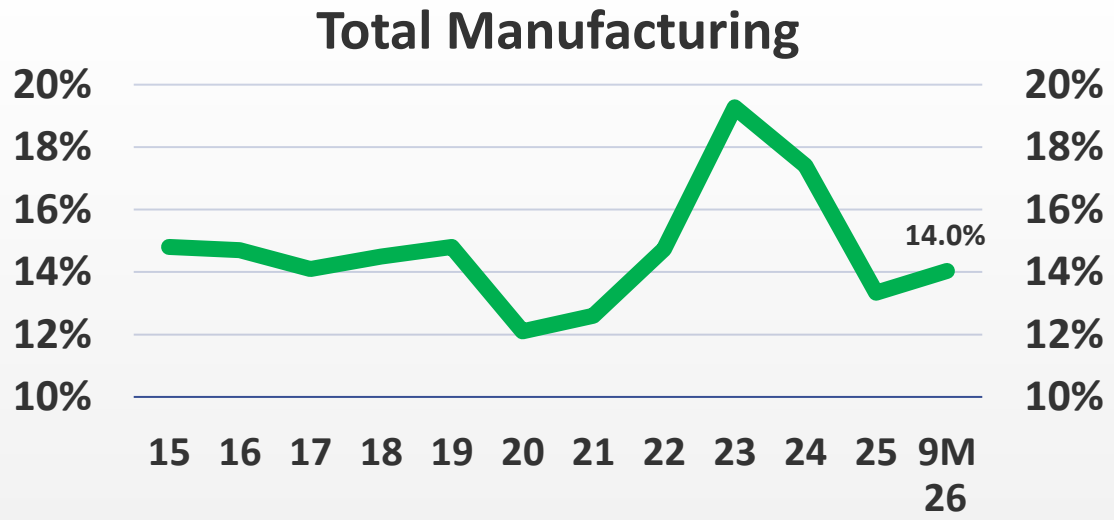
2026 Financial Results
Third Quarter 2026 vs. Third Quarter 2025

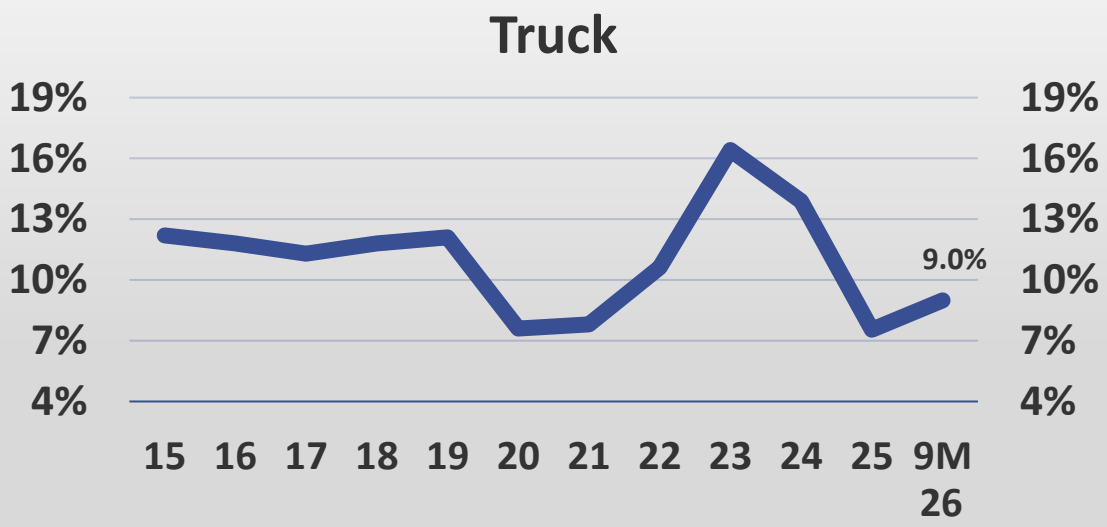


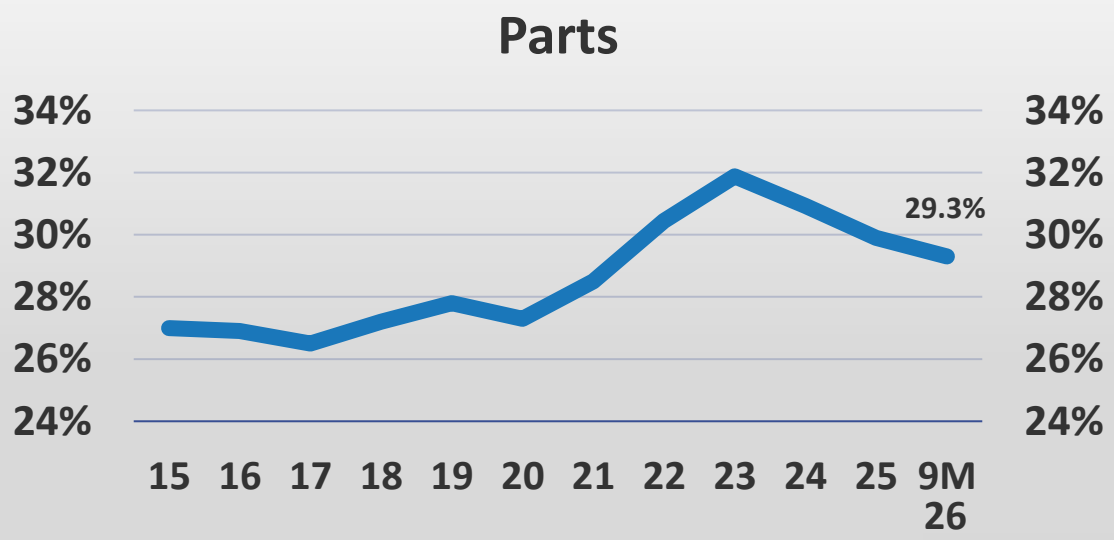
- Sales and revenues up 19% to $7.9 billion
- Net income up 44% to $848 million
- After-tax return on revenues of 10.7%
- PACCAR Parts revenues of $1.8 billion
- PACCAR Parts pretax income of $404 million
- Financial Services pretax income of $138 million
- R&D expenses of $109 million
- Deliveries of 40,100 trucks

Historical Annual Gross Margins

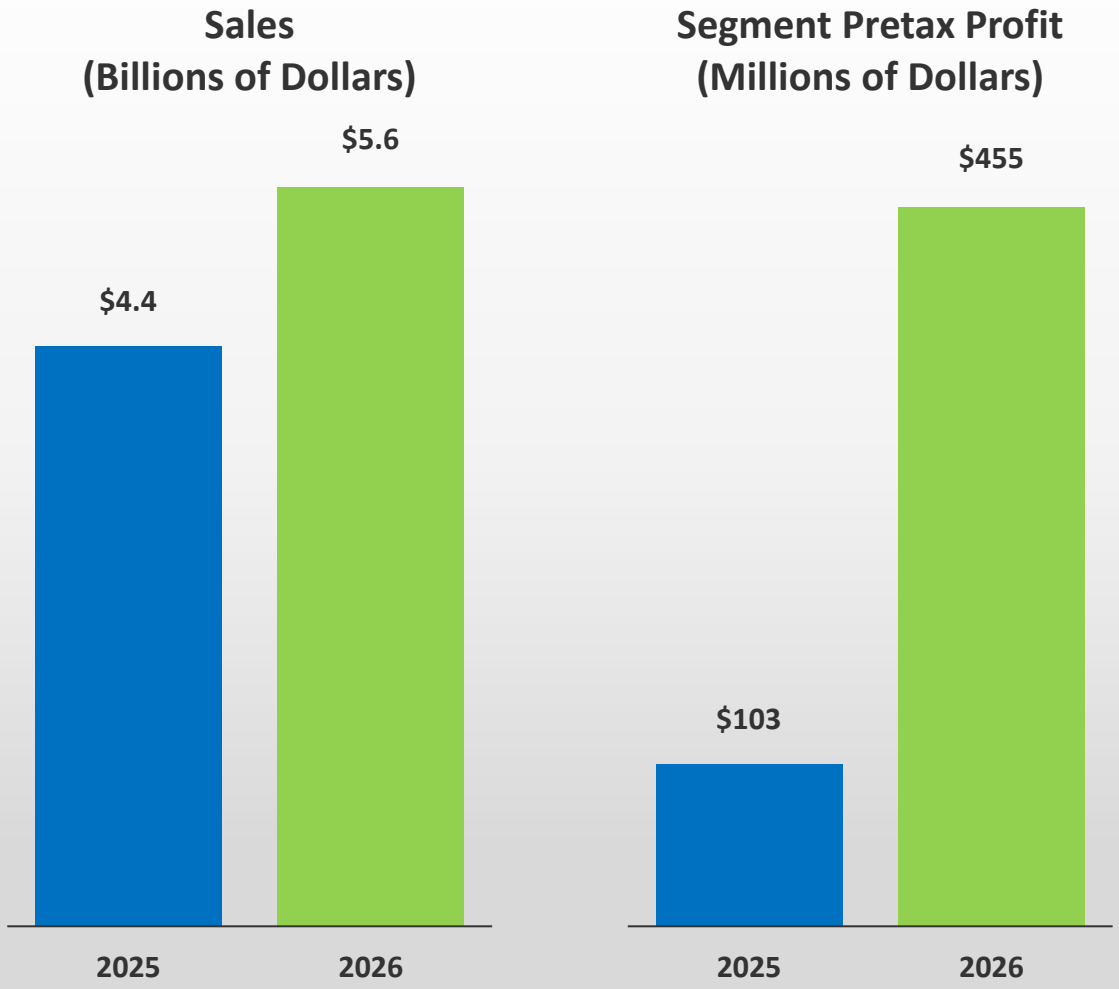
- Truck margins benefited from new products launched in 2021/2022
- Parts margins have benefited from distribution and technology investments and growing populations of PACCAR trucks and engines in operation





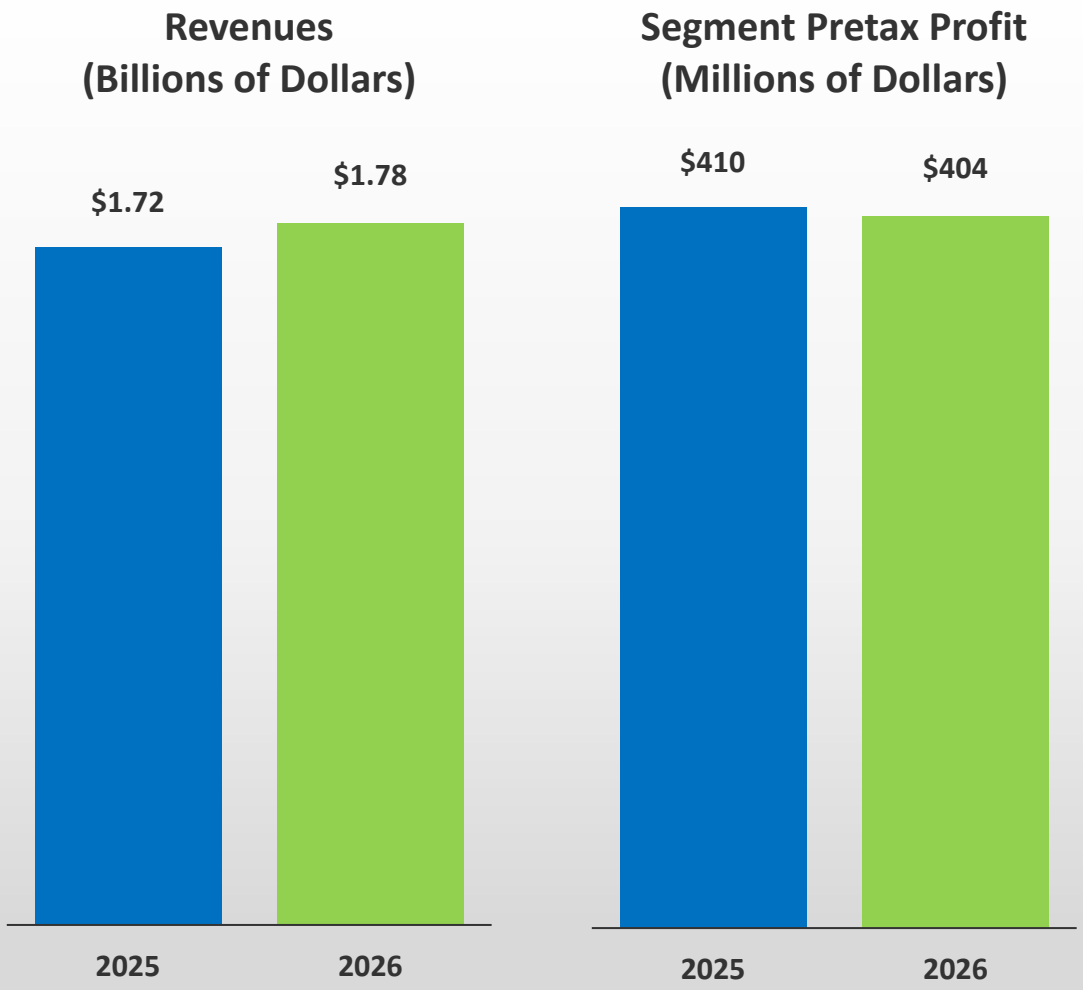


Truck
Third Quarter 2026 vs. Third Quarter 2025



- Sales totaled increased 28% to $5.6 billion
- Pretax operating profit increased 343% to $454 million
- Deliveries for 3Q26 totaled 40,100 compared to 31,900 units in the same period a year ago
- Truck gross margin of 10.2%

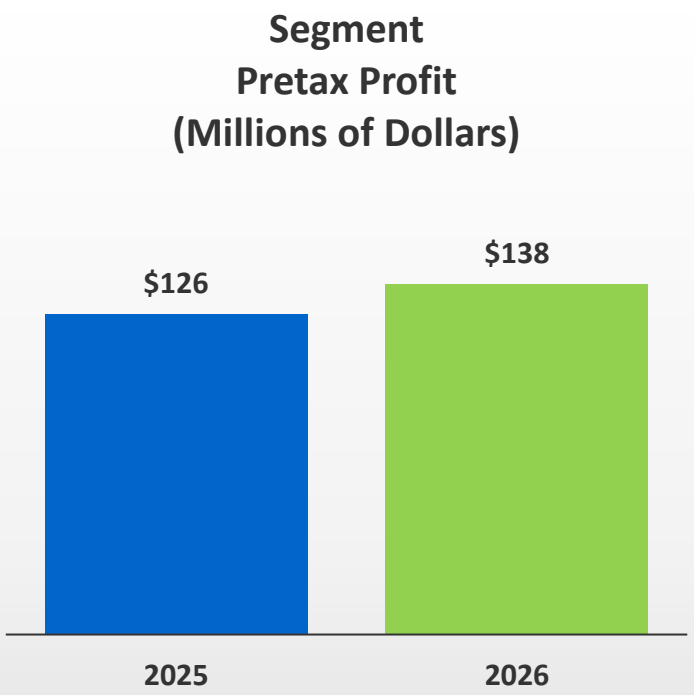
Aftermarket Parts
Third Quarter 2026 vs. Third Quarter 2025



- Revenues of $1.78 billion, an increase of 3%
- Pretax profit of $404 million
- Good 28.5% Parts gross margin

Financial Services
Balance Sheet & Third Quarter 2026 Profit

	$ Millions 9/30/2026
Finance & Other Receivables	$19,521
Equipment on Operating Leases	1,990
Other Assets	965
Total Financial Services Assets	$22,476
Commercial Paper & Bank Loans	$4,559
Term Notes	10,400
Deferred Taxes & Other Liabilities	1,601
Total Financial Services Liabilities	$16,560
Equity	$5,916
Total Liabilities & Equity	$22,476



- Pretax profit of $138M, an increase of 9%
- Portfolio of 222,000 trucks and trailers
- Excellent portfolio quality
- 13 worldwide used truck centers
- Used truck prices showing signs of improvement

PACCAR Inc
A+/A1 Credit Ratings

- Superb balance sheet
- $9.2 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 PACCAR Financial Services excellent access to the credit markets

($ Millions)	9/30/26
Mfg Cash & Securities	$9,238
Other Manufacturing Assets	13,424
Financial Services Assets	22,476
Total Assets	$45,138
Manufacturing Debt	$ -
Manufacturing Liabilities	7,649
Financial Services Liabilities	16,560
Shareholders' Equity	20,929
Total Liabilities & Equity	$45,138

PACCAR is the Leading Industrial Company

Demonstrated Cycle Over Cycle Performance

Advanced Manufacturing Strategy

Investing in the Right Technology

Robust Parts & Financial Services Growth

Excellent Profitability

Appendix

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 $350 million ($264.5 million after-tax) for estimable total costs recorded in Interest and other expenses (income), net in the first quarter 2025.

The Company utilizes these non-GAAP measures to allow investors and management to evaluate operating trends by excluding a significant charge that is not representative of company performance.

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:

($ in million, except per share amounts)	**Nine Months Ended September 30, 2025**
Net income	**$1,818.9**
EC-related claims, net of tax	**264.5**
Adjusted net income (non-GAAP)	**$2,083.4**
Per diluted share:	
Net income	**$3.45**
EC-related claims, net of tax	**0.50**
Adjusted net income (non-GAAP)	**$3.95**


PACCAR