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**PACCAR**

# Disclosure Regarding Forward-Looking Statements

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**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](http://www.paccar.com).**

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## A Global Technology Company in Commercial Vehicles

2025 Revenues \$28.4B

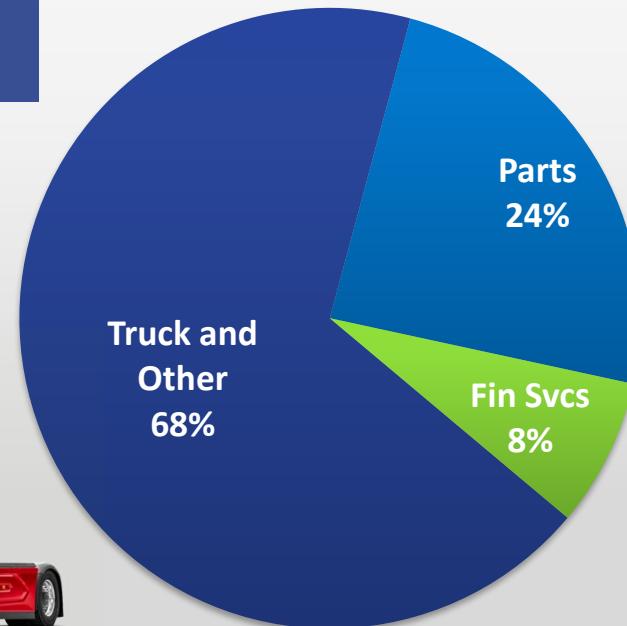
2025 Net Income \$2.4B

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 \$2.2 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.



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 MEXICO**

**PACCAR POWERTRAIN**

**PACCAR PARTS**

**PACCAR FINANCIAL**

**PACCAR**

INFORMATION  
TECHNOLOGY

**PACCAR**  
Australia

**DYNACRAFT**  
A PACCAR COMPANY



**PACCAR**  
INNOVATION CENTER

 **PACCAR**  
TECHNICAL CENTER

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



# New Kenworth T680



Kenworth's T680 heavy truck features an enhanced aerodynamic exterior design, driver optimized technology, including a customizable 15" digital dash display, and 7% greater fuel economy

# New Peterbilt Model 579



Peterbilt's Model 579 Class 8 truck sets the standard for technology and driver comfort and delivers 7% greater fuel efficiency



# New 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



# New Peterbilt and Kenworth Medium Duty



The all new 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.



# New 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.



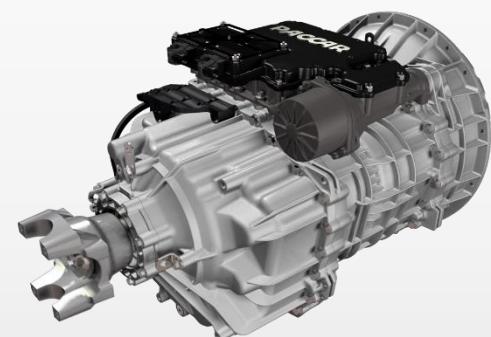
# New DAF Truck Models



# 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 TRANSMISSIONS

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 AXLES

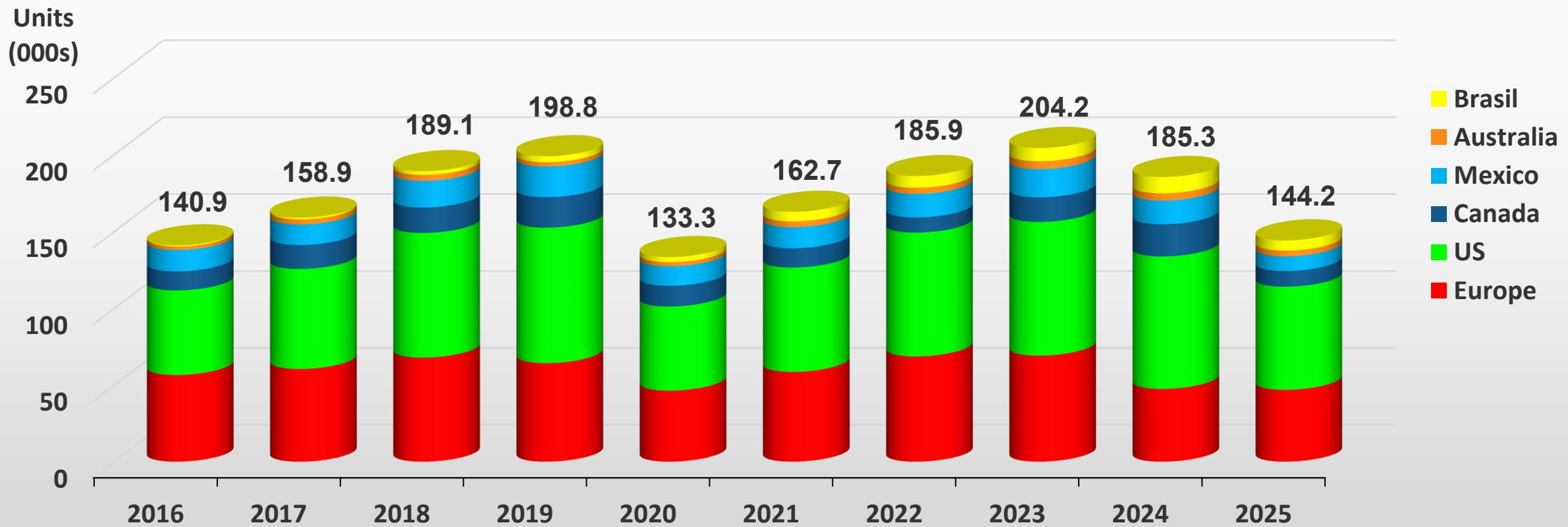


Kenworth and Peterbilt offer the PACCAR FX-20 steer axle in addition to PACCAR DX-40 tandem drive axle. DAF includes a range of lightweight and durable PACCAR front and rear axles.

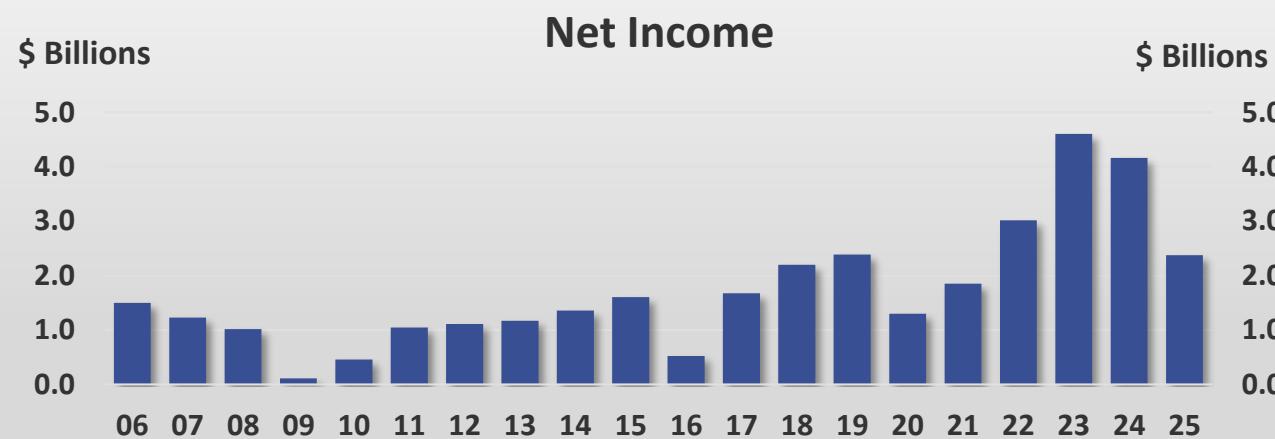
# PACCAR Truck Production

## Over 1.7 Million Trucks Produced 2016 - 2025

PACCAR produced 144,200 trucks in 2025



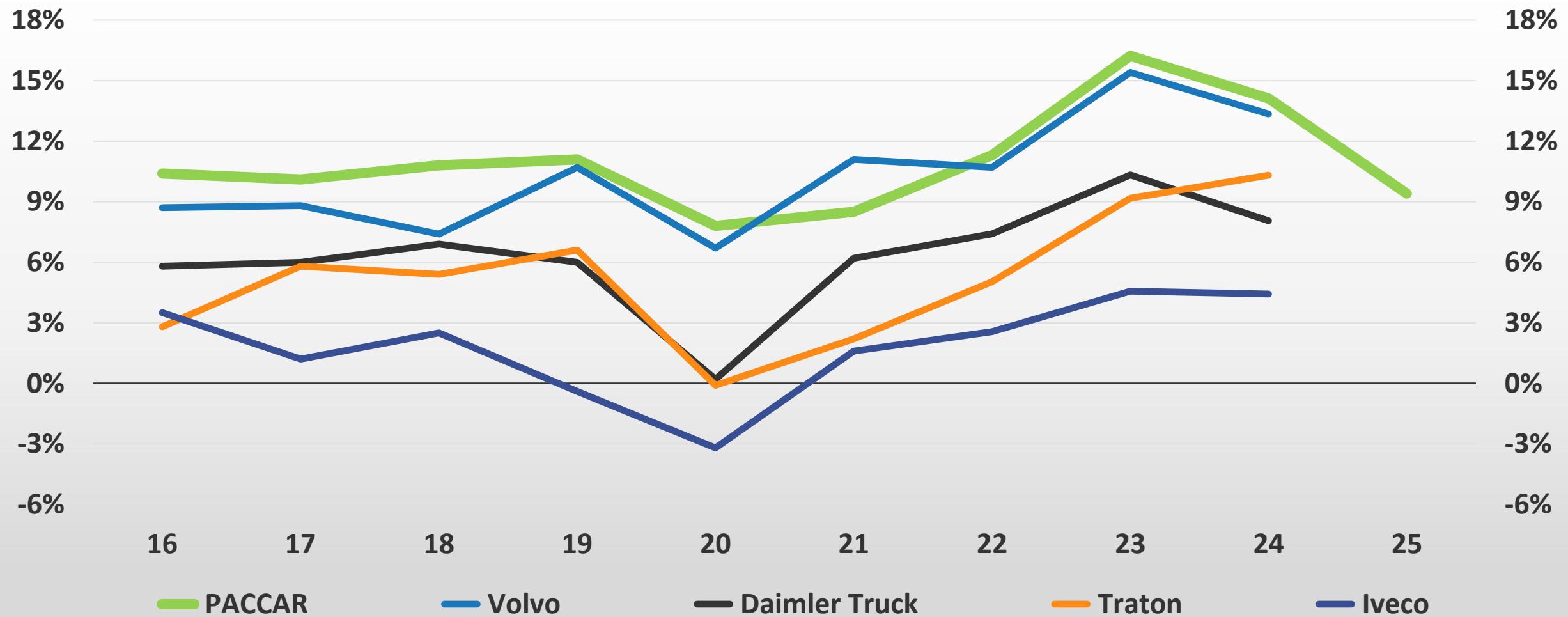
## Excellent Financial Performance Throughout the Business Cycle



- 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

# Best-in-Class Operating Efficiency

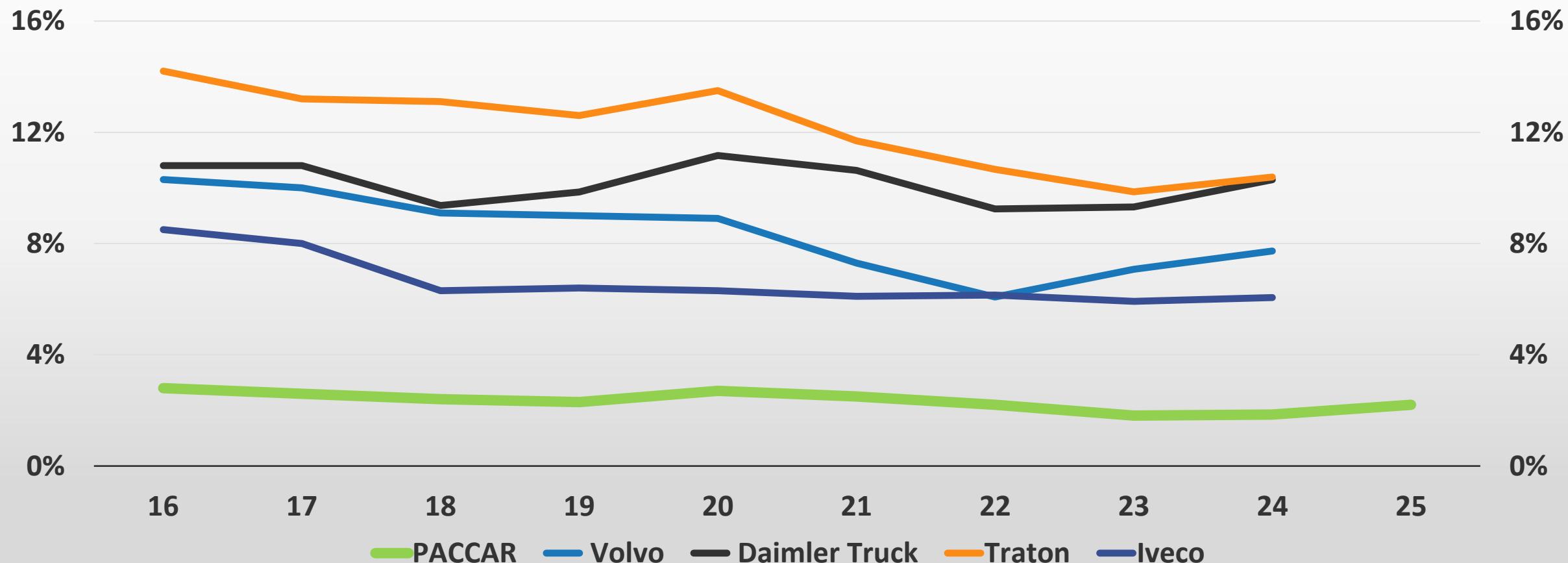
## Industry Operating Margin



# Best-in-Class Operating Efficiency

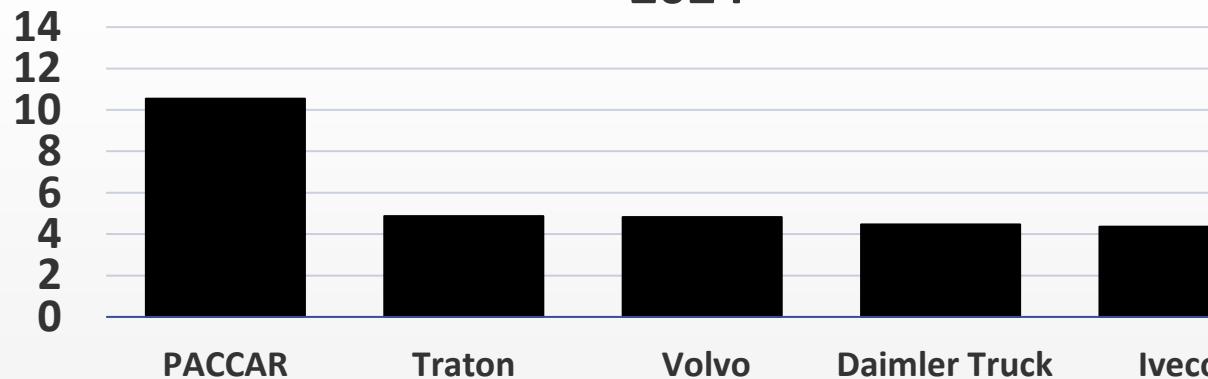
## SG&A % of Sales

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



# Best-in-Class Inventory Turns

2024



Average 2020 - 2024



PACCAR's inventory turns

are the highest in the

industry, a result of the

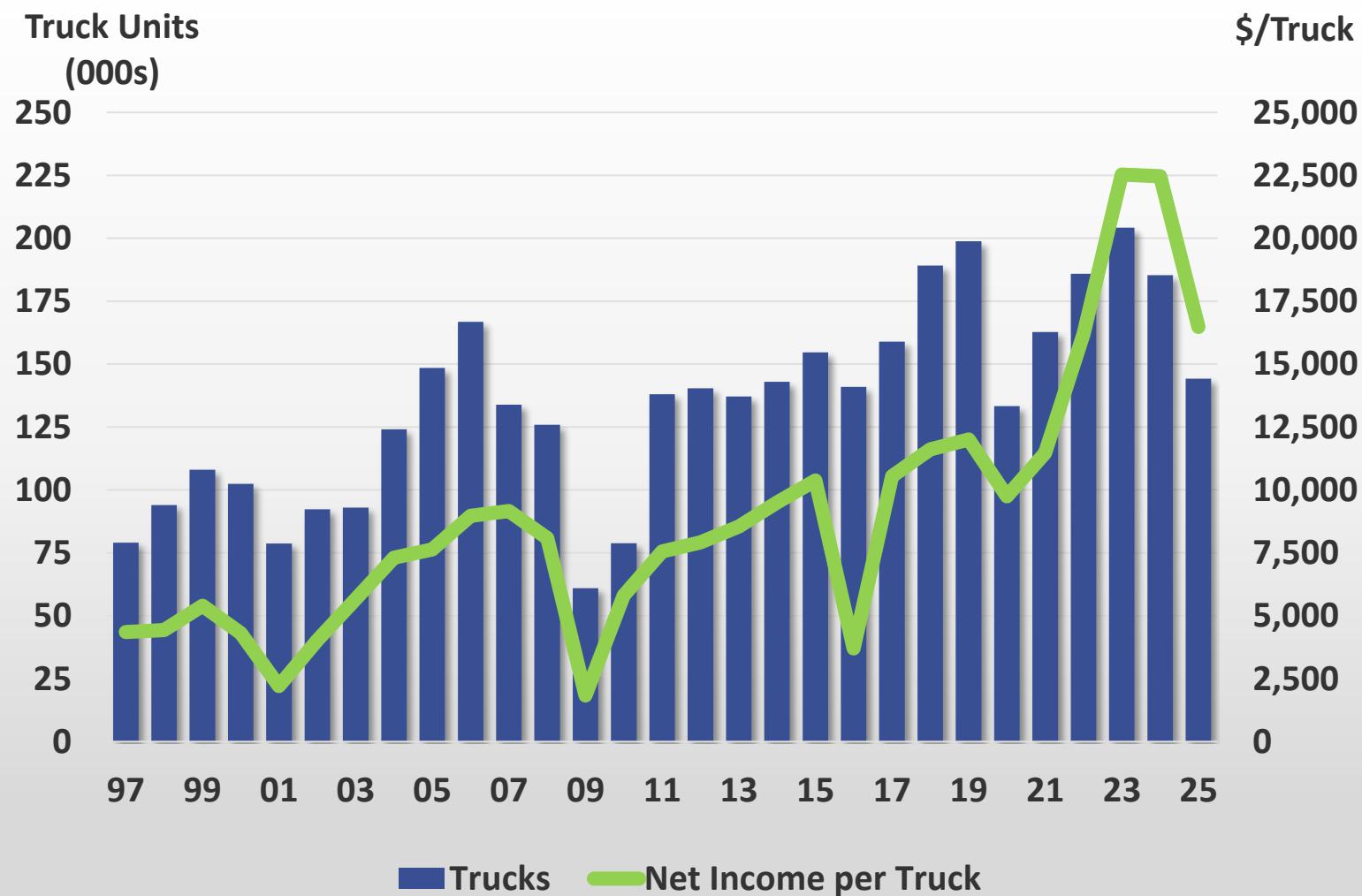
PACCAR Production System,

Lean Manufacturing and Six

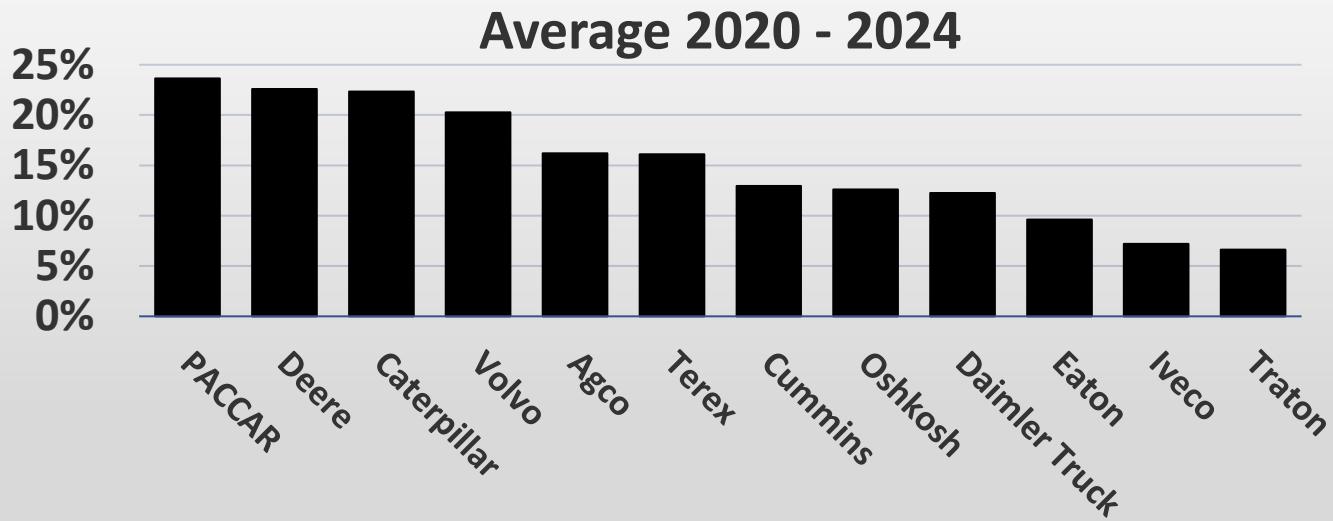
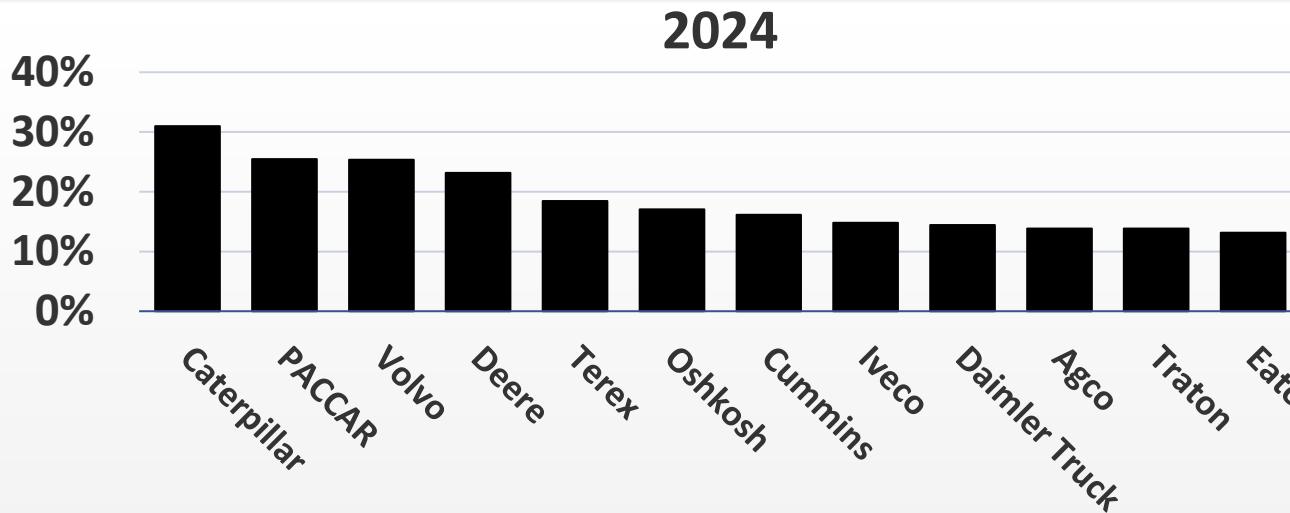
Sigma.

# 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



- **25.5% ROIC in 2024**
- Premium price and strong profitability
- Effective capital allocation process
- Lean operations from PACCAR production system
- Independent dealer network

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

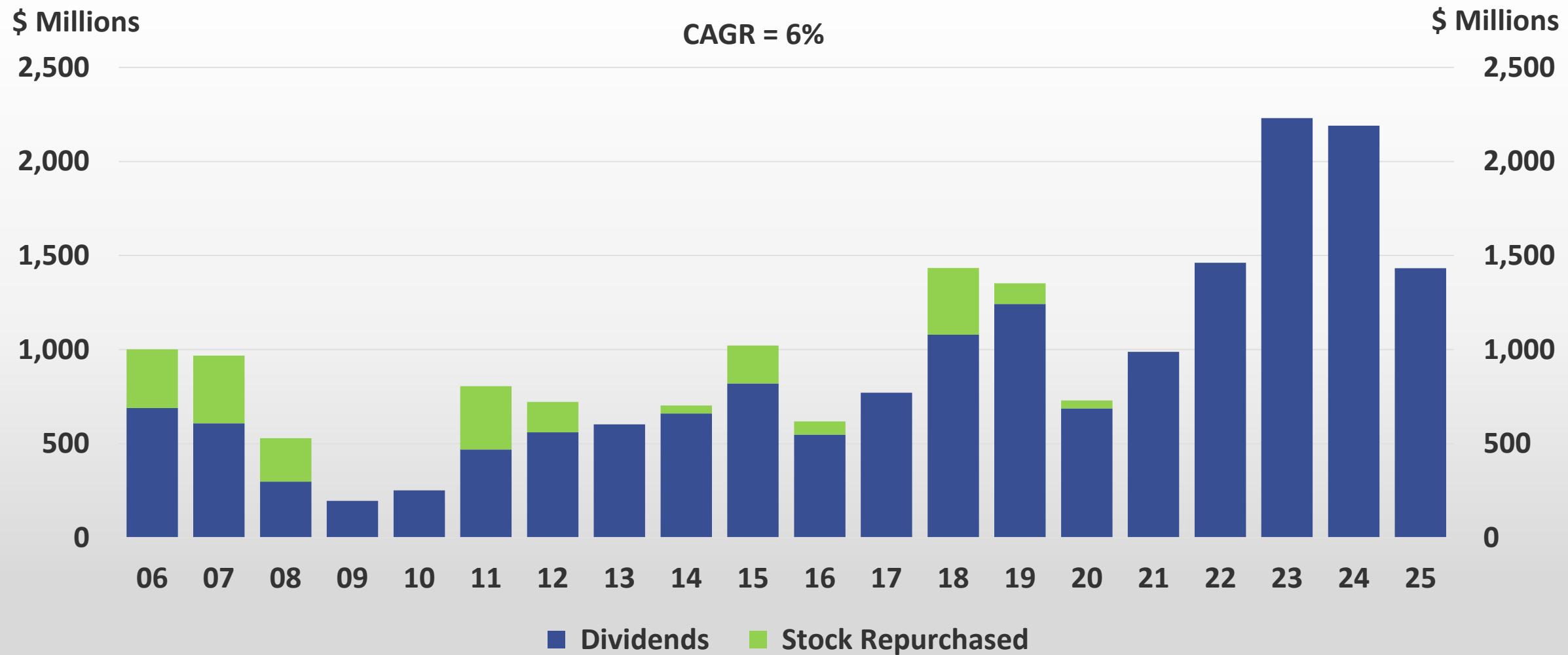
# Capital Allocation Strategy



- 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 6% (as of 4Q25)
- Strategic M&A
  - Disciplined valuation and screening process
  - Clear path to value creation
- No unfunded pension obligation

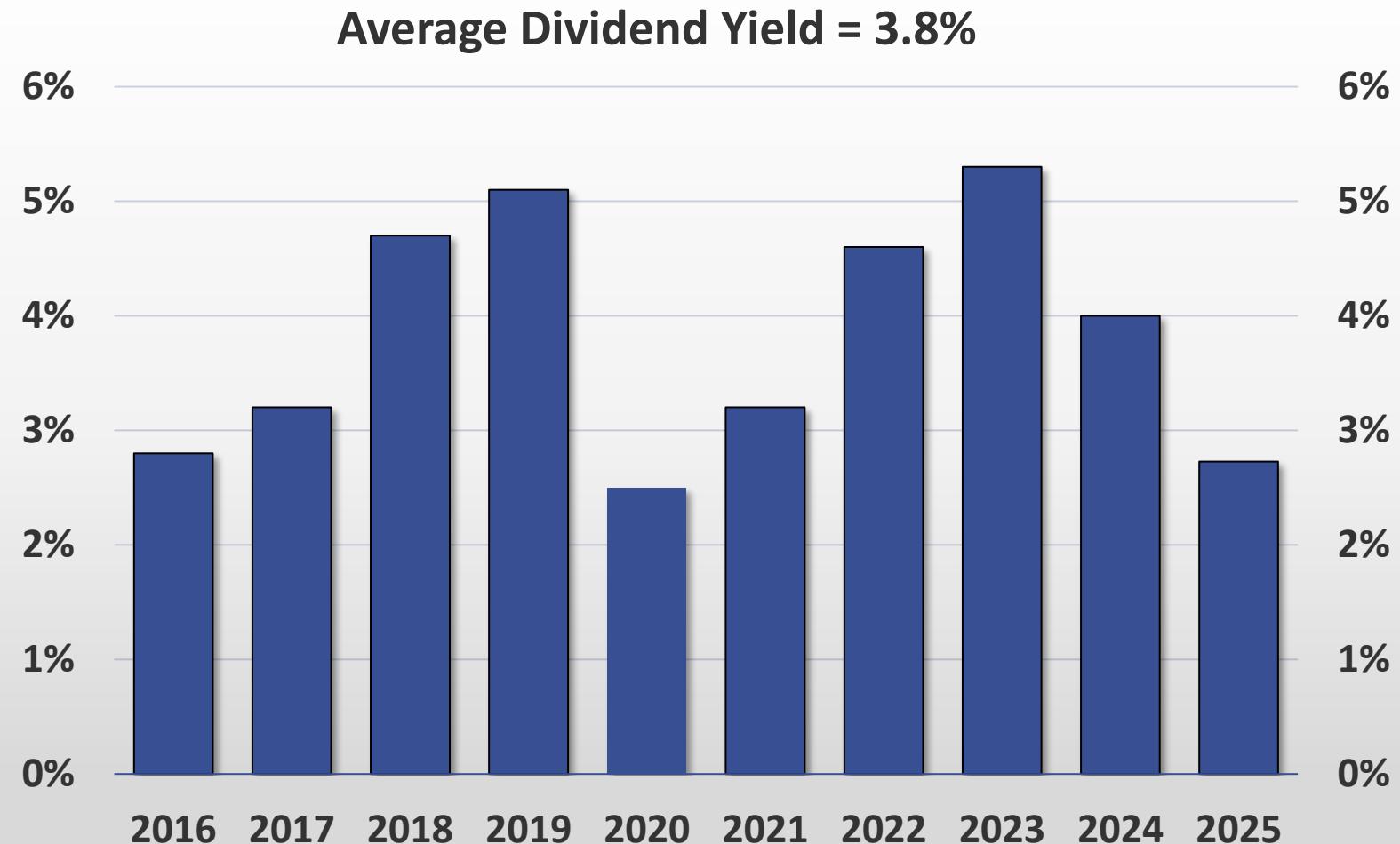


# Dividends Declared and Stock Repurchases



# 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

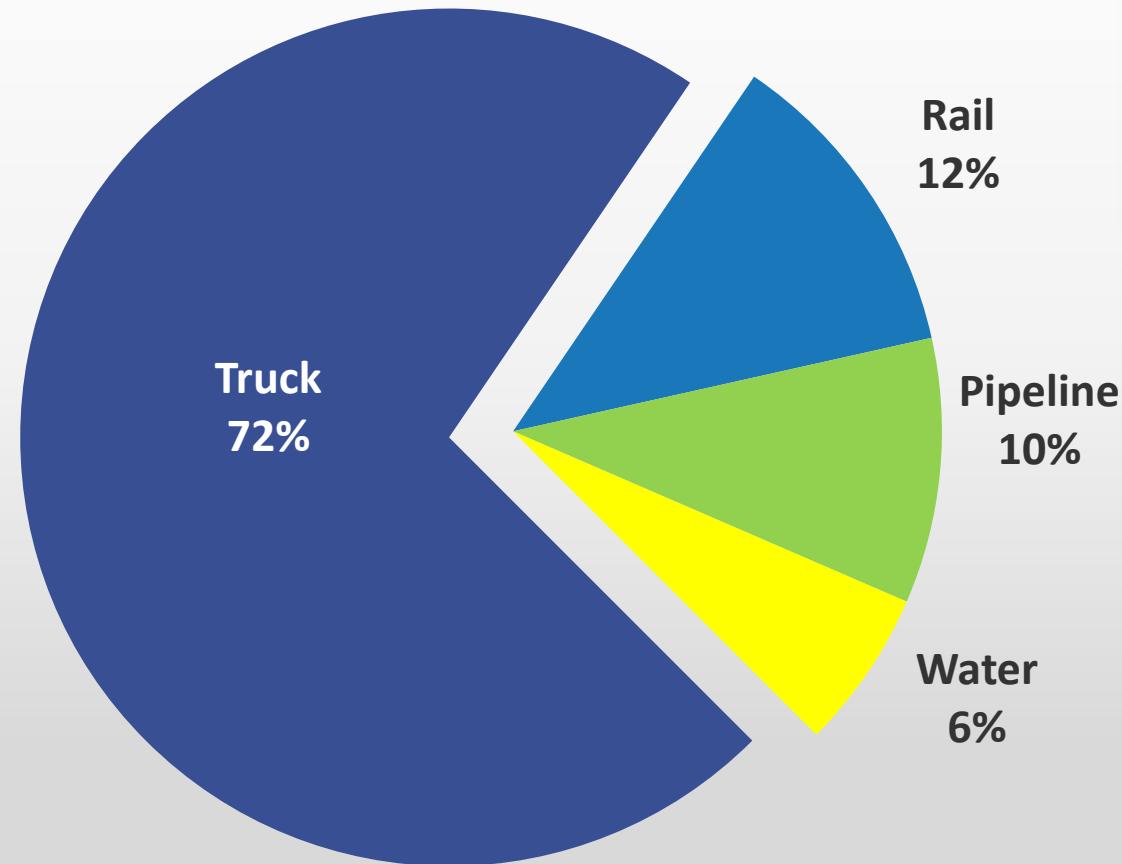


# Trucking Moves the Economy

## 72% of U.S. Freight is Moved by Truck

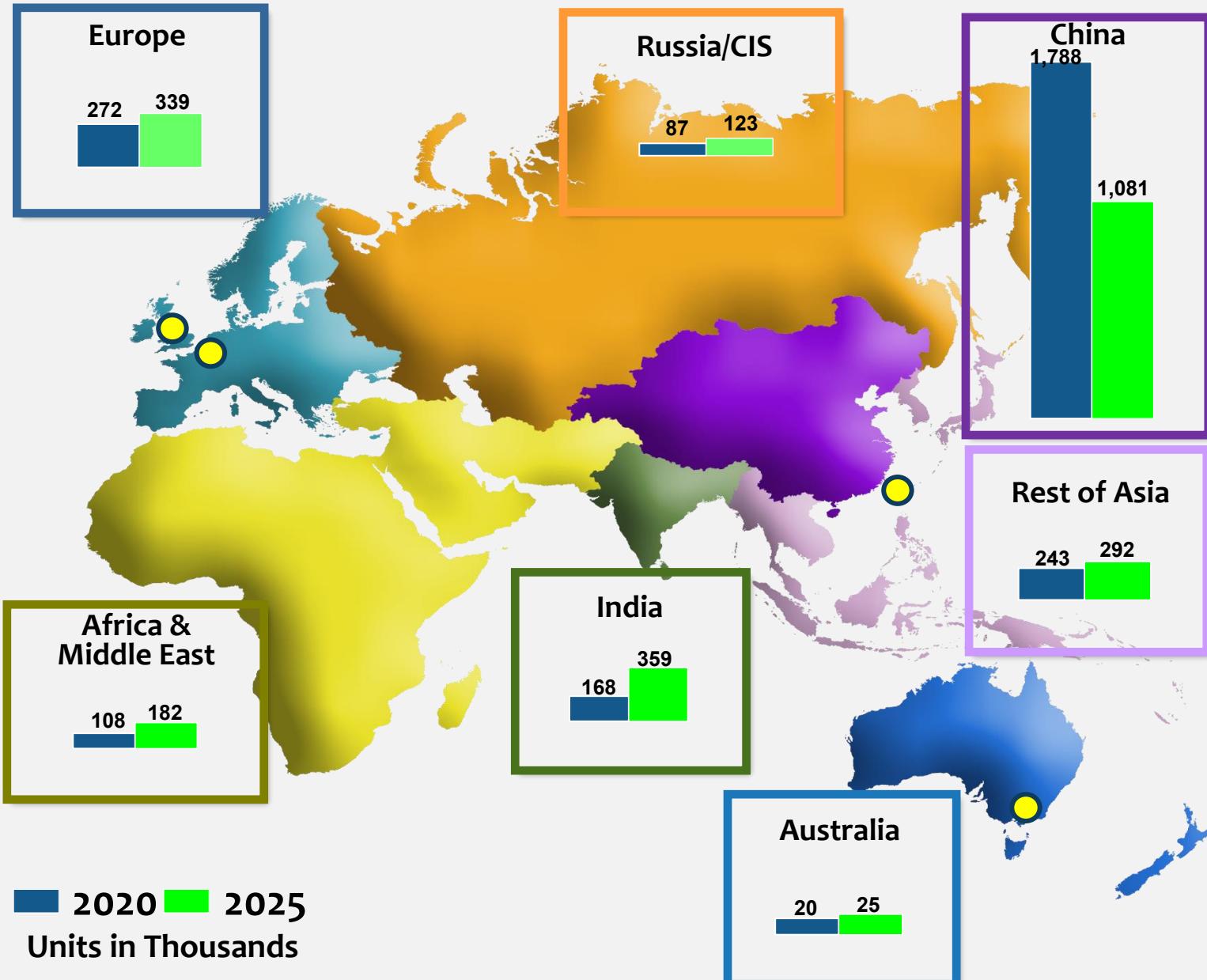
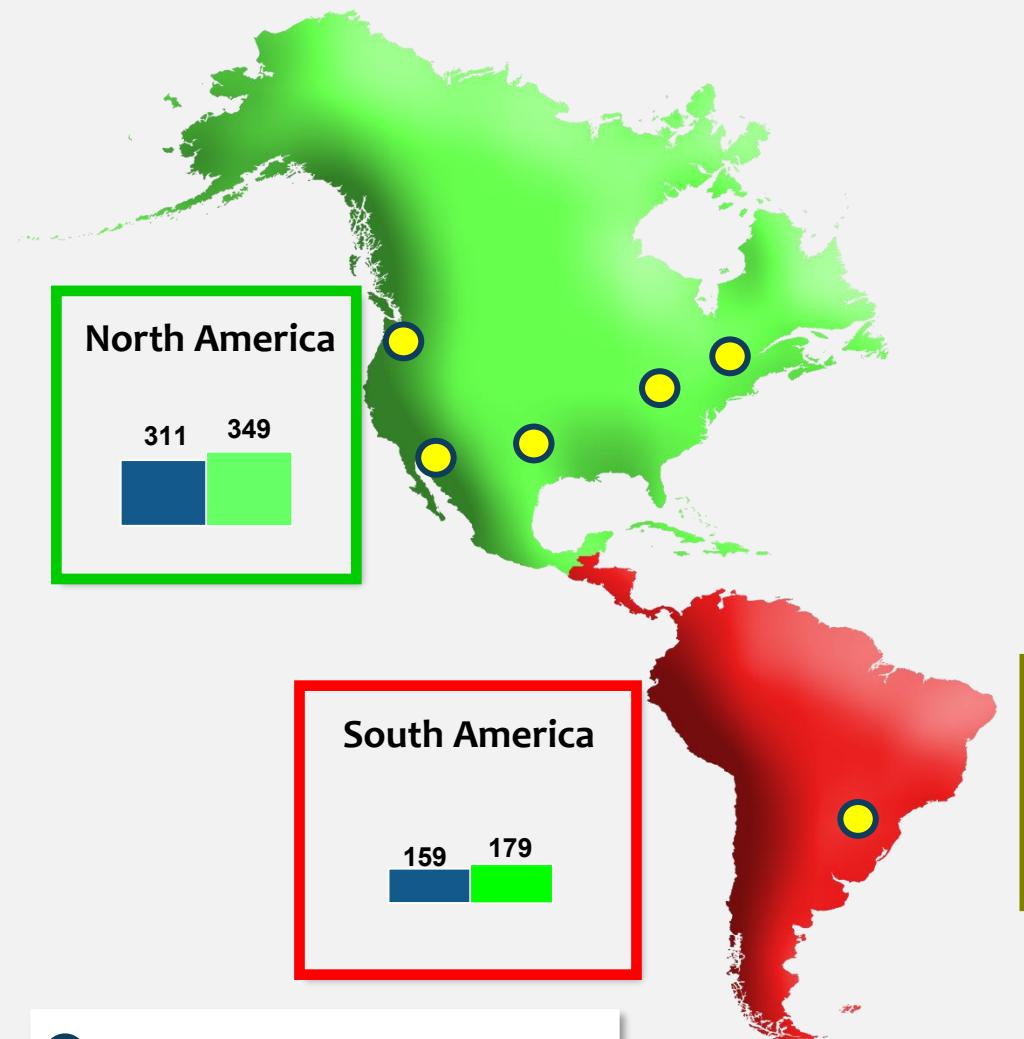
Trucking is the lifeblood of the economy. In the U.S., the economy depends on trucks to deliver ten billion tons of virtually every commodity consumed - 72% of all the freight transported.

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.

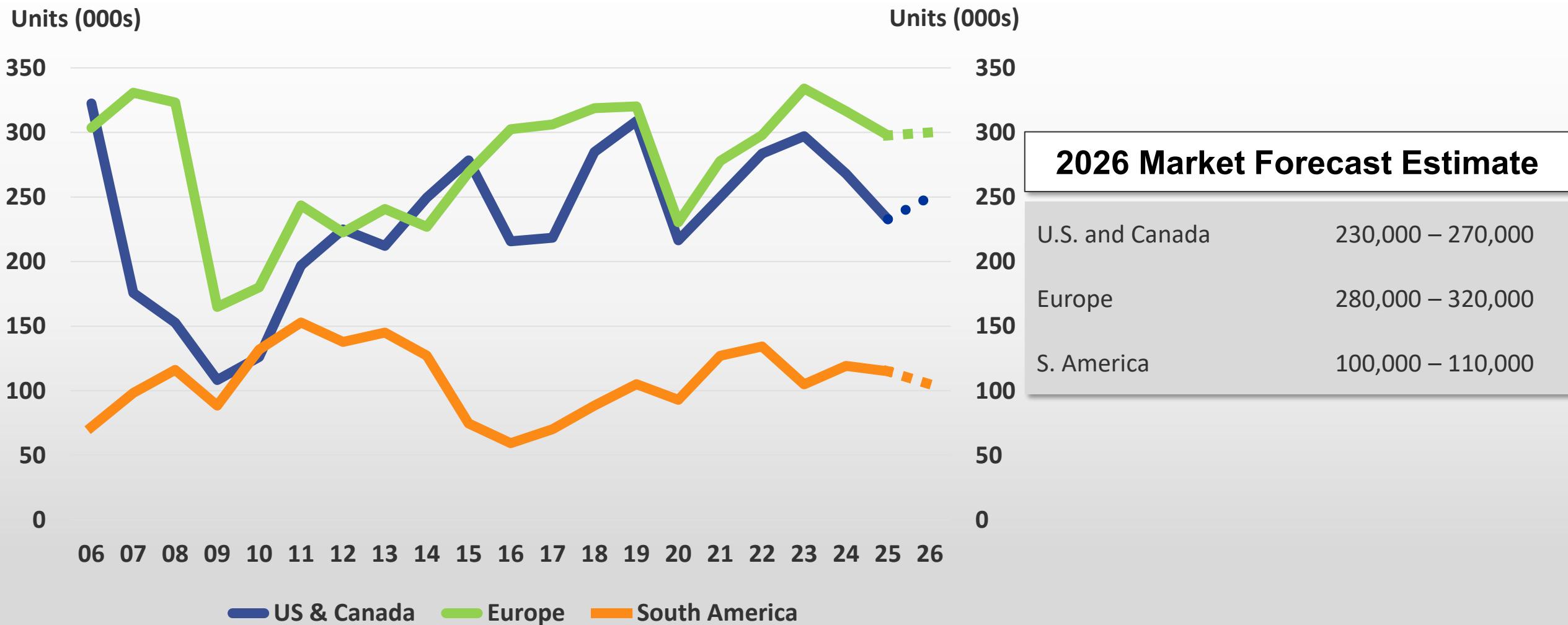


>6t Truck Market  
2020 – 3.2 Million  
2025 – 2.9 Million

# >6t Global Truck Market



# >16t Truck Market Size



**PACCAR**

*Strategy*

# A Culture of Excellence

Profitable Growth

Premium Trucks

Effective Transportation Solutions

Market Expansion

Foundation

Quality



Technology

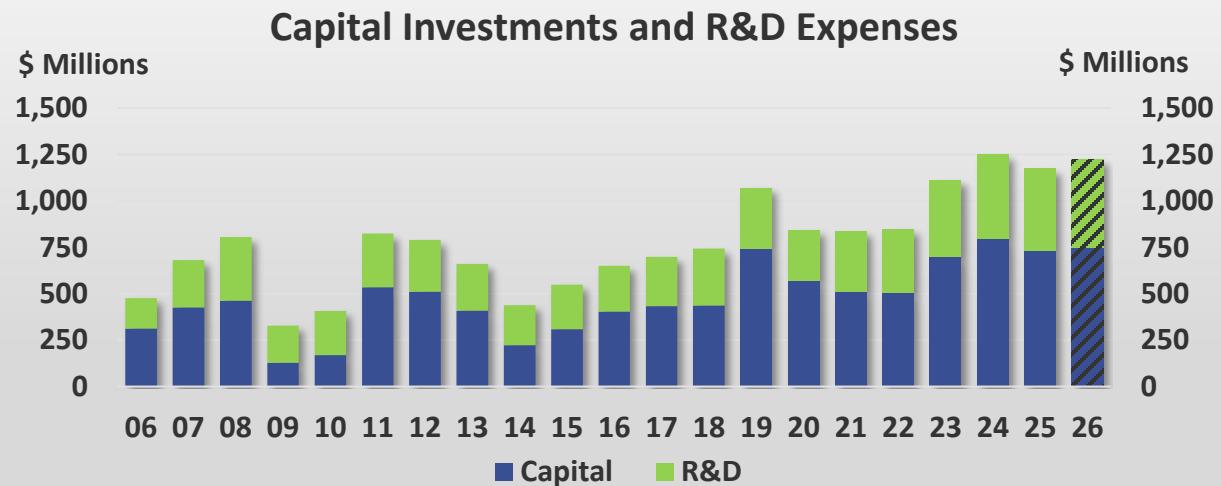
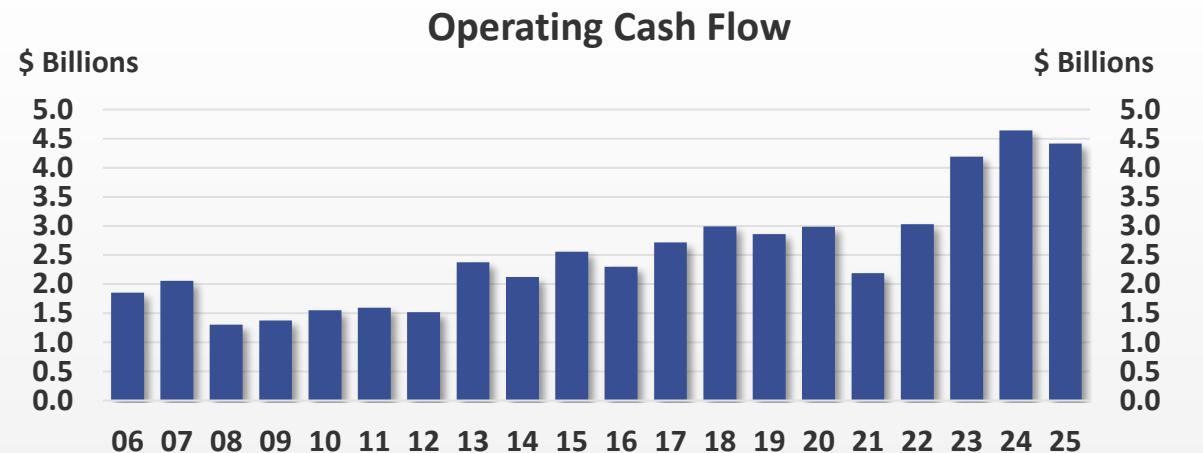


Innovation



# PACCAR

## Investing Throughout the Business Cycle



- Operating cash flow has averaged \$3.7 billion for the last five years and has grown 8%/year over the last 20 years
  - Strong operating cash flow enables PACCAR to invest in growth throughout the business cycle
- 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
  - New Kenworth and Peterbilt Class 5-7 trucks
  - New 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
  - DAF Brasil factory
  - PACCAR Parts distribution centers

# Cumulative PACCAR MX Engines Produced

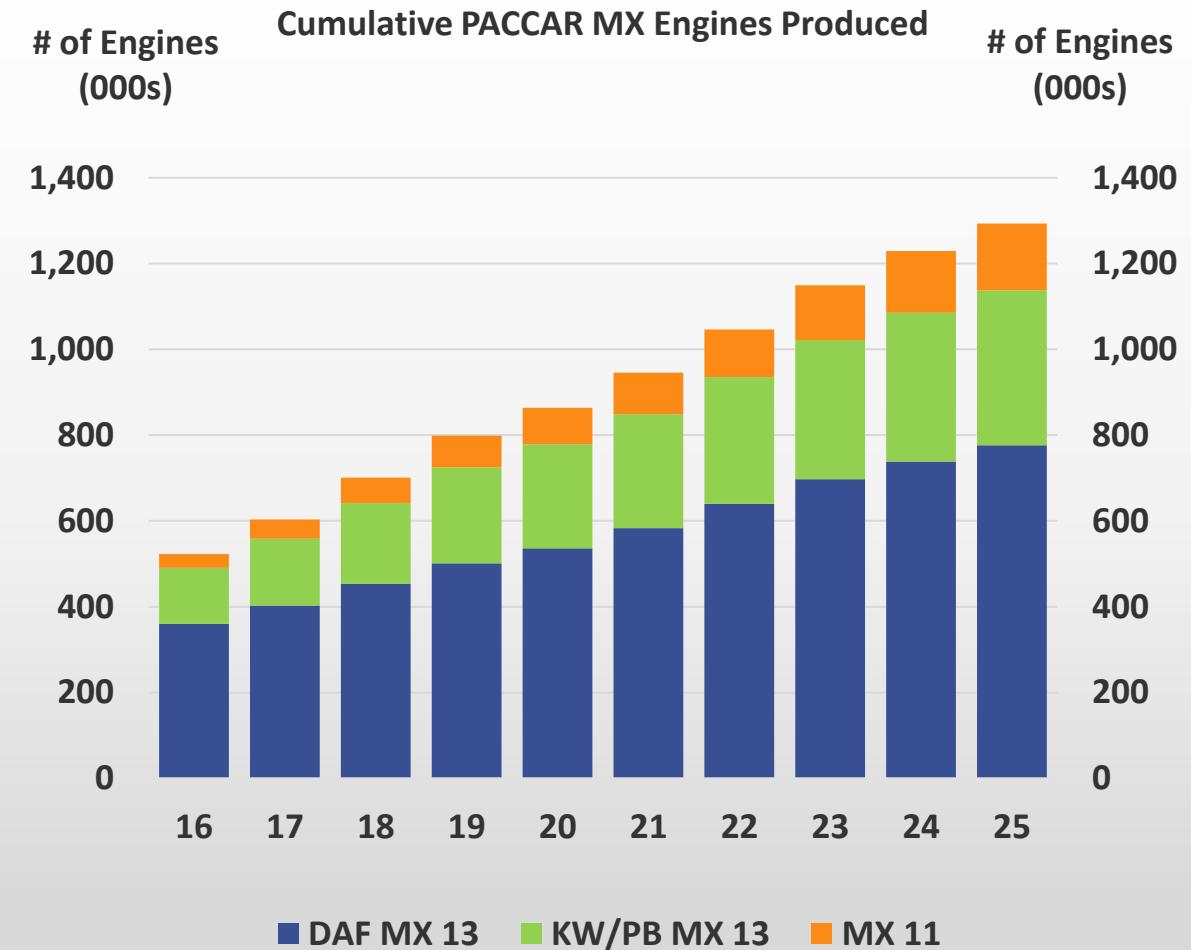
- PACCAR has produced over 776,000 engines in Europe and over 362,000 engines in North America.
- Growing presence in South America and Australia.
- The PACCAR engine factory in Columbus, MS, began operations in 2010 with the North American launch of the flagship MX-13 engine.
- PACCAR expanded its engine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



PACCAR MX-11  
10.8 Liter



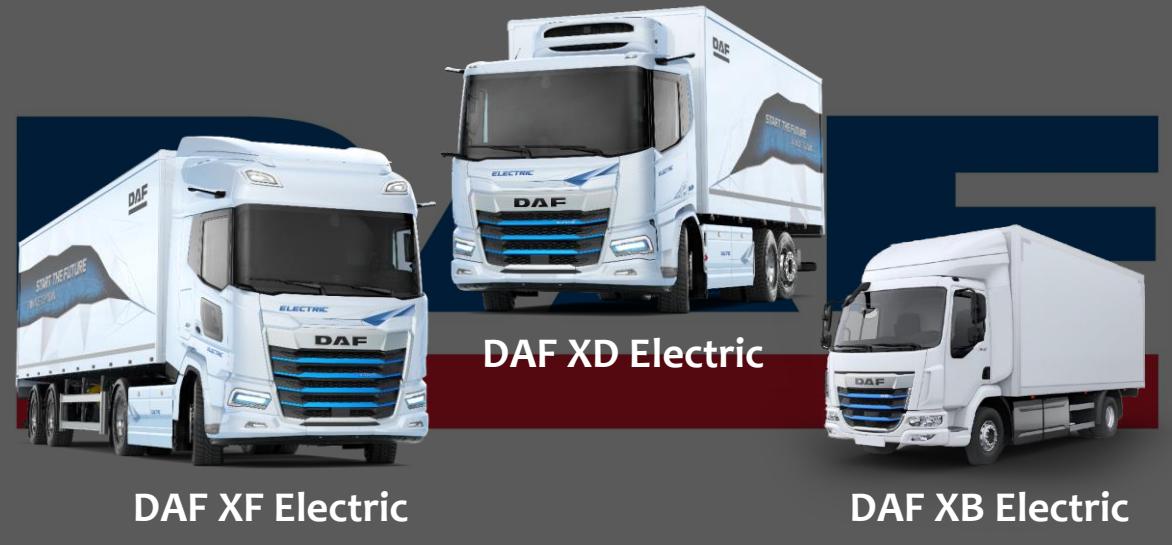
# PACCAR Zero Emissions



Kenworth T680E



Kenworth K270E/K370E



DAF XF Electric

DAF XD Electric

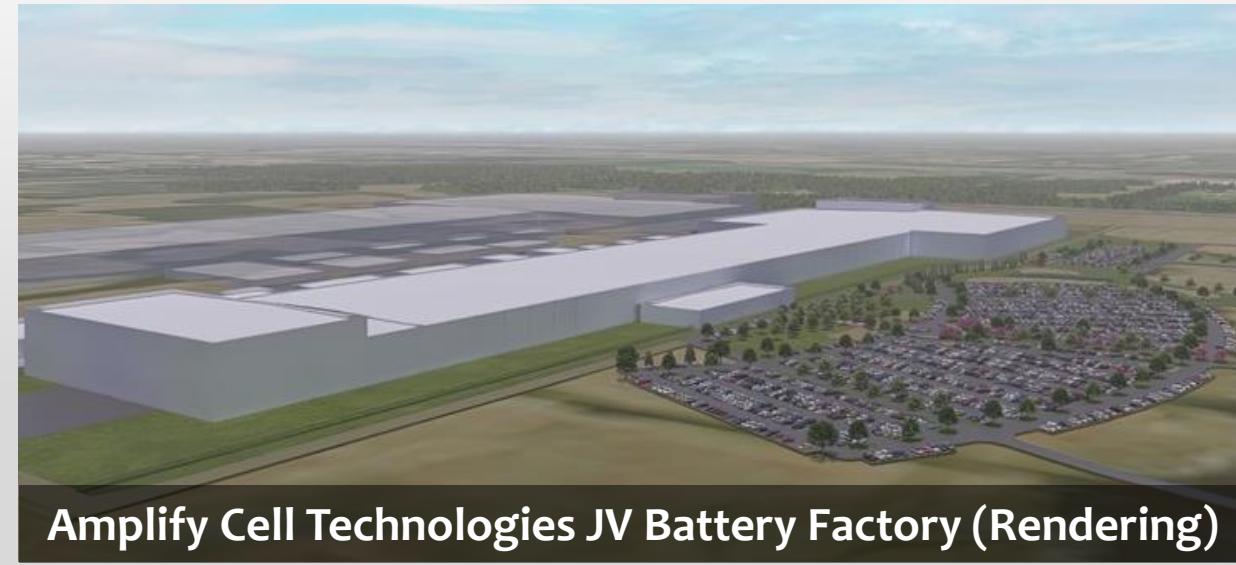
DAF XB Electric



Peterbilt 520EV

Peterbilt 579EV

Peterbilt 220EV



Amplify Cell Technologies JV Battery Factory (Rendering)

# 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



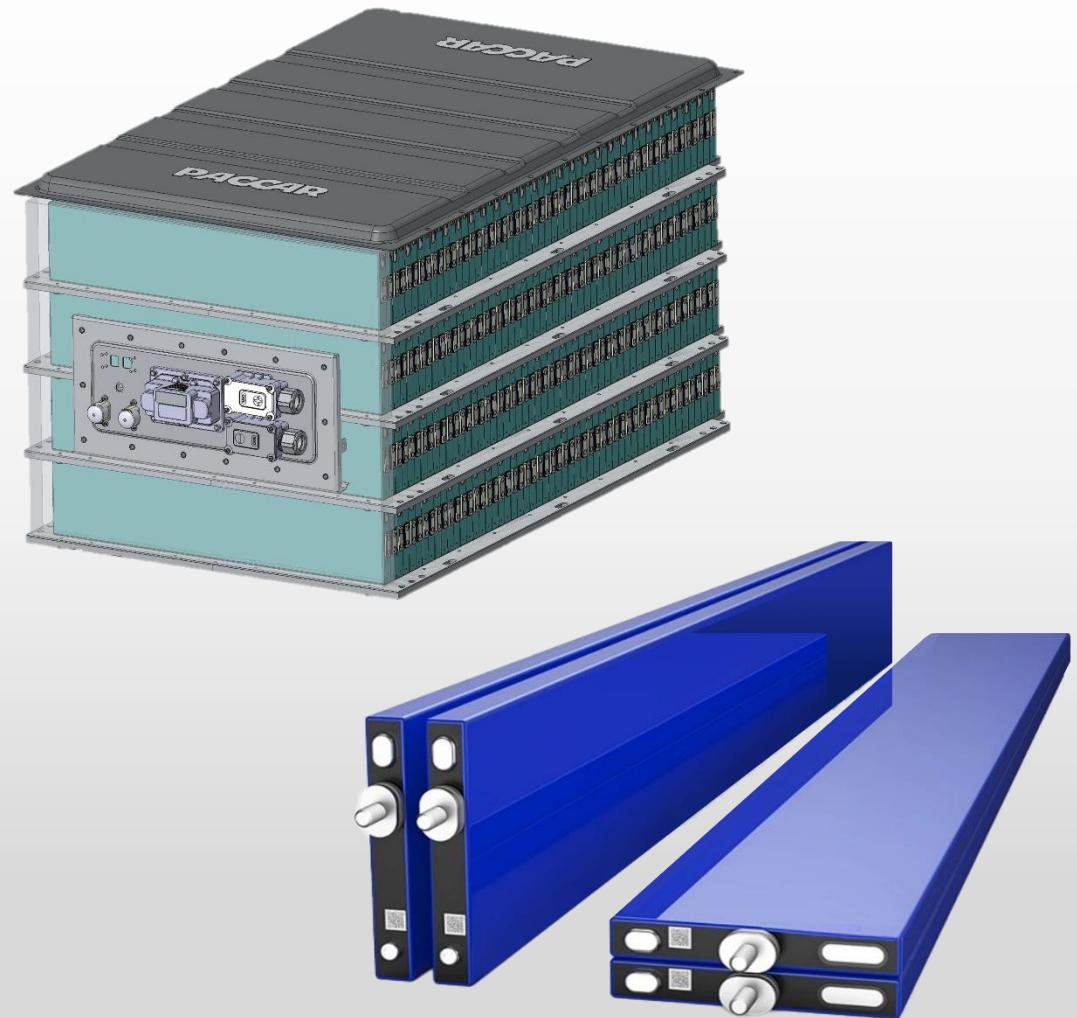
# PACCAR Battery Strategy

## Advantages of lithium-iron-phosphate (LFP) battery technology:

- Lower cost
- Longer life
- Enhanced safety
- No nickel or cobalt

## PACCAR proprietary packs deliver

- Cost leadership
- Supply security
- Commercial vehicle specific
- Battery management system



# Amplify Cell Technologies

## Battery Cell Joint Venture

- Domestic LFP production
- PACCAR owns 30% of JV
- Commercial vehicle products
- Total project investment \$2 – 3B
- 2.6 million sq. ft.
- Start of production in 2028



Marshall County, Mississippi



DAIMLER TRUCK **EVE**

# PACCAR Batteries Reduce Cost in Multiple Applications



Battery Electric



Fuel Cell Electric



Hybrid Electric



Charger Energy Storage

# Autonomous Trucks

- PACCAR has invested in strategic partnerships with Aurora, Stack and Kodiak to develop, test and commercialize autonomous Peterbilt and Kenworth trucks
- PACCAR's autonomous vehicle platform will be integrated with partners' self-driving technologies
- PACCAR customers will benefit from the autonomous vehicles' enhanced safety and operational efficiency
- Kenworth T680 and Peterbilt 579 trucks utilizing partners' robotic drivers are expected to be delivered in the next several years

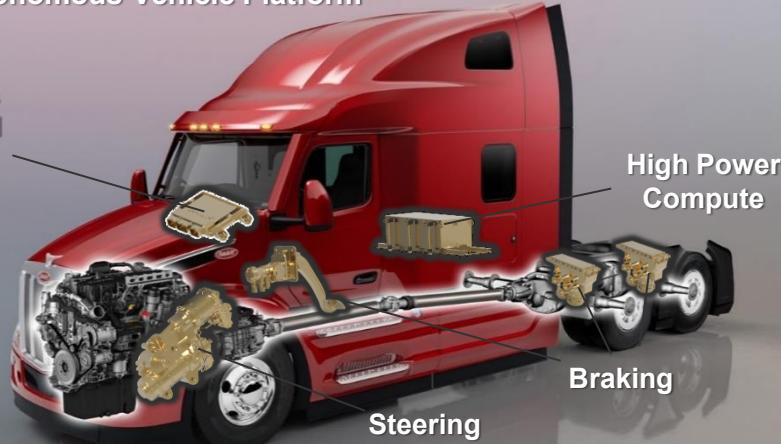


Autonomous Kenworth T680 Test Vehicle with  
Aurora Driver

# PACCAR's Essential Role in Autonomous Trucking

PACCAR's Autonomous Vehicle Platform

Controls &  
Automated  
Driver  
Interface



Engineering and Manufacturing



Repair and Maintenance



Replacement Parts



Connected Services

# PACCAR and Aurora Partner on Autonomous Truck Pilots

- PACCAR and Aurora have five customer trials underway with FedEx, Uber Freight, Werner Enterprises, Hirschbach Motor Lines, and Schneider National



Uber Freight

Hirschbach

FedEx

WERNER®

SCHNEIDER®

# PACCAR Electronics Creates Strong Competitive Advantage



Engine Controller



- PACCAR formed PACCAR Electronics in 2024 to address the growing importance of electronics within PACCAR 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 is launching a new state-of-the-art global connected truck platform, PACCAR Connect.

New proprietary hardware and data platform provides:

- Cybersecurity protection & monitoring
- Over-the-air software updates
- Access to industry leading business applications
- Transportation solutions for uptime & fleet management
- Data as a service capabilities



Secure Vehicle Data



Business Solutions



Data as a Service



Transportation Solutions



# PACCAR and Platform Science Connected Vehicle Partnership

- PACCAR has made a strategic investment in Platform Science
- PACCAR and Platform Science will collaborate on connected trucks
- PACCAR will integrate Platform Science Virtual Vehicle into Kenworth and Peterbilt trucks
- The solution enables fleets to access telematics, software solutions, real-time data, and third-party applications directly from their vehicles
- Customers will have access to a customizable platform elevating their capabilities to innovate and utilize, manage and deploy digital applications



# PACCAR Innovation Center, Sunnyvale, CA



- 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

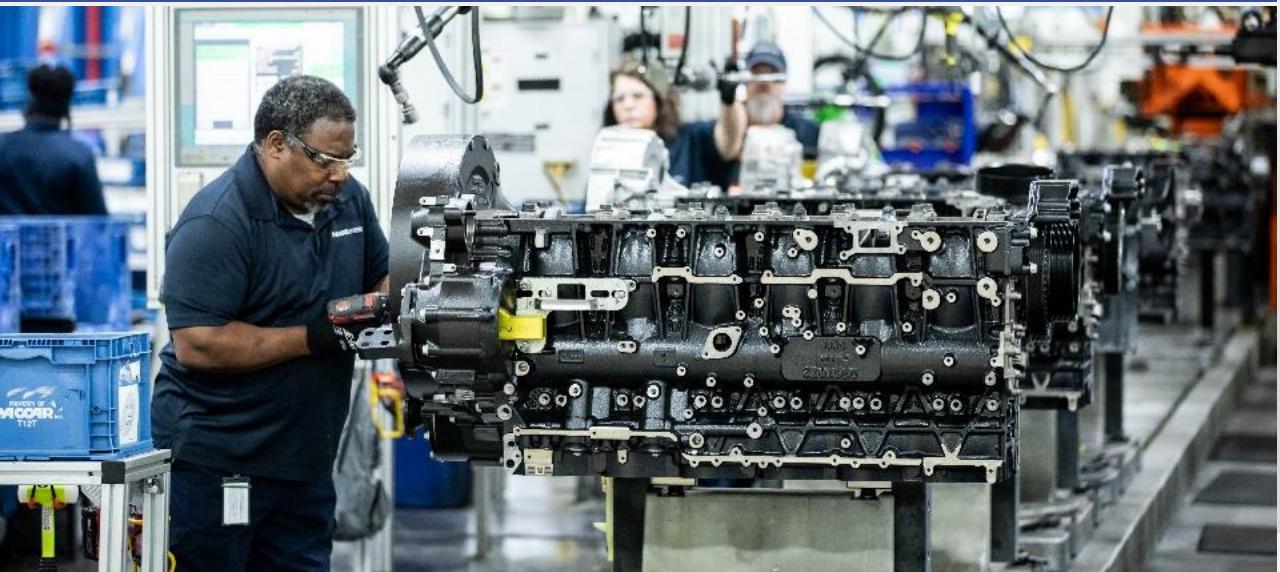
# PACCAR Manufacturing Capacity Investments



Kenworth Test Building, Chillicothe, Ohio



PACCAR Mexico Expansion



PACCAR Engine Factories and Remanufacturing Center



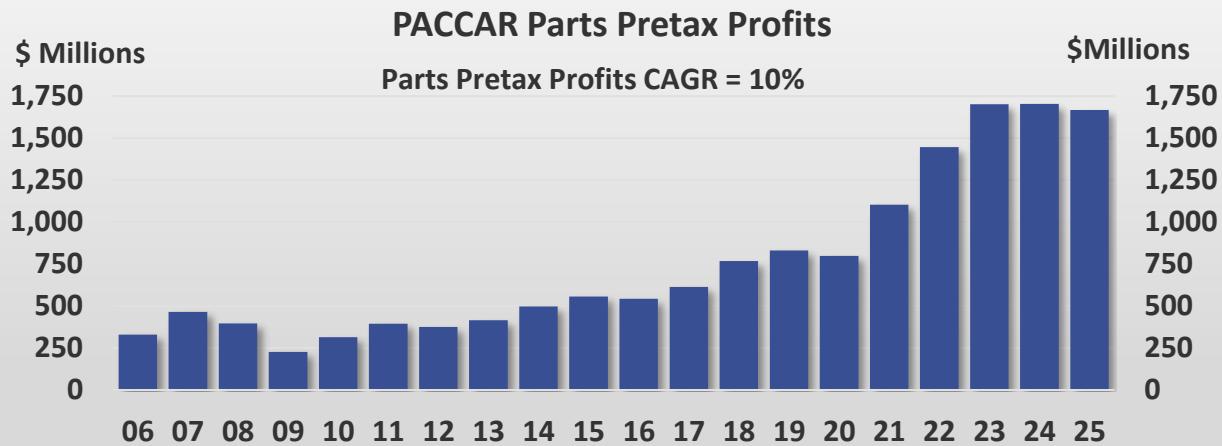
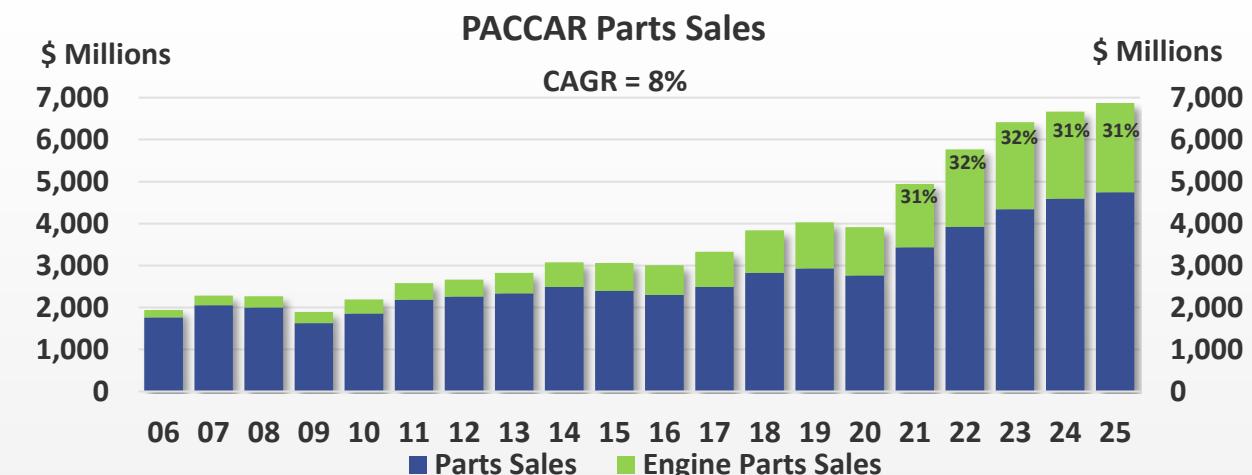
New Test Building, St. Therese, Quebec

# 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



# PACCAR Parts Distribution Centers and Dealers

21 PDCs in 10 Countries; 2,400 Dealer Locations



- PACCAR Distribution Centers
- Kenworth and Peterbilt Dealers
- DAF Dealers
- Kenworth/DAF Dealers



# PACCAR Global Dealer Network

- Independent dealer network of 2,400 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

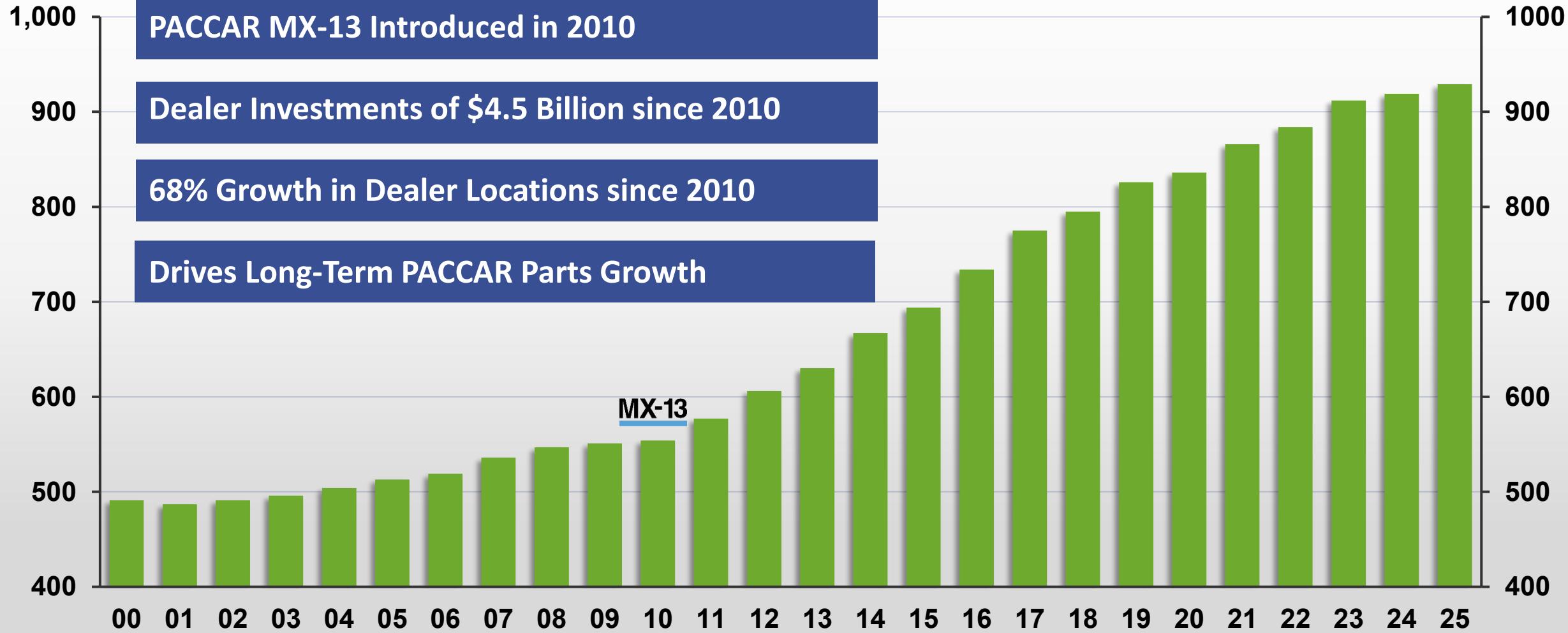


# Growth in Kenworth and Peterbilt Dealer Locations

## U.S. and Canada

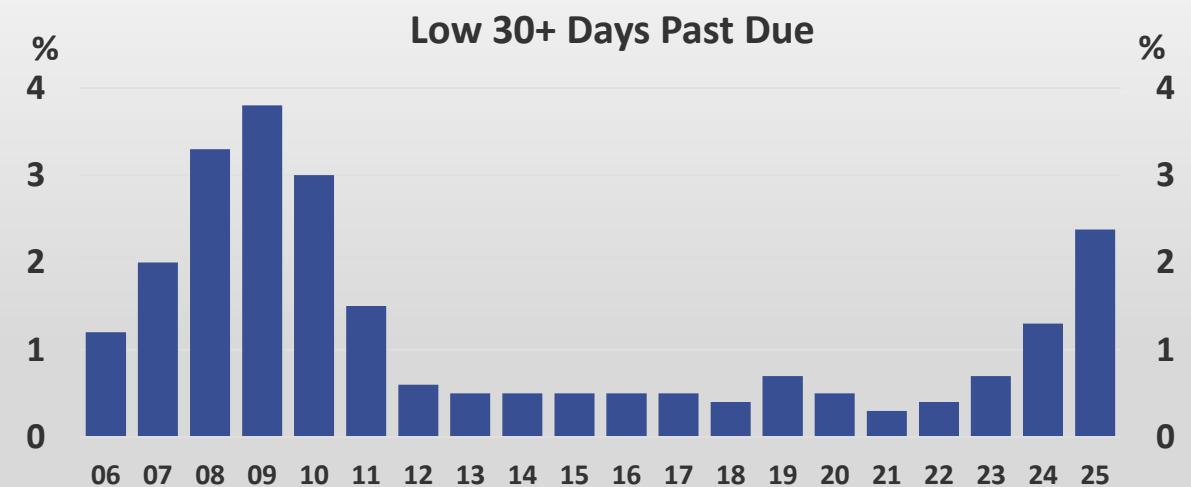
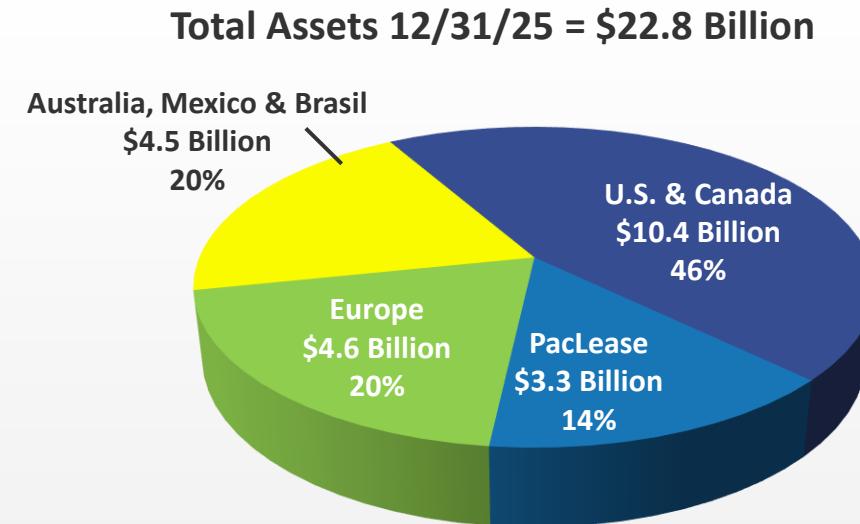
Locations

Locations



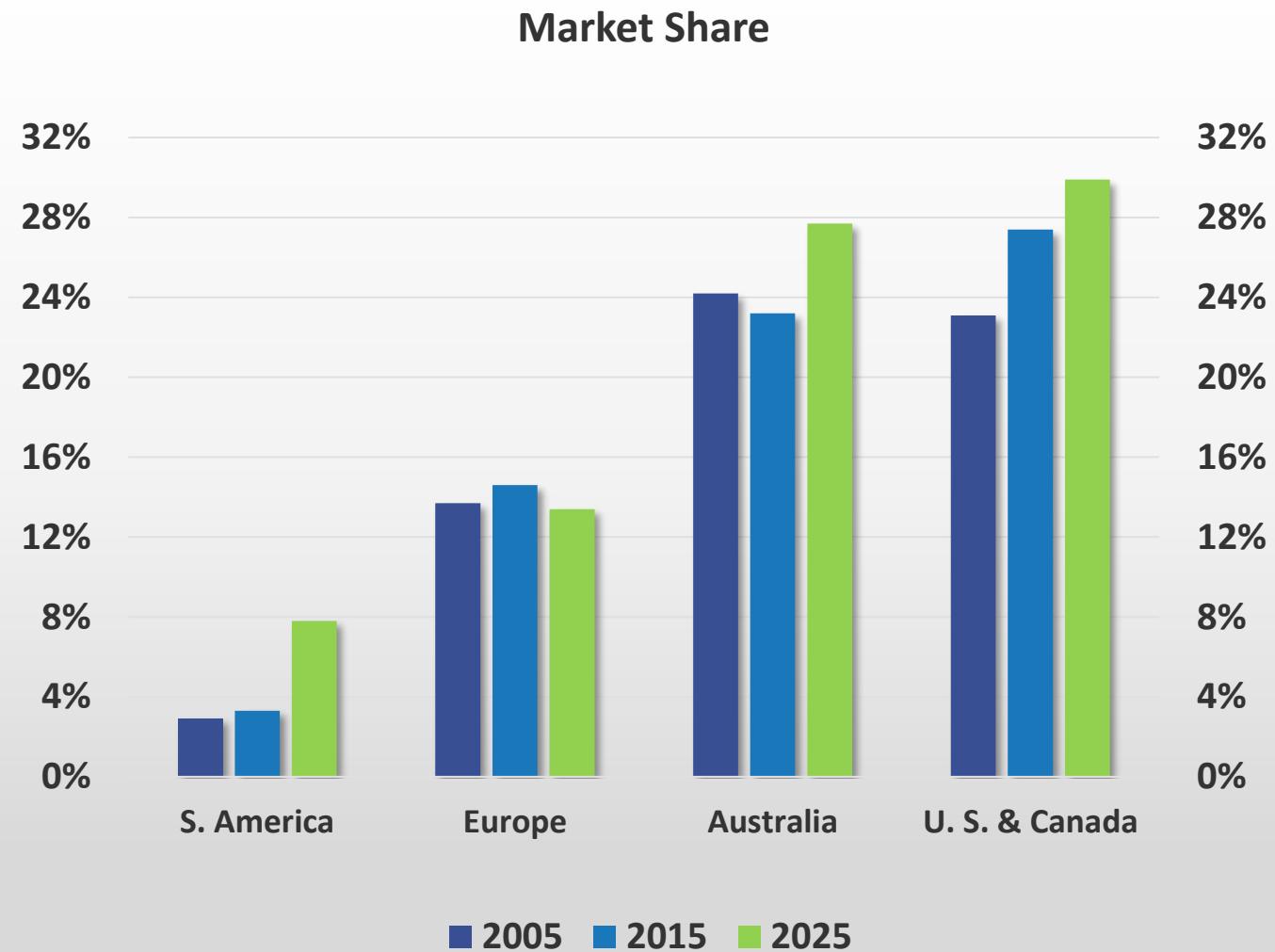
# PACCAR Financial Services Strategy

- 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



# Long-Term Growth in PACCAR Heavy Duty Market Share

- Since 2005, PACCAR's above 16 tonne market share has increased in South America, Europe, Australia and U.S. & Canada
- Kenworth is the market leader in Australia
- PACCAR's investment in truck manufacturing in Brasil supports PACCAR's medium-term goal of 12% market share for Kenworth and DAF products in South America.



# DAF Brasil

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



Parts Distribution Center Ponta Grossa, Brasil

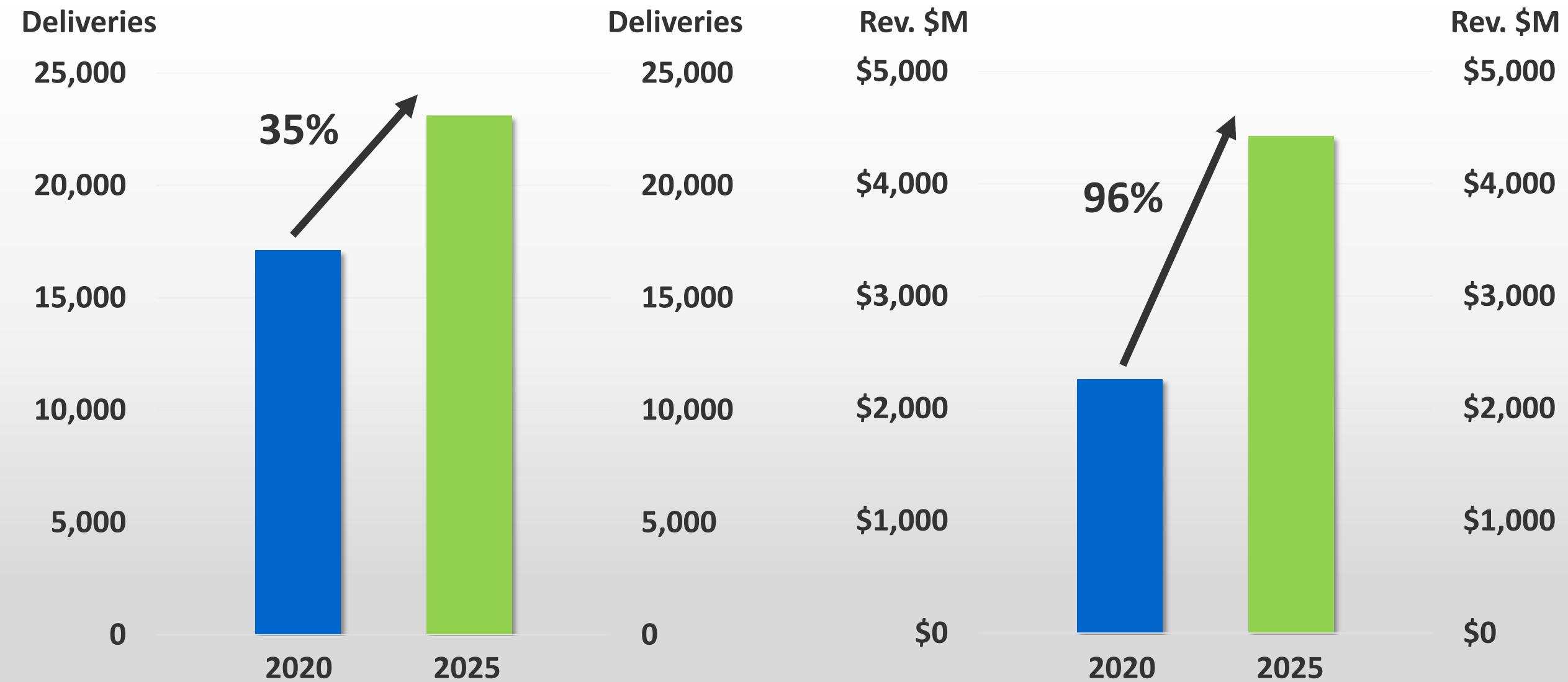


DAF CF



DAF Brasil Manufacturing Plant

# PACCAR Rest-of-World Growth

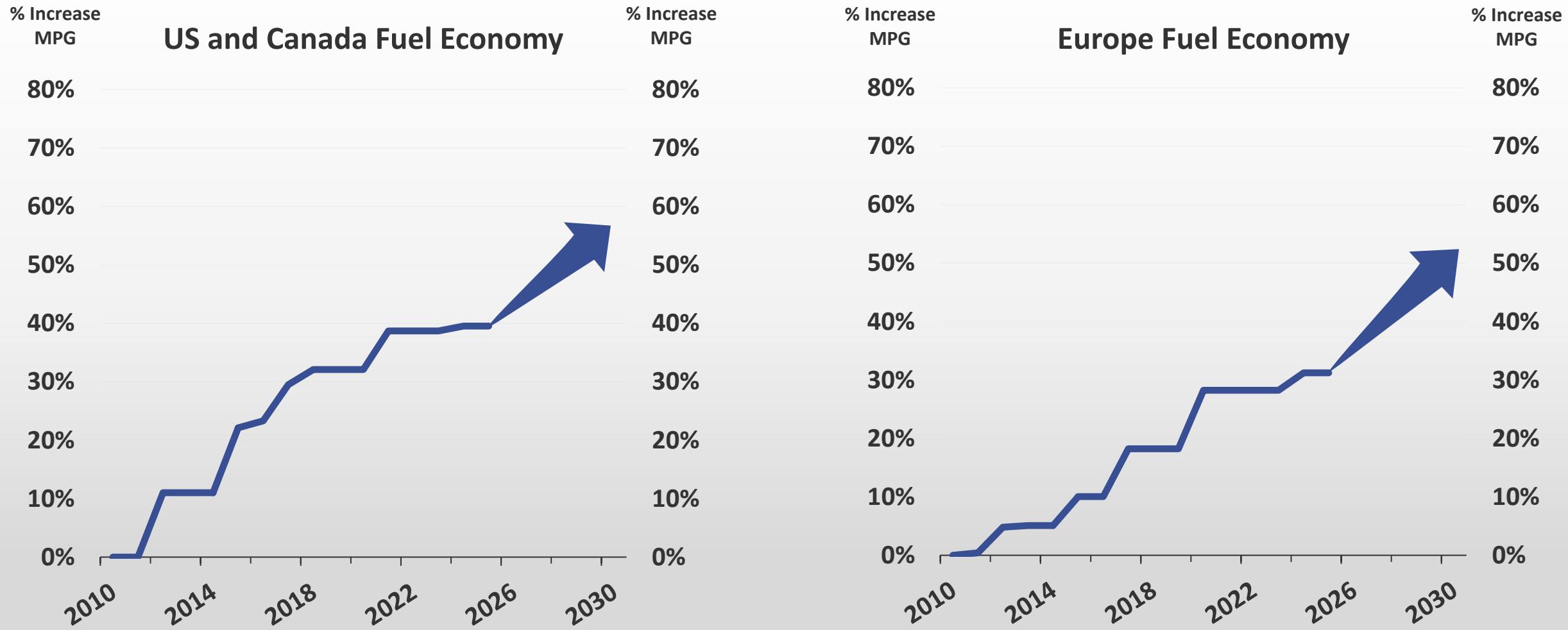


# Infrastructure Investment and Jobs Act

- In 2021, congress approved \$1.2 trillion in new infrastructure spending in the Infrastructure Investment and Jobs Act
- This \$1.2 trillion in spending will benefit PACCAR, as it is the industry leader in vocational trucks
- Kenworth and Peterbilt combined have achieved approximately 40% share in the vocational segment in the US and Canada



# Fuel Economy Improvement



# PACCAR is an Environmental Leader

## Credibility and Leadership



PACCAR Earned Elite “A” Rating in 2025, in top 4% of Companies Scored, and Earned “A” or “A-” Rating in Last 11 Years.

## Operational Excellence



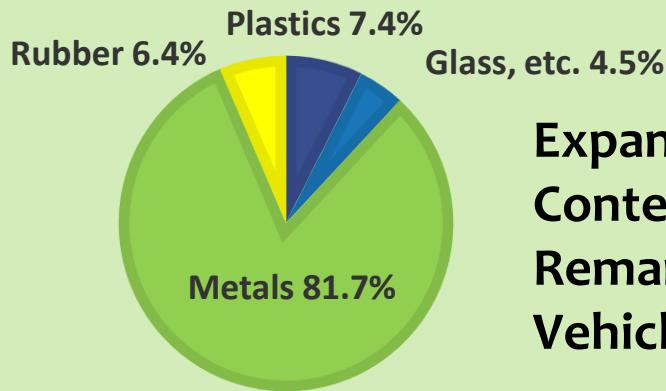
Emphasis On Renewable Energy, Water Conservation, and Zero Waste to Landfill.

## Fuel Efficiency Champions



Emissions Lowering Efficient Diesel, Biodiesel, Natural Gas, Battery Electric, and Hybrid Vehicle Models.

## Truck Material Composition



Expanding Recycled Content, Engine Remanufacturing, and Vehicle Recyclability.



# **Fourth Quarter and Full Year 2025 Earnings**

# PACCAR Revenues and Profit

87 consecutive years of net profit

Dividends every year since 1941

(\$ in Millions)	4 <sup>th</sup> Quarter		Full Year	
	2025	2024	2025	2024
Revenues	\$6,821	\$7,908	\$28,445	\$33,664
Net Income	\$557	\$872	\$2,376	\$4,162
Adjusted Net Income	\$557	\$872	\$2,640	\$4,162
Adjusted Return on Revenues	8.2%	11.0%	9.3%	12.4%
Adjusted Diluted EPS	\$1.06	\$1.66	\$5.01	\$7.90
New Truck Deliveries (units)	32,900	43,900	144,200	185,300

# 2025 Financial Results

## Fourth Quarter 2025 vs. Fourth Quarter 2024

### Sales and Revenues (Billions of Dollars)



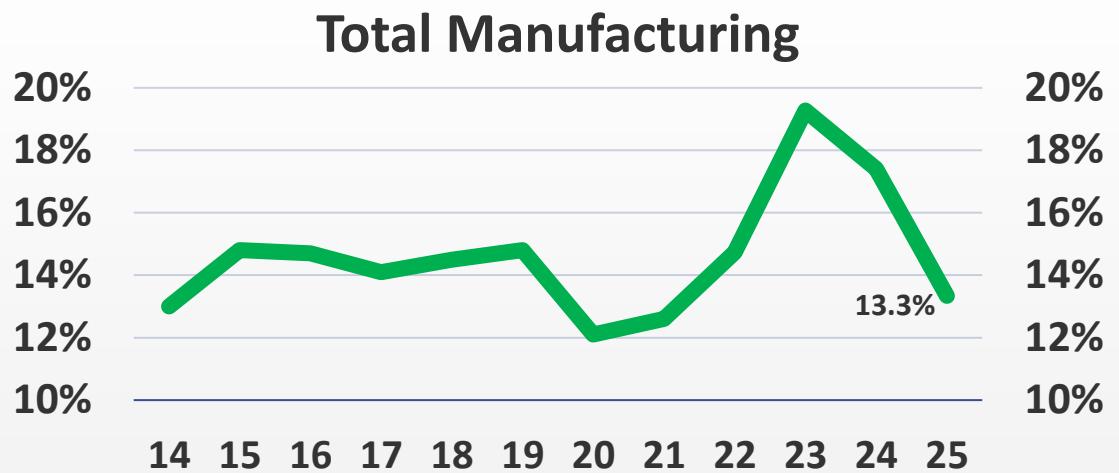
### Net Income (Millions of Dollars)



- Sales and revenues of \$6.8 billion
- Net income of \$557 million
- After-tax return on revenues of 8.2%
- PACCAR Parts revenues of \$1.7 billion
- PACCAR Parts pretax income of \$415 million
- Financial Services pretax income of \$115 million
- R&D expenses of \$106 million
- Deliveries of 32,900 trucks

# Historical Annual Gross Margins

- Truck margins benefited from new products launched in 2021/2022
- 4Q25 truck margins were affected by economic uncertainty and tariffs
- Parts margins have benefited from distribution and technology investments and growing populations of PACCAR trucks and engines in operation



### Truck

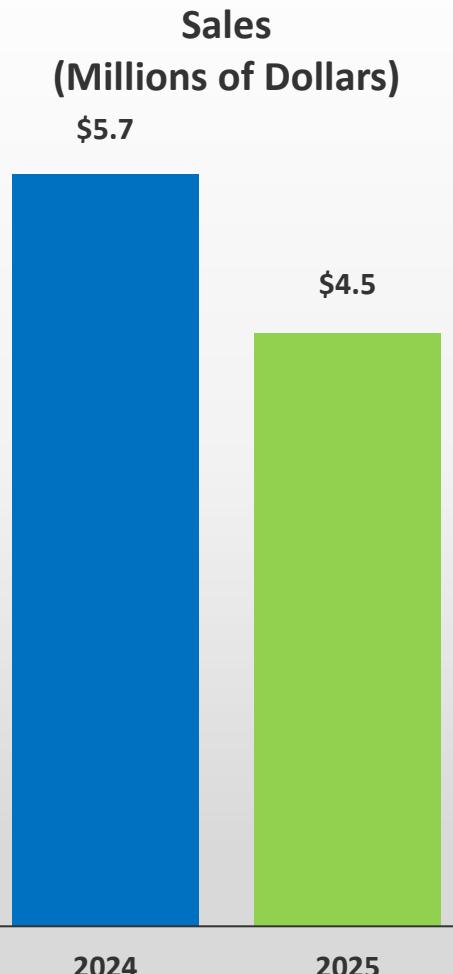


### Parts



# Truck

## Fourth Quarter 2025 vs. Fourth Quarter 2024

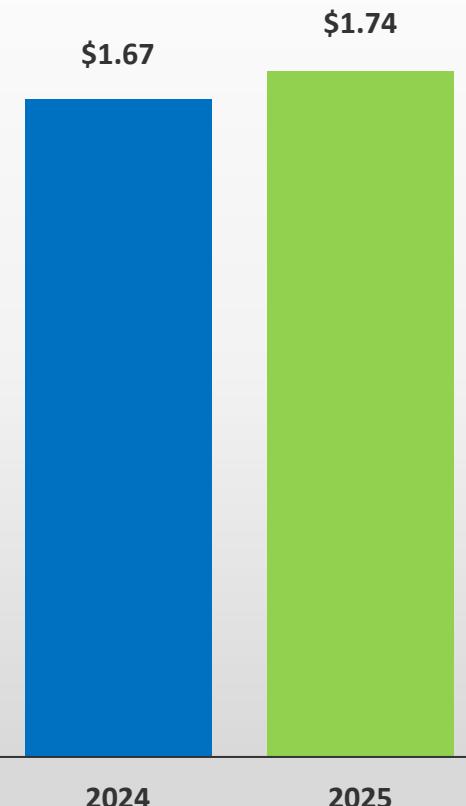


- Sales totaled \$4.5 billion
- Pretax operating profit of \$95 million
- Deliveries for 4Q25 totaled 32,900 compared to 43,900 units in the same period a year ago
- Truck gross margin of 5.3%
- 4Q25 truck margins were affected by economic uncertainty and tariffs

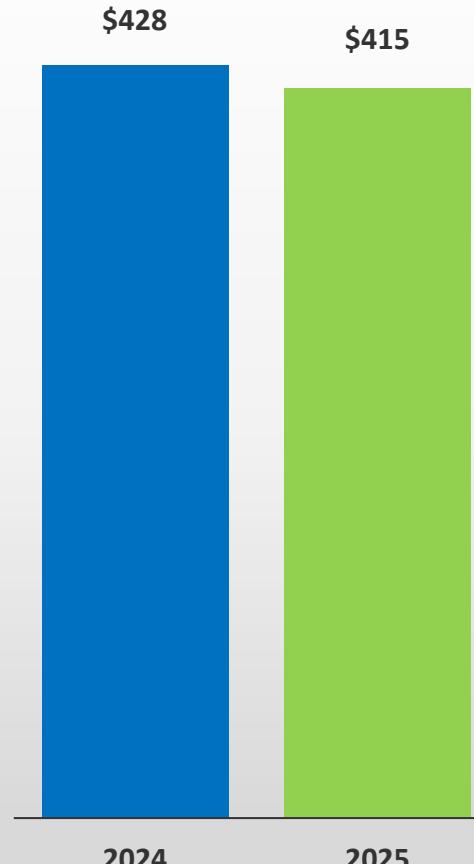
# Aftermarket Parts

## Fourth Quarter 2025 vs. Fourth Quarter 2024

Revenues  
(Millions of Dollars)



Segment Pretax Profit  
(Millions of Dollars)



- Revenues of \$1.74 billion, an increase of 4%
- Pretax profit of \$415 million
- Strong 29.5% Parts gross margin

# Financial Services

## Balance Sheet & Fourth Quarter 2025 Profit

	\$ Millions	Segment
	12/31/2025	Pretax Profit (Millions of Dollars)
Finance & Other Receivables	\$19,755	
Equipment on Operating Leases	1,869	
Other Assets	1,179	
<b>Total Financial Services Assets</b>	<b>\$22,803</b>	
Commercial Paper & Bank Loans	\$4,990	
Term Notes	10,647	
Deferred Taxes & Other Liabilities	1,544	
<b>Total Financial Services Liabilities</b>	<b>\$17,181</b>	
Equity	\$5,622	
<b>Total Liabilities &amp; Equity</b>	<b>\$22,803</b>	



- Pretax profit of \$485M
- Portfolio of 226,000 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
- \$9.3 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)
	<b>12/31/25</b>
<b>Mfg Cash &amp; Securities</b>	<b>\$9,254</b>
<b>Other Manufacturing Assets</b>	<b>12,279</b>
<b>Financial Services Assets</b>	<b>22,803</b>
<b>Total Assets</b>	<b>\$44,336</b>
<b>Manufacturing Debt</b>	<b>\$ -</b>
<b>Manufacturing Liabilities</b>	<b>7,891</b>
<b>Financial Services Liabilities</b>	<b>17,181</b>
<b>Shareholders' Equity</b>	<b>19,264</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$44,336</b>

# PACCAR is Structurally Stronger & Positioned for Future Growth



## Game Changing New Truck Models



## Strong Parts Growth and Profit



## Rest of World Growth



## Technology Enabling Opportunities

# 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)	Year Ended December 31, 2025
<b>Net income</b>	<b>\$2,375.8</b>
<b>EC-related claims, net of tax</b>	<b>264.5</b>
<b>Adjusted net income (non-GAAP)</b>	<b>\$2,640.3</b>
 <b>Per diluted share:</b>	
<b>Net income</b>	<b>\$4.51</b>
<b>EC-related claims, net of tax</b>	<b>0.50</b>
<b>Adjusted net income (non-GAAP)</b>	<b>\$5.01</b>

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**PACCAR**