

**PACCAR Inc**  
**SUMMARY STATEMENTS OF OPERATIONS**

*(in millions except per share amounts)*

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2018</b>	2017*	<b>2018</b>	2017*
<b>Truck, Parts and Other:</b>				
Net sales and revenues	<b>\$ 5,932.7</b>	\$ 5,122.4	<b>\$ 22,138.6</b>	\$ 18,187.5
Cost of sales and revenues	<b>5,088.6</b>	4,418.4	<b>18,925.0</b>	15,628.9
Research and development	<b>80.5</b>	70.6	<b>306.1</b>	264.7
Selling, general and administrative	<b>136.6</b>	121.2	<b>524.9</b>	464.0
Interest and other (income), net	<b>(18.3)</b>	(10.7)	<b>(60.8)</b>	(46.4)
<i>Truck, Parts and Other Income Before Income Taxes</i>	<b>645.3</b>	522.9	<b>2,443.4</b>	1,876.3
<b>Financial Services:</b>				
Revenues	<b>347.0</b>	332.2	<b>1,357.1</b>	1,268.9
Interest and other	<b>228.5</b>	228.6	<b>914.9</b>	877.1
Selling, general and administrative	<b>29.6</b>	26.8	<b>119.8</b>	107.8
Provision for losses on receivables	<b>1.7</b>	4.9	<b>16.5</b>	22.3
<i>Financial Services Income Before Income Taxes</i>	<b>87.2</b>	71.9	<b>305.9</b>	261.7
Investment income	<b>19.9</b>	9.5	<b>60.9</b>	35.3
<i>Total Income Before Income Taxes</i>	<b>752.4</b>	604.3	<b>2,810.2</b>	2,173.3
Income taxes **	<b>174.3</b>	15.1	<b>615.1</b>	498.1
<i>Net Income</i>	<b>\$ 578.1</b>	\$ 589.2	<b>\$ 2,195.1</b>	\$ 1,675.2
<b>Net Income Per Share:</b>				
Basic	<b>\$ 1.66</b>	\$ 1.67	<b>\$ 6.25</b>	\$ 4.76
Diluted	<b>\$ 1.65</b>	\$ 1.67	<b>\$ 6.24</b>	\$ 4.75
<b>Weighted Average Shares Outstanding:</b>				
Basic	<b>349.1</b>	352.2	<b>351.0</b>	351.9
Diluted	<b>349.6</b>	353.2	<b>351.8</b>	352.9
Dividends declared per share	<b>\$ 2.28</b>	\$ 1.45	<b>\$ 3.09</b>	\$ 2.19

\* On January 1, 2018, the Company adopted ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This ASU requires defined benefit pension plan's net non-service component expenses (income) to be reported outside of operating profit. Net non-service expenses (income) are now reported in Interest and other (income), net. The three months and year ended 2017 net non-service pension expenses (income) have been reclassified to conform with the current presentation.

\*\* Includes a one-time net tax benefit of \$173.4 million in the three months ended December 31, 2017 from the U.S. Tax Cuts and Jobs Act.

**PACCAR Inc**  
**CONDENSED BALANCE SHEETS**  
*(in millions)*

	<b>December 31</b>	December 31
	<b>2018</b>	2017
<b>ASSETS</b>		
<b>Truck, Parts and Other:</b>		
Cash and marketable debt securities	\$ 4,299.6	\$ 3,621.9
Trade and other receivables, net	1,314.4	1,127.9
Inventories, net	1,184.7	928.4
Property, plant and equipment, net	2,480.9	2,464.4
Equipment on operating leases and other, net	1,803.2	2,095.3
<b>Financial Services Assets</b>	<b>14,399.6</b>	13,202.3
	<b>\$ 25,482.4</b>	<b>\$ 23,440.2</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Truck, Parts and Other:</b>		
Accounts payable, deferred revenues and other	\$ 5,710.9	\$ 5,270.4
<b>Financial Services Liabilities</b>	<b>11,178.6</b>	10,119.3
<b>STOCKHOLDERS' EQUITY</b>	<b>8,592.9</b>	8,050.5
	<b>\$ 25,482.4</b>	<b>\$ 23,440.2</b>
Common Shares Outstanding	346.6	351.8

**PACCAR Inc**  
**CONDENSED CASH FLOW STATEMENTS**  
*(in millions)*

Year Ended December 31	2018	2017
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 2,195.1	\$ 1,675.2
Depreciation and amortization:		
Property, plant and equipment	337.6	321.4
Equipment on operating leases and other	716.5	786.1
Net change in trade receivables, inventory and payables	(45.8)	(23.5)
Net increase in wholesale receivables on new trucks	(512.3)	(272.0)
All other operating activities, net	301.2	228.6
<b>Net Cash Provided by Operating Activities</b>	<b>2,992.3</b>	<b>2,715.8</b>
<b>INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(457.6)	(423.4)
Acquisitions of equipment for operating leases	(1,494.7)	(1,423.2)
Net increase in financial services receivables	(945.8)	(397.9)
Net decrease (increase) in marketable debt securities	315.6	(190.8)
Proceeds from asset disposals and other	651.8	470.7
<b>Net Cash Used in Investing Activities</b>	<b>(1,930.7)</b>	<b>(1,964.6)</b>
<b>FINANCING ACTIVITIES:</b>		
Payments of cash dividends	(804.3)	(558.3)
Purchases of treasury stock	(354.4)	
Proceeds from stock compensation transactions	19.3	39.3
Net increase in debt	1,210.5	125.2
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>71.1</b>	<b>(393.8)</b>
Effect of exchange rate changes on cash	(61.5)	91.6
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,071.2</b>	<b>449.0</b>
Cash and cash equivalents at beginning of period	2,364.7	1,915.7
Cash and cash equivalents at end of period	<b>\$ 3,435.9</b>	<b>\$ 2,364.7</b>

**PACCAR Inc**  
**SEGMENT AND OTHER INFORMATION**

*(in millions)*

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>Sales and Revenues:</b>				
Truck	<b>\$ 4,936.8</b>	\$ 4,223.7	<b>\$ 18,187.0</b>	\$ 14,774.8
Parts	<b>970.9</b>	877.2	<b>3,838.9</b>	3,327.0
Financial Services	<b>347.0</b>	332.2	<b>1,357.1</b>	1,268.9
Other	<b>25.0</b>	21.5	<b>112.7</b>	85.7
	<b>\$ 6,279.7</b>	\$ 5,454.6	<b>\$ 23,495.7</b>	\$ 19,456.4

**Pretax Profit:**

Truck	<b>\$ 451.9</b>	\$ 363.2	<b>\$ 1,672.1</b>	\$ 1,253.8
Parts	<b>193.8</b>	156.2	<b>768.6</b>	610.0
Financial Services	<b>87.2</b>	71.9	<b>305.9</b>	261.7
Investment Income and Other	<b>19.5</b>	13.0	<b>63.6</b>	47.8
	<b>\$ 752.4</b>	\$ 604.3	<b>\$ 2,810.2</b>	\$ 2,173.3

**GEOGRAPHIC REVENUE**

*(in millions)*

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2018</b>	2017	<b>2018</b>	2017
United States and Canada	<b>\$ 3,837.0</b>	\$ 3,119.4	<b>\$ 14,782.1</b>	\$ 11,772.2
Europe	<b>1,725.8</b>	1,661.0	<b>6,071.9</b>	5,354.6
Other	<b>716.9</b>	674.2	<b>2,641.7</b>	2,329.6
	<b>\$ 6,279.7</b>	\$ 5,454.6	<b>\$ 23,495.7</b>	\$ 19,456.4

**NEW TRUCK DELIVERIES**

	Three Months Ended		Year Ended	
	December 31		December 31	
	<b>2018</b>	2017	<b>2018</b>	2017
United States and Canada	<b>26,800</b>	22,700	<b>105,300</b>	84,200
Europe	<b>18,000</b>	16,600	<b>63,800</b>	57,100
Other	<b>5,600</b>	5,000	<b>20,000</b>	17,600
	<b>50,400</b>	44,300	<b>189,100</b>	158,900

**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 the one-time tax benefit from the Tax Cuts and Jobs Act (“TCJA”) in 2017. 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.

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 significant non-recurring items that are not representative of underlying operating trends.

Reconciliations from the most directly comparable GAAP measures of: adjusted net income (non-GAAP) and adjusted net income per diluted share (non-GAAP) are as follows:

(in millions)

*Year Ended December 31, 2017*

Net Income	\$	1,675.2
One-time tax benefit from the TCJA		(173.4)
<b>Adjusted Net Income (Non-GAAP)</b>	<b>\$</b>	<b>1,501.8</b>

*Year Ended December 31, 2017*

Per Diluted Share:

Net Income	\$	4.75
One-time tax benefit from the TCJA		(.49)
<b>Adjusted Net Income (Non-GAAP)</b>	<b>\$</b>	<b>4.26</b>

(in millions)

*Three Months Ended December 31, 2017*

Net Income	\$	589.2
One-time tax benefit from the TCJA		(173.4)
<b>Adjusted Net Income (Non-GAAP)</b>	<b>\$</b>	<b>415.8</b>

*Three Months Ended December 31, 2017*

---

Per Diluted Share:

Net Income	\$	1.67
One-time tax benefit from the TCJA		(.49)
Adjusted Net Income (Non-GAAP)	\$	1.18

---

---