

PACCAR Inc
SUMMARY STATEMENTS OF OPERATIONS
(in millions except per share amounts)

	Three Months Ended		Year Ended	
	December 31		December 31	
	2017	2016	2017	2016
Truck, Parts and Other:				
Net sales and revenues	\$ 5,122.4	\$ 3,767.0	\$ 18,187.5	\$ 15,846.6
Cost of sales and revenues	4,409.5	3,243.2	15,593.7	13,517.7
Research and development	70.6	67.6	264.7	247.2
Selling, general and administrative	117.5	114.8	449.5	440.8
European Commission charge				833.0
Interest and other expense, net	2.5	7.4	5.6	11.6
<i>Truck, Parts and Other Income Before Income Taxes</i>	522.3	334.0	1,874.0	796.3
Financial Services:				
Revenues	332.2	303.7	1,268.9	1,186.7
Interest and other	228.6	197.4	877.1	762.4
Selling, general and administrative	26.2	24.5	105.5	99.4
Provision for losses on receivables	4.9	3.9	22.3	18.4
<i>Financial Services Income Before Income Taxes</i>	72.5	77.9	264.0	306.5
Investment income	9.5	7.0	35.3	27.6
<i>Total Income Before Income Taxes</i>	604.3	418.9	2,173.3	1,130.4
Income taxes (a)	15.1	130.1	498.1	608.7
<i>Net Income</i>	\$ 589.2	\$ 288.8	\$ 1,675.2	\$ 521.7
Net Income Per Share:				
Basic	\$ 1.67	\$.82	\$ 4.76	\$ 1.49
Diluted	\$ 1.67	\$.82	\$ 4.75	\$ 1.48
Weighted Average Shares Outstanding:				
Basic	352.2	351.1	351.9	351.1
Diluted	353.2	351.9	352.9	351.8
Dividends declared per share	\$ 1.45	\$.84	\$ 2.19	\$ 1.56

(a) Includes a one-time net tax benefit of \$173.4 million in the three months ended December 31, 2017 from the new U.S. tax law.

PACCAR Inc
CONDENSED BALANCE SHEETS
(in millions)

	December 31	December 31
	2017	2016
ASSETS		
Truck, Parts and Other:		
Cash and marketable debt securities	\$ 3,621.9	\$ 2,922.6
Trade and other receivables, net	1,127.9	862.2
Inventories, net	928.4	727.8
Property, plant and equipment, net	2,464.4	2,260.0
Equipment on operating leases and other, net	2,095.3	1,671.5
Financial Services Assets	13,202.3	12,194.8
	\$ 23,440.2	\$ 20,638.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Truck, Parts and Other:		
Accounts payable, deferred revenues and other	\$ 5,270.4	\$ 4,056.2
Financial Services Liabilities	10,119.3	9,805.1
STOCKHOLDERS' EQUITY	8,050.5	6,777.6
	\$ 23,440.2	\$ 20,638.9
Common Shares Outstanding	351.8	350.7

PACCAR Inc
CONDENSED CASH FLOW STATEMENTS
(in millions)

Year Ended December 31	2017	2016
OPERATING ACTIVITIES:		
Net income	\$ 1,675.2	\$ 521.7
Depreciation and amortization:		
Property, plant and equipment	321.4	302.4
Equipment on operating leases and other	786.1	690.7
Net change in trade receivables, inventory and payables	(23.5)	(6.3)
Net (increase) decrease in wholesale receivables on new trucks	(272.0)	401.6
All other operating activities, net	228.6	390.7
Net Cash Provided by Operating Activities	2,715.8	2,300.8
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(423.4)	(375.2)
Acquisitions of equipment for operating leases	(1,423.2)	(1,589.7)
Net increase in financial services receivables	(397.9)	(306.6)
Net (increase) decrease in marketable debt securities	(190.8)	272.9
Proceeds from asset disposals	470.7	434.3
Net Cash Used in Investing Activities	(1,964.6)	(1,564.3)
FINANCING ACTIVITIES:		
Payments of cash dividends	(558.3)	(829.3)
Purchases of treasury stock		(70.5)
Proceeds from stock compensation transactions	39.3	29.4
Net increase in debt	125.2	46.9
Net Cash Used in Financing Activities	(393.8)	(823.5)
Effect of exchange rate changes on cash	91.6	(13.7)
Net Increase (Decrease) in Cash and Cash Equivalents	449.0	(100.7)
Cash and cash equivalents at beginning of period	1,915.7	2,016.4
Cash and cash equivalents at end of period	\$ 2,364.7	\$ 1,915.7

PACCAR Inc
SEGMENT AND OTHER INFORMATION

(in millions)

	Three Months Ended		Year Ended	
	December 31		December 31	
	2017	2016	2017	2016
Sales and Revenues:				
Truck	\$ 4,223.7	\$ 2,984.9	\$ 14,774.8	\$ 12,767.3
Parts	877.2	765.0	3,327.0	3,005.7
Financial Services	332.2	303.7	1,268.9	1,186.7
Other	21.5	17.1	85.7	73.6
	\$ 5,454.6	\$ 4,070.7	\$ 19,456.4	\$ 17,033.3
Pretax Profit:				
Truck	\$ 374.1	\$ 207.4	\$ 1,296.9	\$ 1,125.8
Parts	157.2	137.5	614.2	543.8
Financial Services	72.5	77.9	264.0	306.5
European Commission Charge				(833.0)
Investment Income and Other	.5	(3.9)	(1.8)	(12.7)
	\$ 604.3	\$ 418.9	\$ 2,173.3	\$ 1,130.4

GEOGRAPHIC REVENUE

(in millions)

	Three Months Ended		Year Ended	
	December 31		December 31	
	2017	2016	2017	2016
United States and Canada	\$ 3,119.4	\$ 2,197.6	\$ 11,772.2	\$ 10,065.9
Europe	1,661.0	1,302.0	5,354.6	4,903.3
Other	674.2	571.1	2,329.6	2,064.1
	\$ 5,454.6	\$ 4,070.7	\$ 19,456.4	\$ 17,033.3

NEW TRUCK DELIVERIES

	Three Months Ended		Year Ended	
	December 31		December 31	
	2017	2016	2017	2016
United States and Canada	22,700	14,400	84,200	71,500
Europe	16,600	14,800	57,100	53,000
Other	5,000	4,700	17,600	16,400
	44,300	33,900	158,900	140,900

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 (“new U.S. tax law”) in 2017 and the non-recurring European Commission charge in 2016. 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)

<i>Year Ended December 31,</i>	2017	2016
Net Income	\$ 1,675.2	\$ 521.7
One-time tax benefit from the new U.S. tax law	(173.4)	
Non-recurring European Commission Charge		833.0
Adjusted Net Income (Non-GAAP)	\$ 1,501.8	\$ 1,354.7

<i>Year Ended December 31</i>	2017	2016
Per Diluted Share:		
Net Income	\$ 4.75	\$ 1.48
One-time tax benefit from the new U.S. tax law	(.49)	
Non-recurring European Commission Charge		2.37
Adjusted Net Income (Non-GAAP)	\$ 4.26	\$ 3.85

(in millions)

<i>Three Months Ended December 31, 2017</i>		
Net Income	\$ 589.2	
One-time tax benefit from the new U.S. tax law	(173.4)	
Adjusted Net Income (Non-GAAP)	\$ 415.8	

Three Months Ended December 31, 2017

Per Diluted Share:

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