



Cummins Analyst Day

FEBRUARY 23, 2022

PUBLIC

Forward-looking disclosure statement

Information provided in this presentation that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our forecasts, guidance, preliminary results, expectations, hopes, beliefs and intentions on strategies regarding the future. These forward-looking statements include, without limitation, statements relating to our plans and expectations for our revenues and EBITDA. Our actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to: any adverse results of our internal review into our emissions certification process and compliance with emission standards; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emission standards around the world; changes in international, national and regional trade laws, regulations and policies; any adverse effects of the U.S. government's COVID-19 vaccine mandates; changes in taxation; global legal and ethical compliance costs and risks; increasingly stringent environmental laws and regulations; future bans or limitations on the use of diesel-powered products; raw material, transportation and labor price fluctuations and supply shortages; aligning our capacity and production with our demand; the actions of, and income from, joint ventures and other investees that we do not directly control; large truck manufacturers' and original equipment manufacturers' customers discontinuing outsourcing their engine supply needs or experiencing financial distress, bankruptcy or change in control; product recalls; variability in material and commodity costs; the development of new technologies that reduce demand for our current products and services; lower than expected acceptance of new or existing products or services; product liability claims; our sales mix of products; failure to complete, adverse results from or failure to realize the expected benefits of the separation of our filtration business; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions; challenging markets for talent and ability to attract, develop and retain key personnel; climate change and global warming; exposure to potential security breaches or other disruptions to our information technology environment and data security; political, economic and other risks from operations in numerous countries including political, economic and social uncertainty and the evolving globalization of our business; competitor activity; increasing competition, including increased global competition among our customers in emerging markets; labor relations or work stoppages; foreign currency exchange rate changes; the performance of our pension plan assets and volatility of discount rates; the price and availability of energy; continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and other risks detailed from time to time in our SEC filings, including particularly in the Risk Factors section of our 2021 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the SEC, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

Presentation of Non-GAAP Financial Information

EBITDA and ROIC are non-GAAP measures used in this presentation and are defined and reconciled to what management believes to be the most comparable GAAP measures in an appendix attached to this presentation. Cummins presents this information as it believes it is useful to understanding Cummins' operating performance, because EBITDA is a measure used internally to assess the performance of the operating units and because ROIC is a measure used internally to assess Cummins performance.

CEO Comments

Tom Linebarger

CHAIRMAN AND CHIEF EXECUTIVE OFFICER



DECARBONIZATION IS A GROWTH OPPORTUNITY FOR CUMMINS

And we are well positioned to generate strong returns while leading in the transition to zero emissions

WHY CUMMINS WILL WIN

- Innovative technologies
- Collaborative relationships with stakeholders and partners
- Application knowledge and customer trust
- Power of the incumbent and agility of a startup
- Skilled talent and leadership

OUR STRATEGY ALIGNS WITH OUR SUSTAINABILITY GOALS

Making people's lives better by powering a more prosperous world requires a healthier planet, vibrant communities and engaged citizens.

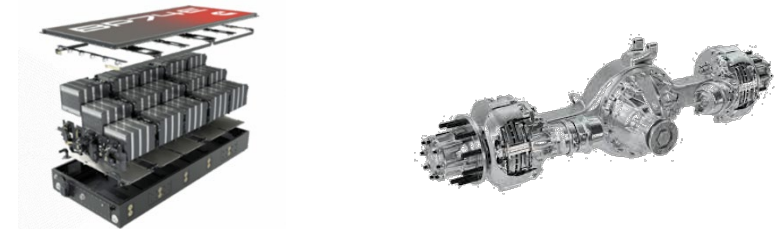
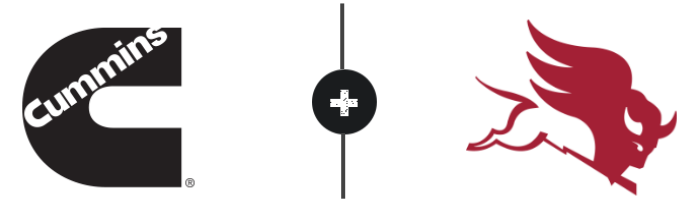
This work is our mission in action. It's what we've always done, and what we will continue to do.



INNOVATING FOR A ZERO-EMISSIONS FUTURE

STRONG STRATEGIC RATIONALE FOR MERITOR ACQUISITION

-
- ✓ Advance electrification efforts through the combination of capabilities
-
- ✓ Leverage Cummins' sales network and global footprint to grow axle and brake sales
-
- ✓ Clear cost synergies in SG&A, supply chain operations and facilities optimization
-



Combined portfolio creates an attractive platform to deliver optimized powertrain solutions

CUMMINS ANALYST DAY 2022

AGENDA

Past performance creates winning formula for future

Delivering strong performance while outgrowing the markets we serve

Tom Linebarger
Chairman and
Chief Executive Officer

...

Enabling the transition with core and new technologies

- Expanding presence in our core segments
- Grow aftermarket
- Generate strong cash flow

Jennifer Rumsey
President and
Chief Operating Officer

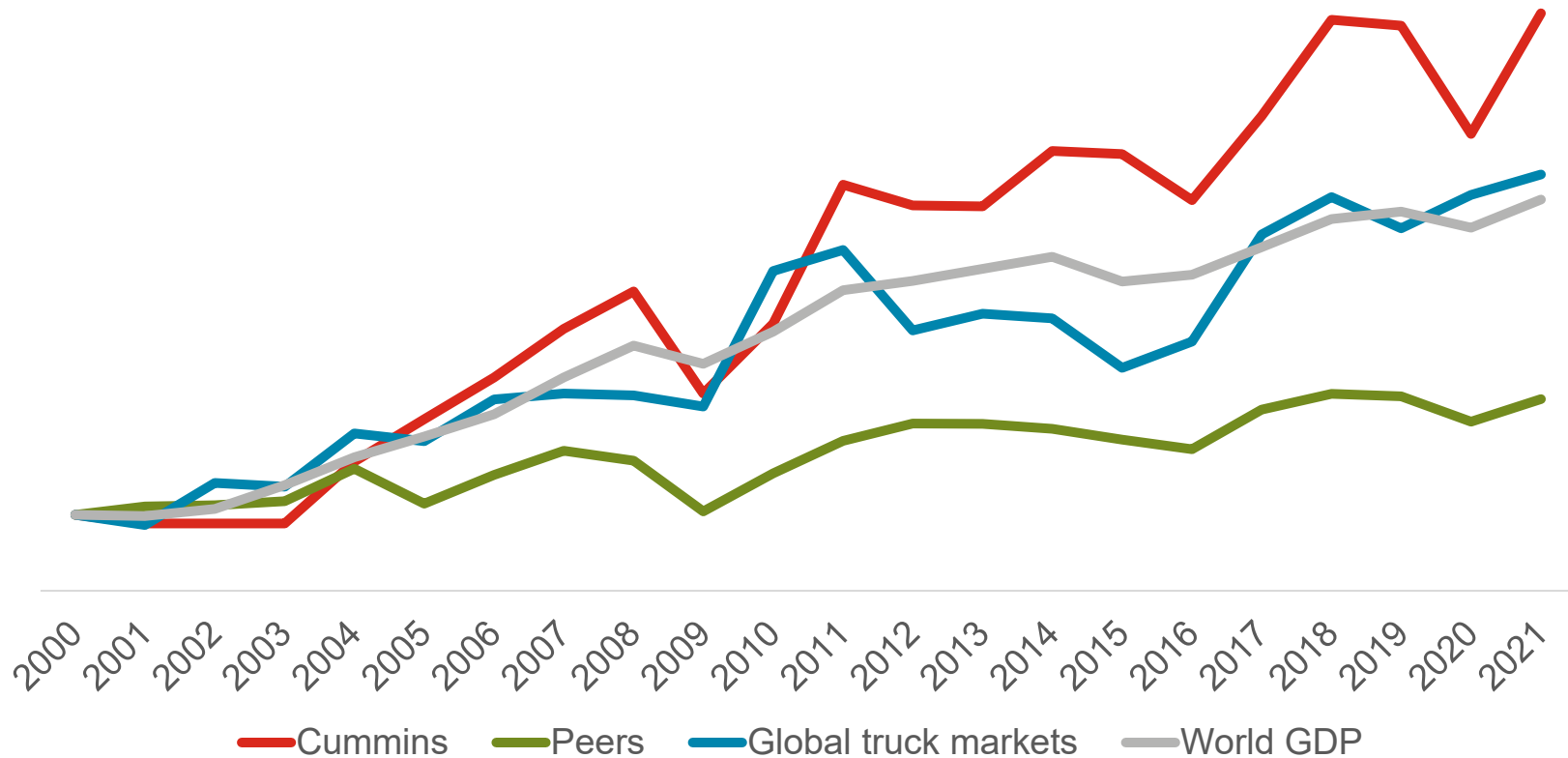
...

While expanding into additional markets via New Power

- Sustain growth in core markets and adjacencies
- Invest in differentiated technologies
- Leverage core competencies

Amy Davis
Vice President and
President – New Power

TRACK RECORD OF OUTGROWING THE SEGMENTS WE SERVE WHILE DELIVERING STRONG RETURNS



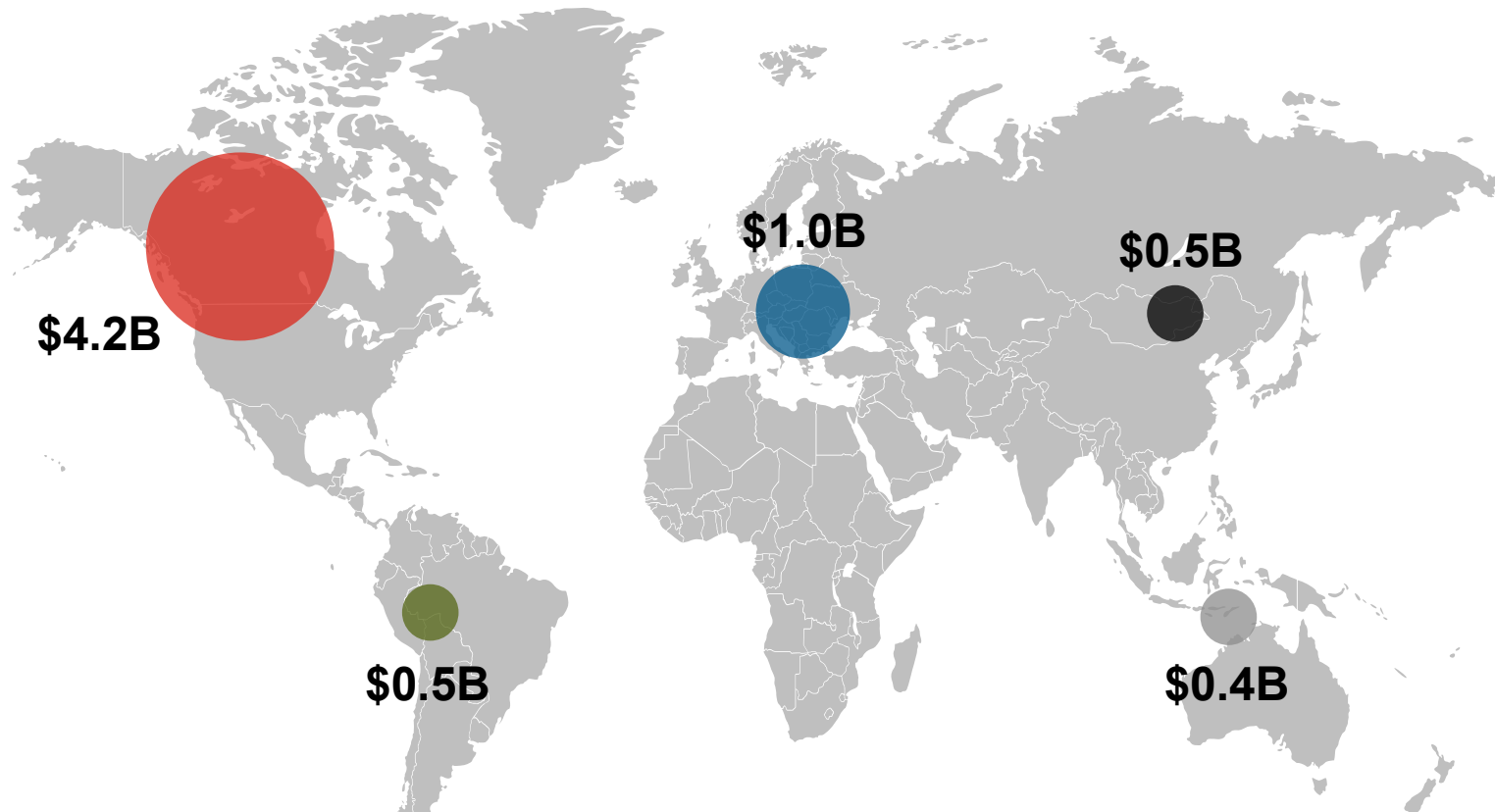
6.3% Revenue CAGR

Driven by:

- Content expansion
- Regional expansion
- Increased customer demand
- Emissions reduction

TRACK RECORD OF OUTGROWING THE SEGMENTS WE SERVE WHILE DELIVERING STRONG RETURNS

2000 **\$6.6B**



Represents consolidated revenue

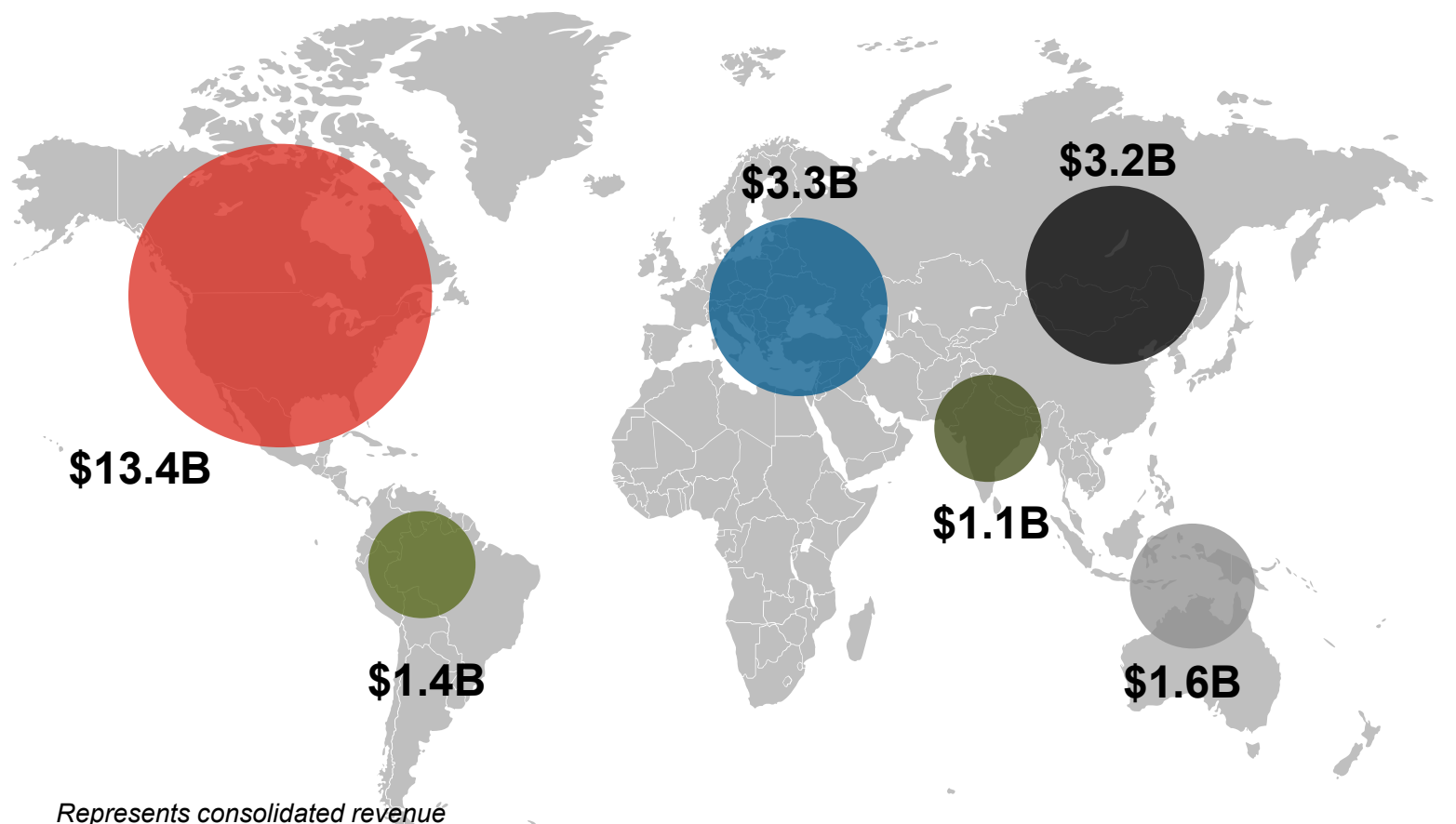
Revenue by segment

	2000
Engine	\$3.8B
Components	\$0.9B
Distribution	\$0.6B
Power Systems	\$1.6B
New Power	-
Elims	(\$0.3B)
CMI Total	\$6.6B
CMI EBITDA	\$0.5B

2000 financials adjusted to approximately align with current company structure
2000 EBITDA excludes restructuring charges

TRACK RECORD OF OUTGROWING THE SEGMENTS WE SERVE WHILE DELIVERING STRONG RETURNS

2021 **\$24.0B**



Represents consolidated revenue

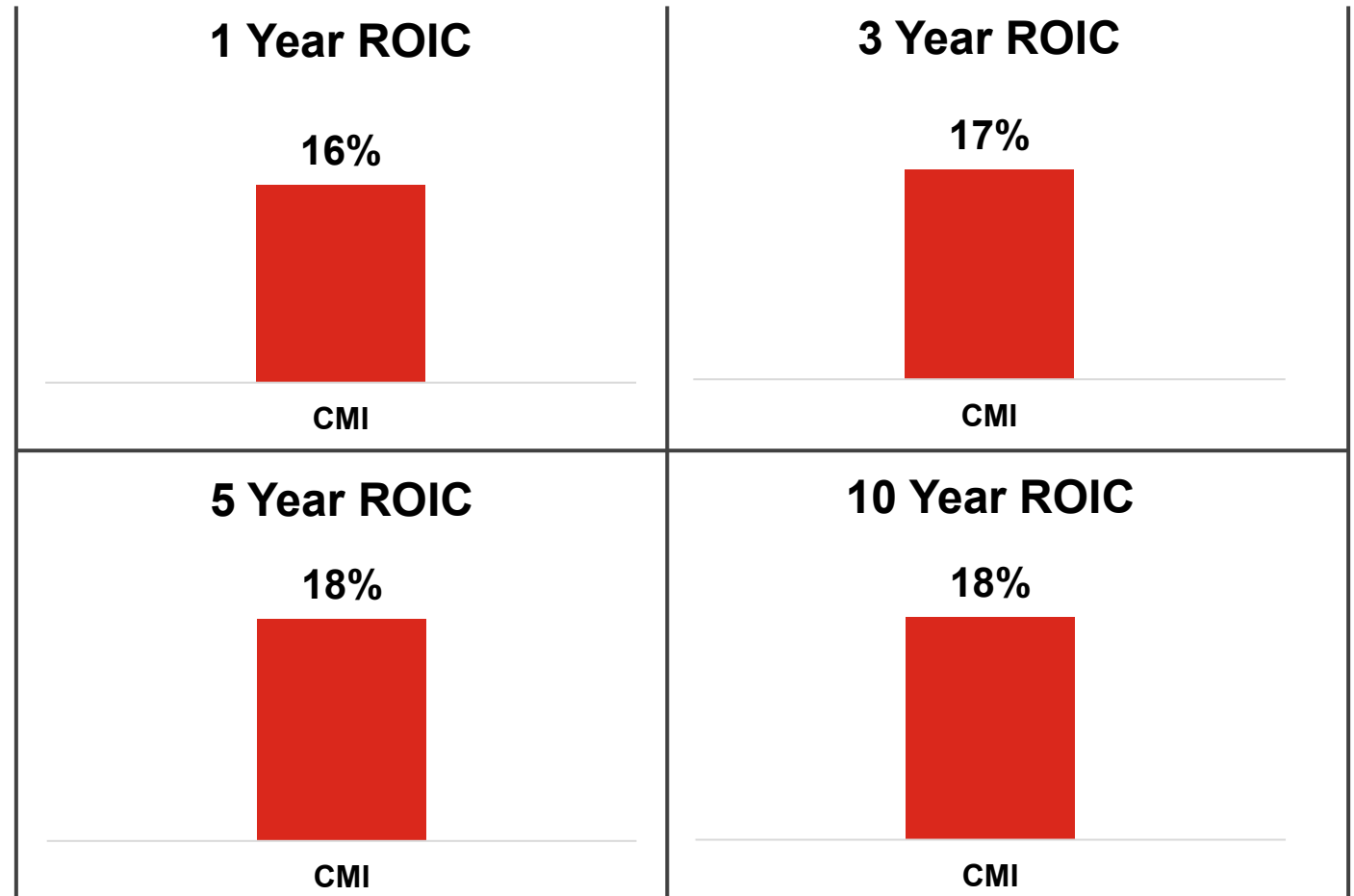
Revenue by segment

	2000	2021	
Engine	\$3.8B	\$10.0B	
Components	\$0.9B	\$7.7B	
Distribution	\$0.6B	\$7.8B	
Power Systems	\$1.6B	\$4.4B	
New Power	-	\$0.1B	
Elims	(\$0.3B)	(\$6.0B)	
CMI Total	\$6.6B	\$24.0B	3.6x
CMI EBITDA	\$0.5B	\$3.5B	7x

Engine and Power Systems aligned to current segment structure
2000 EBITDA excludes restructuring charges

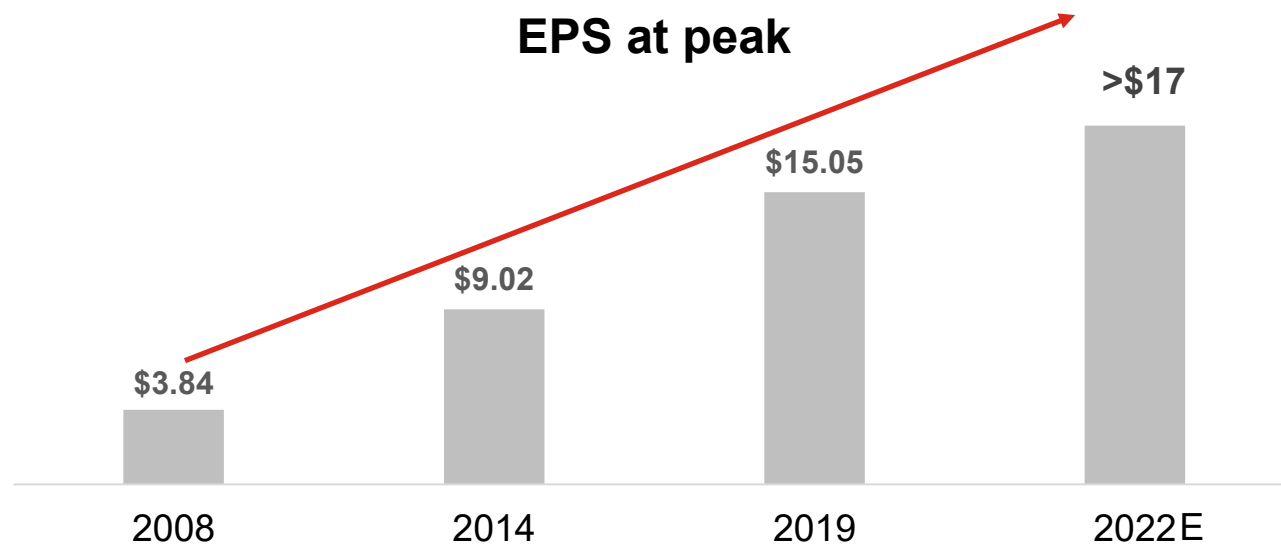
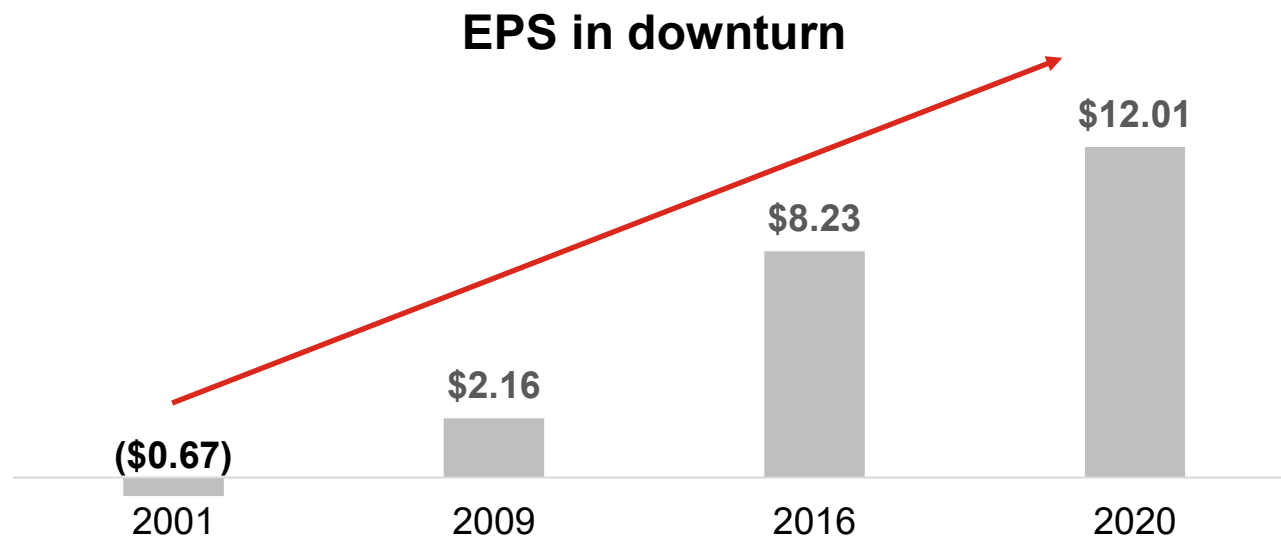
TRACK RECORD OF OUTGROWING THE SEGMENTS WE SERVE WHILE DELIVERING STRONG RETURNS

1st quartile ROIC vs. peer group across all periods



*ROIC, return on invested capital is defined as net operating profit after tax divided by average total capital, excluding pensions and one-time items

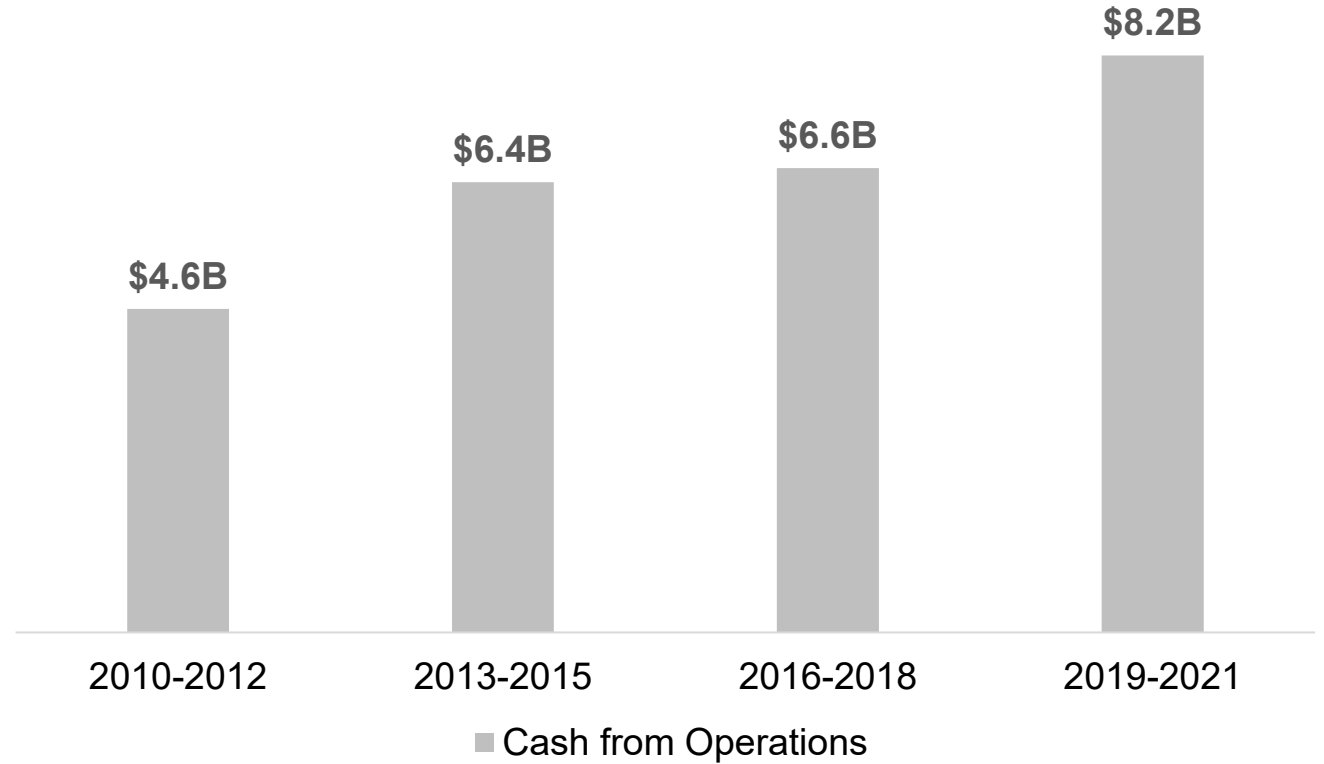
RAISING PERFORMANCE CYCLE OVER CYCLE



EPS = Diluted Earnings per Share
Historical EPS is adjusted to reflect stock splits
2019 EPS excludes \$90 million (after-tax) of restructuring charges
2022 EPS estimate excludes acquisition of Meritor

**YIELDING
CONSISTENTLY
STRONG OPERATING
CASH FLOW LEVELS**

Cash from Operations



RETURNING RECORD LEVELS OF CASH TO SHAREHOLDERS

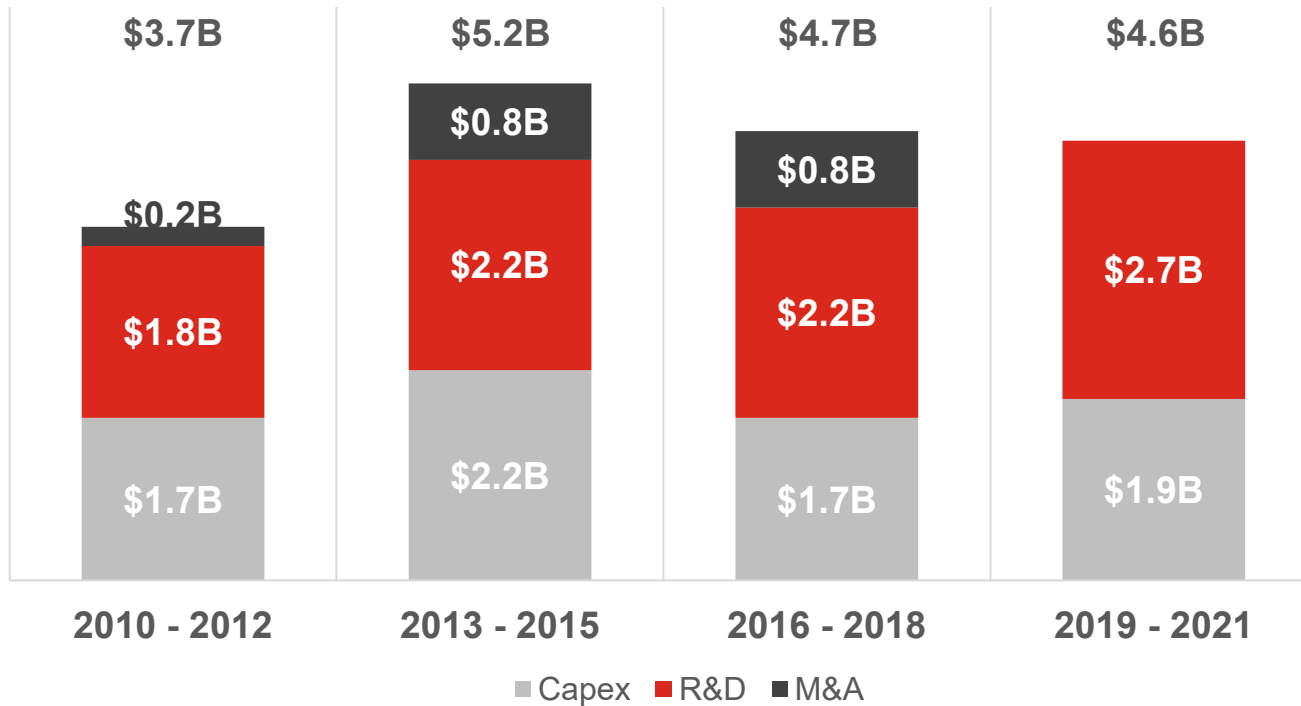
5% average annual shareholder return from dividends and share repurchases

Cash returned to shareholders



WHILE INVESTING ACROSS OUR BASE BUSINESS AND NEW POWER

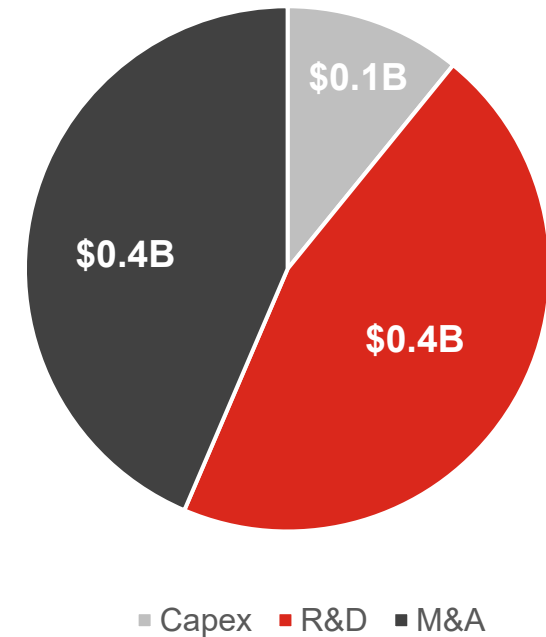
Base business



Disciplined approach to investment

New Power

Cumulative investment to date



Industry leader in zero emissions investment

WE'VE INVESTED HEAVILY TO ESTABLISH A DIVERSE MANAGEMENT TEAM BEST EQUIPPED TO LEAD US THROUGH THIS TRANSITION



Individual and team programs



Leadership behaviors



Leadership culture



DECARBONIZATION IS A GROWTH OPPORTUNITY FOR CUMMINS

And we are well positioned to generate strong returns while leading in the transition to zero emissions

WHY CUMMINS WILL WIN

- Innovative technologies
- Collaborative relationships with stakeholders and partners
- Application knowledge and customer trust
- Power of the incumbent and agility of a startup
- Skilled talent and leadership

COO Comments

Jennifer Rumsey

PRESIDENT AND CHIEF OPERATING OFFICER



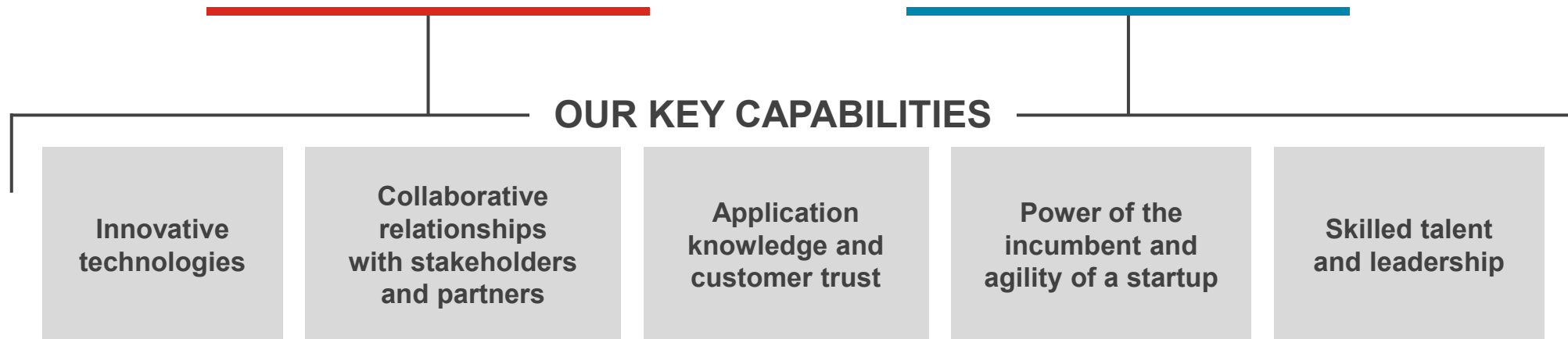
OUR KEY CAPABILITIES POSITION CUMMINS TO WIN IN BOTH OUR BASE AND NEW POWER BUSINESSES

BASE BUSINESS

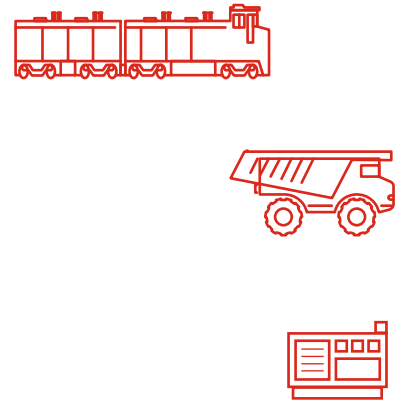
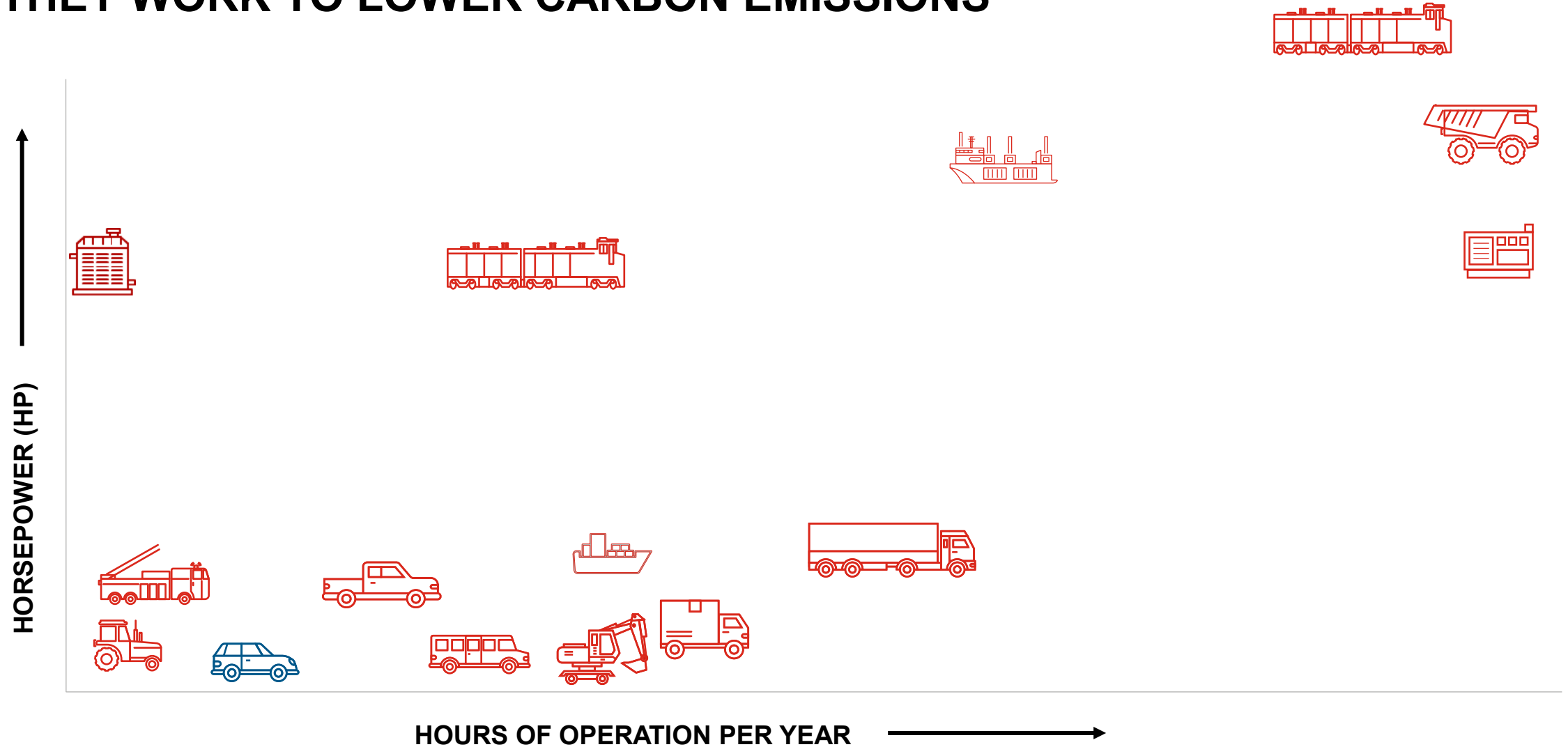
- Expand presence in core segments
- Invest in differentiated technologies
- Grow in aftermarket
- Generate strong cashflow

NEW POWER

- Invest in differentiated technologies
- Replicate our powertrain position
- Expand into strategic adjacencies
- Sustain growth well into future



WE SERVE A BROAD ARRAY OF CUSTOMERS AND APPLICATIONS FACING UNIQUE CHALLENGES AS THEY WORK TO LOWER CARBON EMISSIONS



WITH THE RATE OF ADOPTION PACED BY MULTIPLE FACTORS



Infrastructure



Economics



**Customer
acceptance**



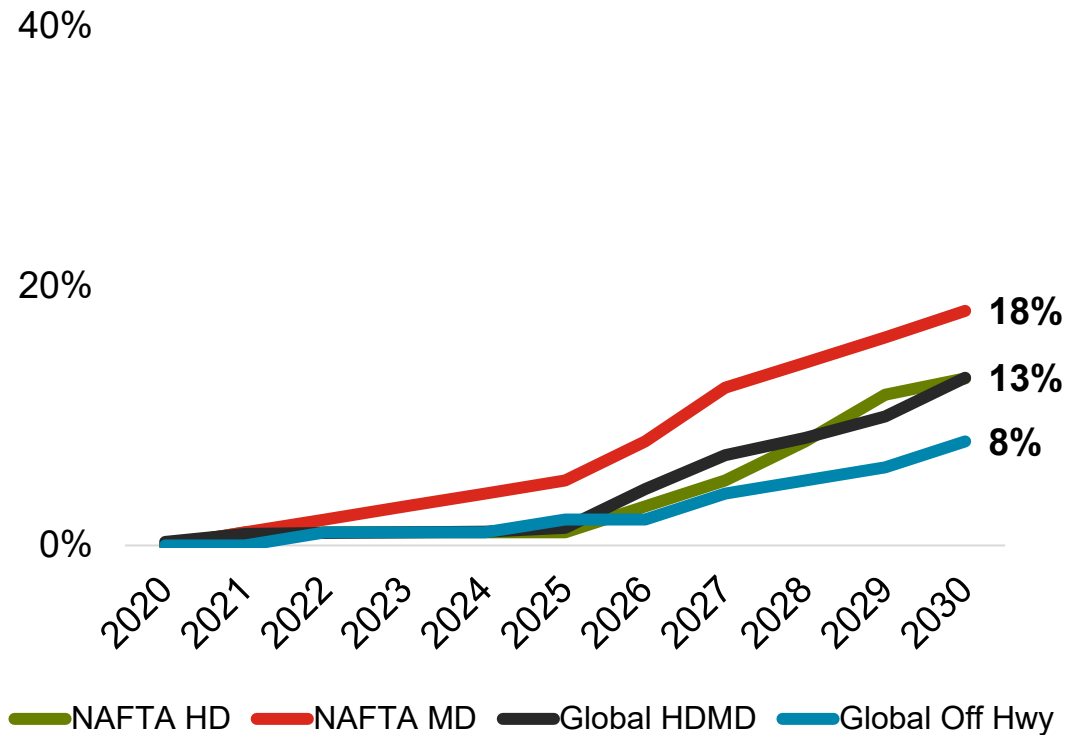
Regulations

FACTORS GREATLY INFLUENCE VIABILITY OF NEW TECHNOLOGIES



ACROSS THESE APPLICATIONS, ZEV ADOPTION WILL VARY IN PACE AND FORM OF TECHNOLOGY

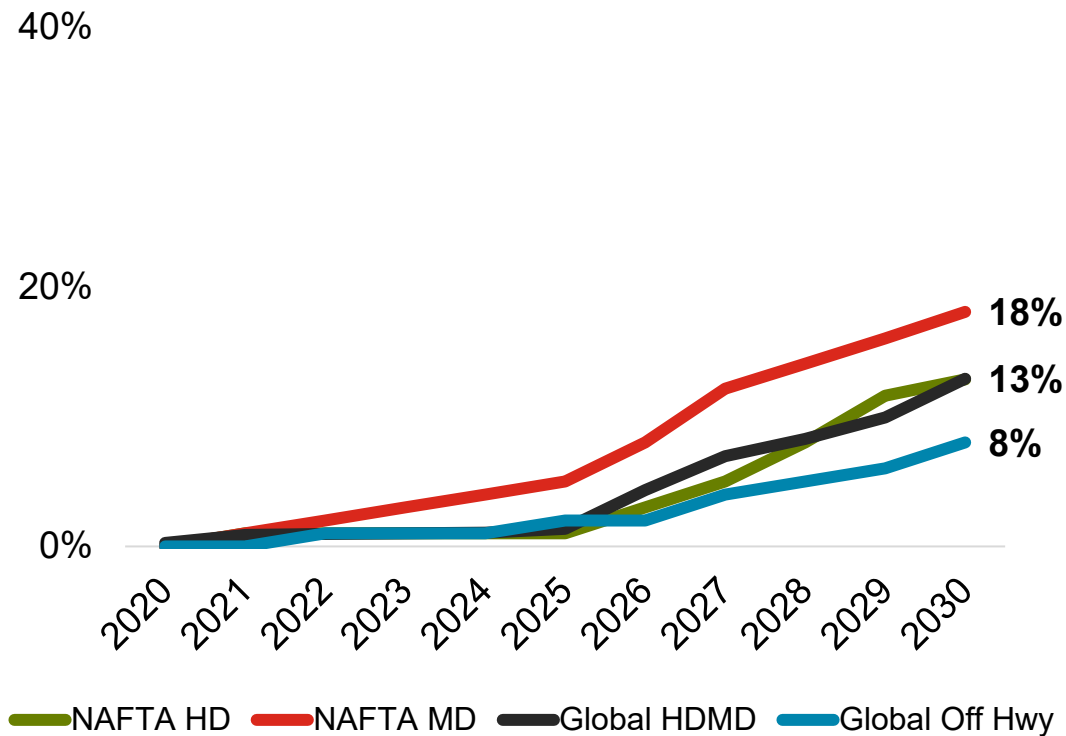
Slower adoption
ZEV adoption curve (%)



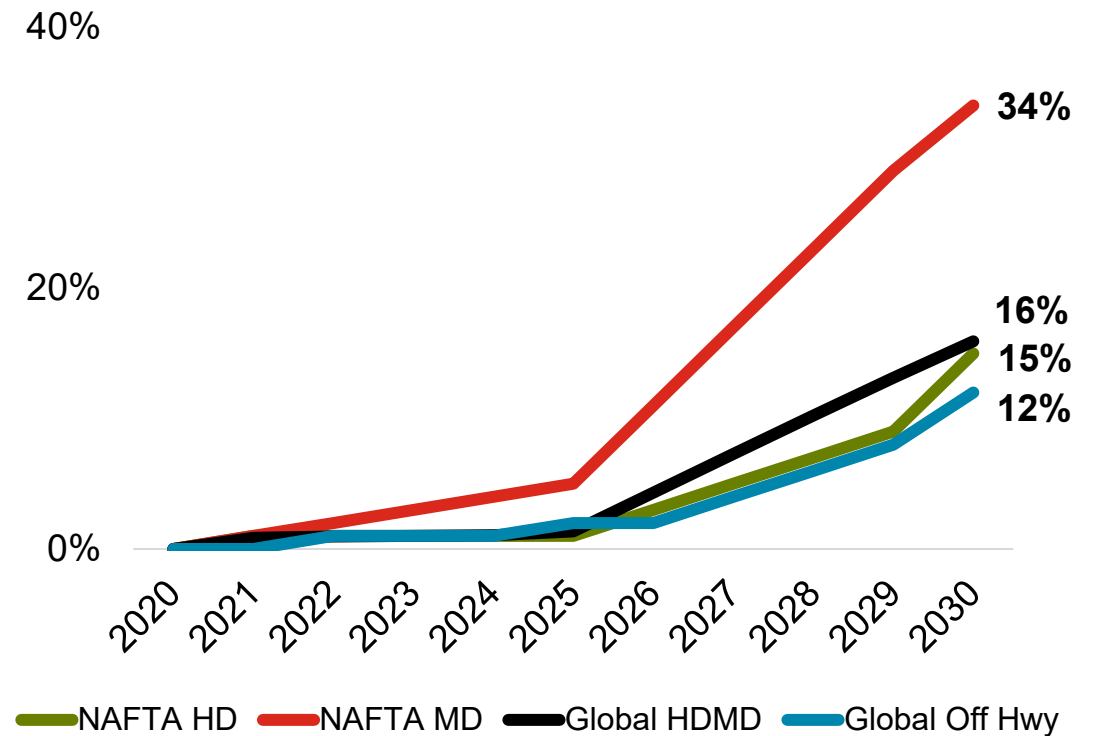
- 1 Limited adoption this decade
- 2 Medium duty truck and bus will transition first
- 3 The form of technology will vary across regions and application
- 4 There is a range of adoption scenarios, and a lot is still uncertain

ZEV ADOPTION WILL VARY IN PACE AND FORM OF TECHNOLOGY AND ONLY CUMMINS HAS THE CAPABILITIES TO RESPOND AND DELIVER

Slower adoption
ZEV adoption curve (%)

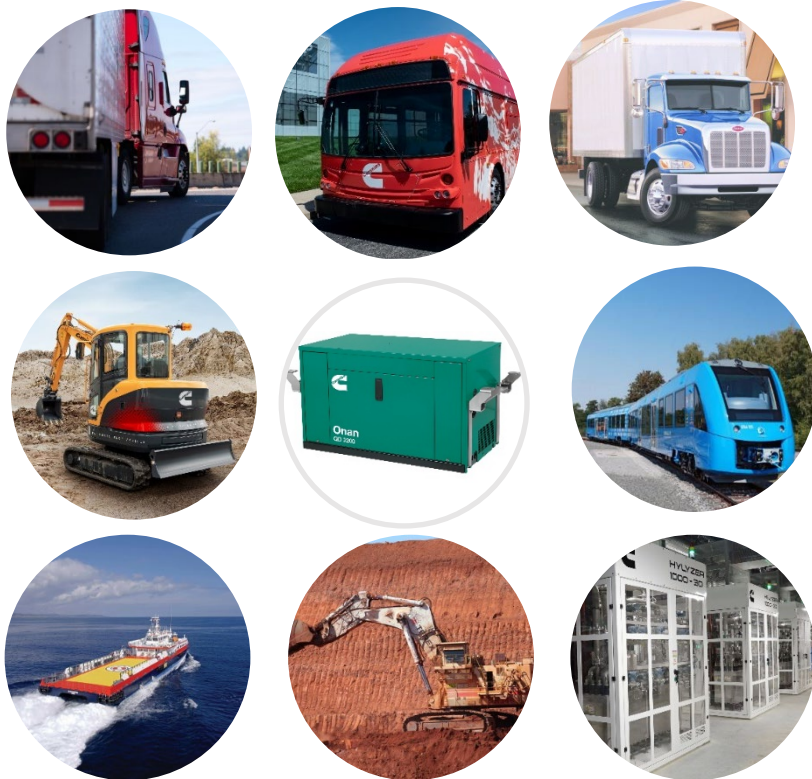


Faster adoption
ZEV adoption curve (%)



ONLY CUMMINS HAS THE PORTFOLIO OF KEY TECHNOLOGIES AND THE AGILITY NECESSARY TO ENABLE OUR CUSTOMERS THROUGH THIS TRANSITION

Applications



Technologies

DIESEL

NATURAL GAS

PROPANE

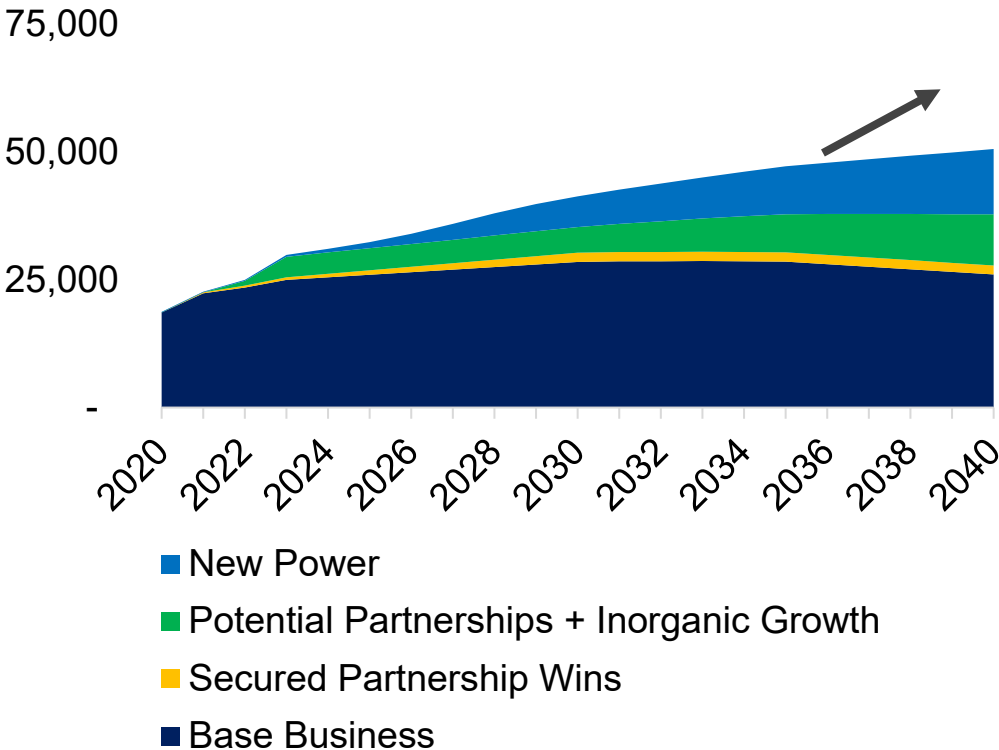
HYDROGEN

FUEL CELL

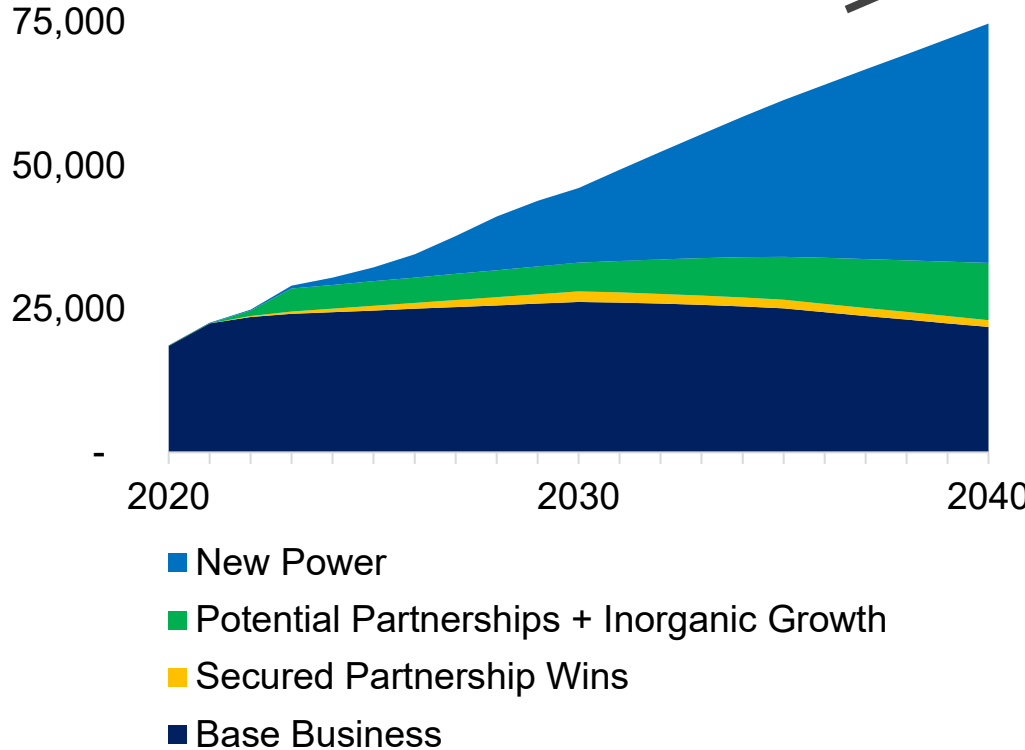
BATTERY SYSTEMS

DRIVING MARKET OUTGROWTH REGARDLESS OF THE PACE OF ADOPTION AND THE DOMINANT TECH

Slower ZEV adoption
Cummins revenue (\$m)



Faster ZEV adoption
Cummins revenue (\$m)



Cases based on external sources and internal analysis
Excludes Filtration and includes Meritor acquisition

OUR FINANCIAL TARGETS

BASE BUSINESS*



\$33-\$35B in revenue in 2030

>\$30B cash from operations
from 2022-2030

>20% incremental EBITDA
growth

NEW POWER



\$6-\$13B in revenue in 2030

~\$1.3B cash outflow from
operations from 2022-2027

Breakeven in 2027

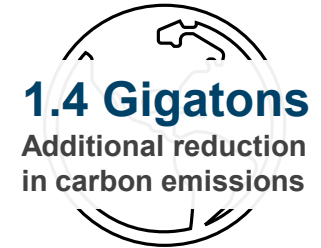
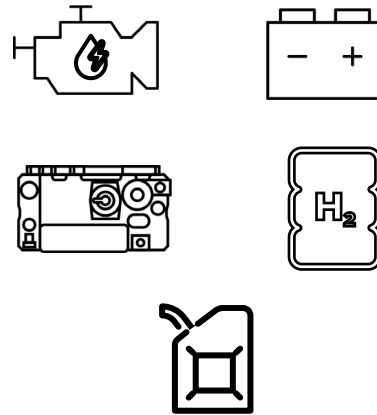
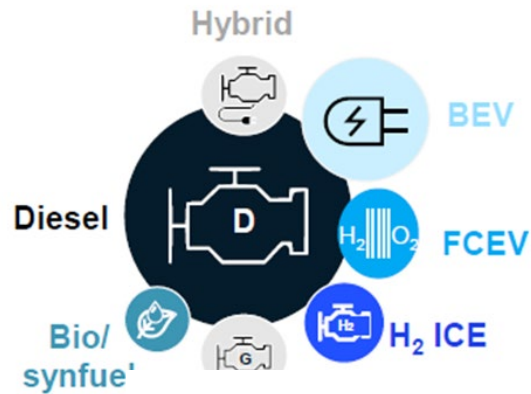
CUMMINS



\$41-\$46B in revenue in 2030

*Base business excludes Filtration
Targets include impact of Meritor acquisition

BY PRIORITIZING THE BEST SOLUTIONS FOR OUR VARIETY OF END MARKETS AND CUSTOMERS, WE CAN LOWER EMISSIONS FASTER



= removing all trucks from the road for 3 years

Lower emissions today with a mix of advanced ICE and zero-emissions solutions

Advance low-carbon technologies

Greater cumulative carbon reduction than waiting until 2035 with all ZEV

OUR KEY CAPABILITIES POSITION US TO WIN IN OUR BASE

BASE BUSINESS

- Expand presence in core segments
- Invest in differentiated technologies
- Grow in aftermarket
- Generate strong cashflow



OUR KEY CAPABILITIES

Innovative technologies

Collaborative relationships with stakeholders and partners

Application knowledge and customer trust

Power of the incumbent and agility of a startup

Skilled talent and leadership

WE ARE A PROVEN, RELIABLE PARTNER WITH MANY LEADING COMPANIES AND OEMS AROUND THE GLOBE



Top customers globally but not an exhaustive list of global partnerships. Companies listed in no particular order.

WE ARE UNIQUELY POSITIONED TO HELP OUR CUSTOMERS SUCCEED



Global service

Providing world-class customer support with 38,000 certified technicians around the globe



Technical expertise

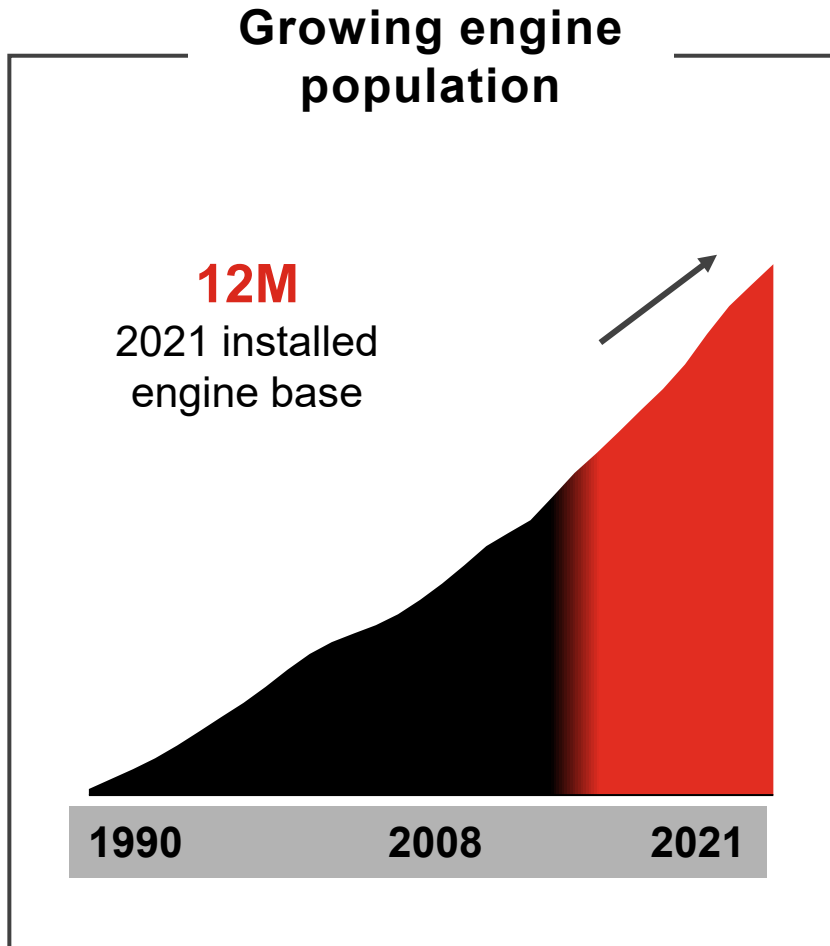
Ensuring each of our customers is equipped with the right technology at the right time to get their jobs done



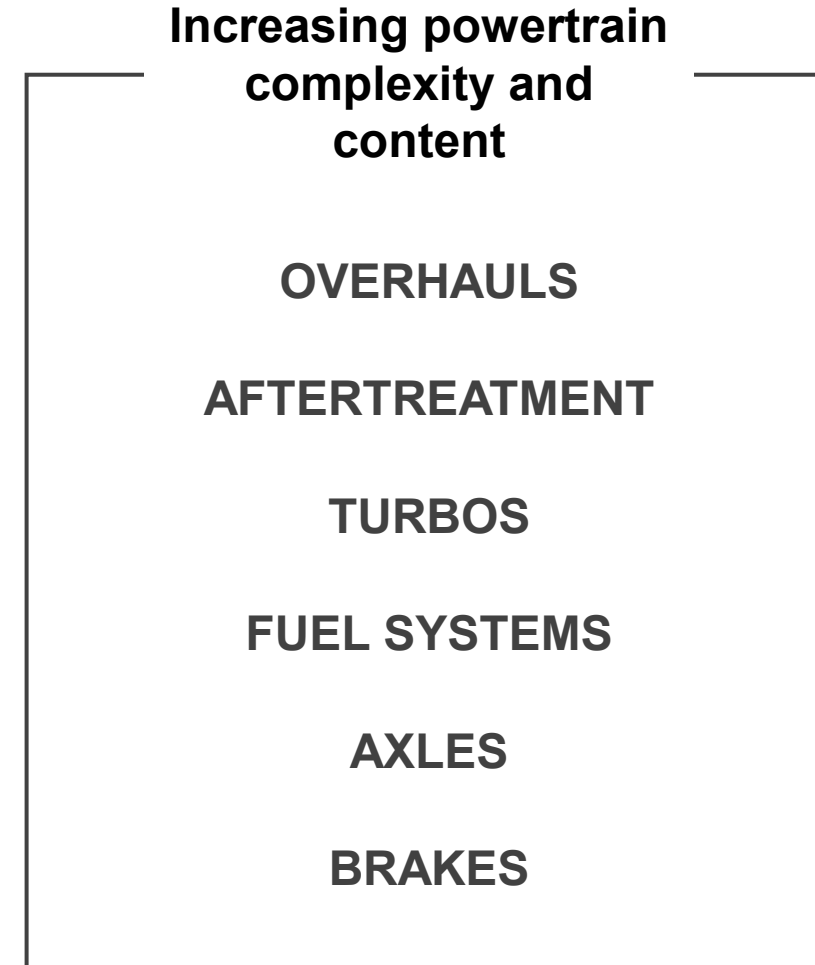
Optimized performance

Driving efficiency through digital solutions, advanced analytics and systems integration

AFTERMARKET WILL CONTINUE TO GROW FOR MORE THAN A DECADE

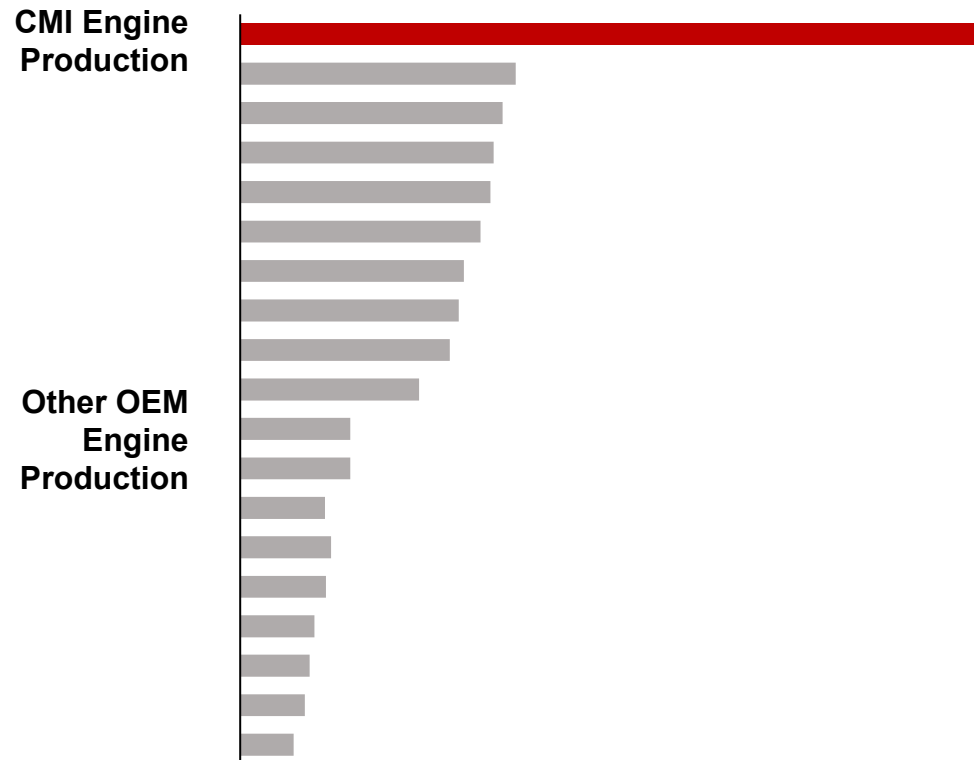


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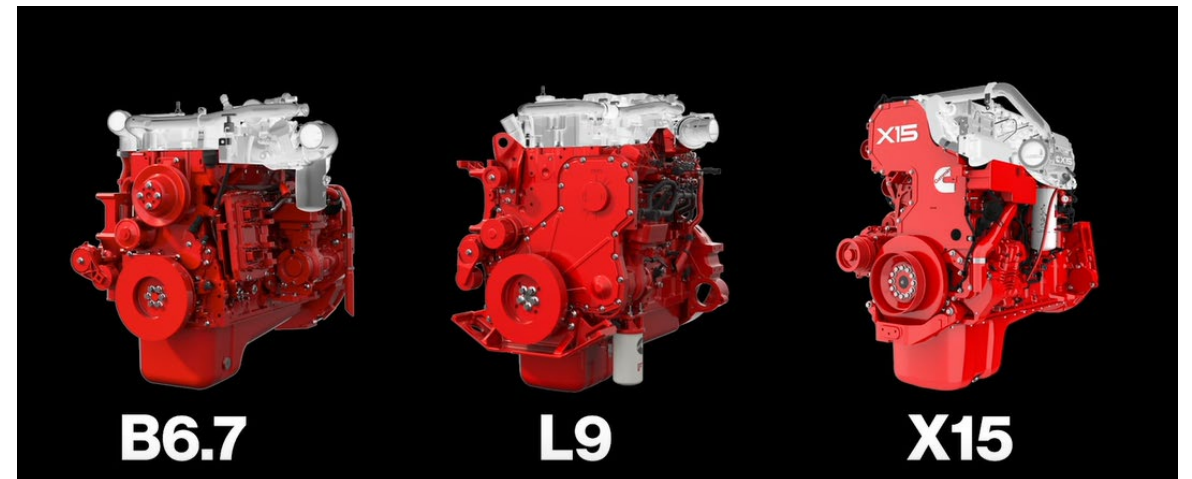


OUR GLOBAL SCALE POSITIONS US TO EXPAND PRESENCE WITH EXISTING OEMs AND PARTNER WITH NEW ONES

INDUSTRY-LEADING SCALE



FUEL AGNOSTIC PLATFORM



OUR FINANCIAL TARGETS

BASE BUSINESS*



\$33-\$35B in revenue in 2030

>\$30B cash from operations
from 2022-2030

>20% incremental
EBITDA growth

NEW POWER



\$6-\$13B in revenue in 2030

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operations from 2022-2027

Breakeven in 2027

CUMMINS



\$41-\$46B in revenue in 2030

**Base business excludes Filtration
Targets include impact of Meritor acquisition*

New Power

Amy Davis

VICE PRESIDENT AND PRESIDENT—NEW POWER

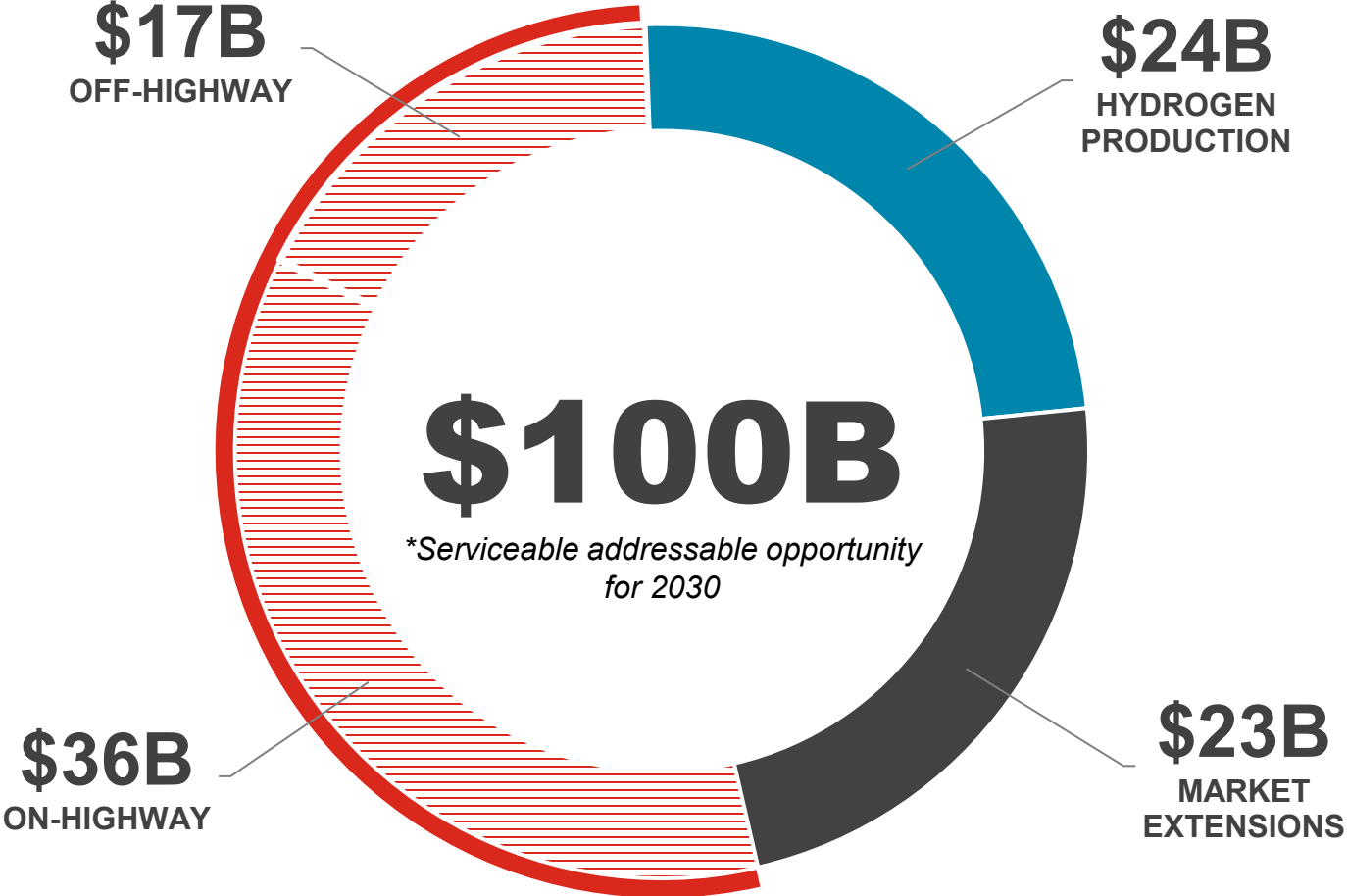


NEW POWER

Our purpose

**TO ACCELERATE ADOPTION OF ZERO EMISSIONS,
ZERO CARBON SOLUTIONS FOR THE WORLD.**

OUR ADDRESSABLE OPPORTUNITY NEARLY DOUBLES IN SIZE



ACCELERATING WITH A STARTUP MINDSET

**Development
cycles for speed**

**Vehicle build
capability**

**Infusion of
outside talent**

**Operational
autonomy**

LEVERAGING OUR EXTENSIVE DISTRIBUTION NETWORK TO SUPPORT AND WIN CUSTOMERS

190+

COUNTRIES
AND
TERRITORIES

500

DISTRIBUTOR
LOCATIONS

6000+

MOBILE
MAINTENANCE
UNITS

7-9GW

PROJECTS
COMMISSIONED
ANNUALLY

TRANSITIONING CUSTOMERS AND GROWING OUR SCOPE OF SUPPLY

CORE MARKETS



A SINGLE SOLUTION WILL NOT WIN IN THESE HARD-WORKING, HARD-TO-ABATE SECTORS



HEAVY-DUTY TRUCK



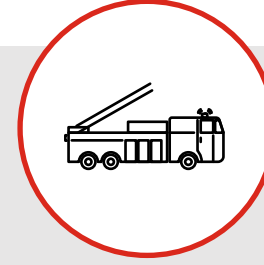
MEDIUM-DUTY TRUCK



BUS



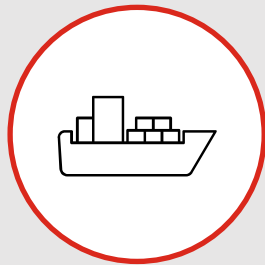
OIL AND GAS



FIRE AND EMERGENCY



CONSTRUCTION



MARINE



MINING



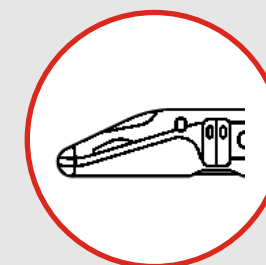
POWER GENERATION



DEFENSE

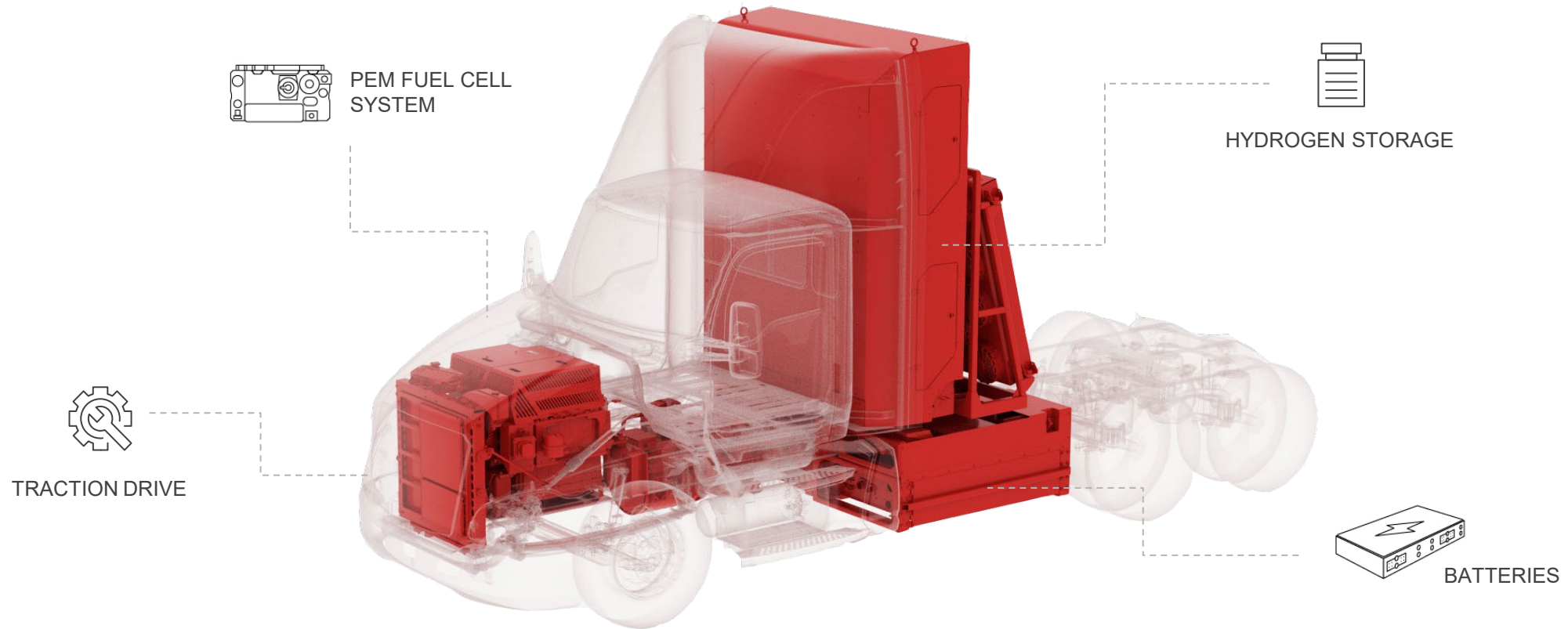


AGRICULTURE



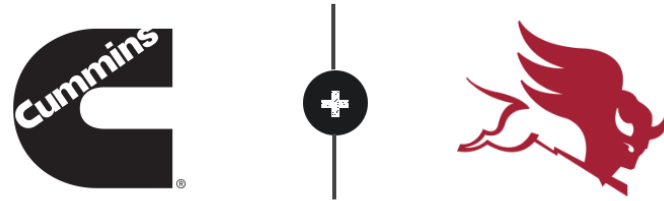
RAIL

POSITIONED AS BOTH AN INTEGRATOR AND COMPONENTS SUPPLIER TO INCREASE SCOPE OF SUPPLY AND REVENUE



BATTERIES + PEM FUEL CELLS + TRACTION DRIVE + HYDROGEN STORAGE

STRENGTHENING OUR POSITION IN E-MOBILITY



- Key technologies enable us to compete in traction opportunities
- eAxle is a critical integration point for energy conversion and power management, creating packaging and performance differentiation and long-lasting customer engagement
- Traction system adds to existing battery and fuel cell portfolio to provide complete ZEV powertrain and key components, supporting system level optimization for better efficiency

On February 22, Cummins announced an agreement to acquire Meritor. The transaction is subject to customary closing conditions and receipt of applicable regulatory approvals and Meritor's shareholder approval.

DEPLOYING ZERO-EMISSIONS TECHNOLOGIES WITH TRUSTED CUSTOMERS AND PARTNERS

GILLIG

SCANIA

ISUZU

NAVISTAR

ELDORADO

XCMG

KALMAR

PACCAR

ALSTOM

KOMATSU

FAUN

BLUE BIRD

HYUNDAI
CONSTRUCTION EQUIPMENT

Altec

TICO

LETENDA

FedEx

FritoLay
Good fun!

PENSKE

AIR PRODUCTS

Purolator

UNITED STATES
POSTAL SERVICE

WERNER
ENTERPRISES

DELIVERING REAL-WORLD RESULTS FOR OUR CUSTOMERS



6200+
battery modules and packs deployed

Launched BEV system for terminal tractor with multiple OEMs



West Sacramento, California – supporting vehicle integration and demo builds

Herten, Germany – scaling fuel cell system manufacturing

500+
BEV buses moving communities forward

1st:

- Hydrogen-powered passenger train
- Vehicle-to-grid production school buses
- Multi-passenger hydrogen-powered all-electric airplane

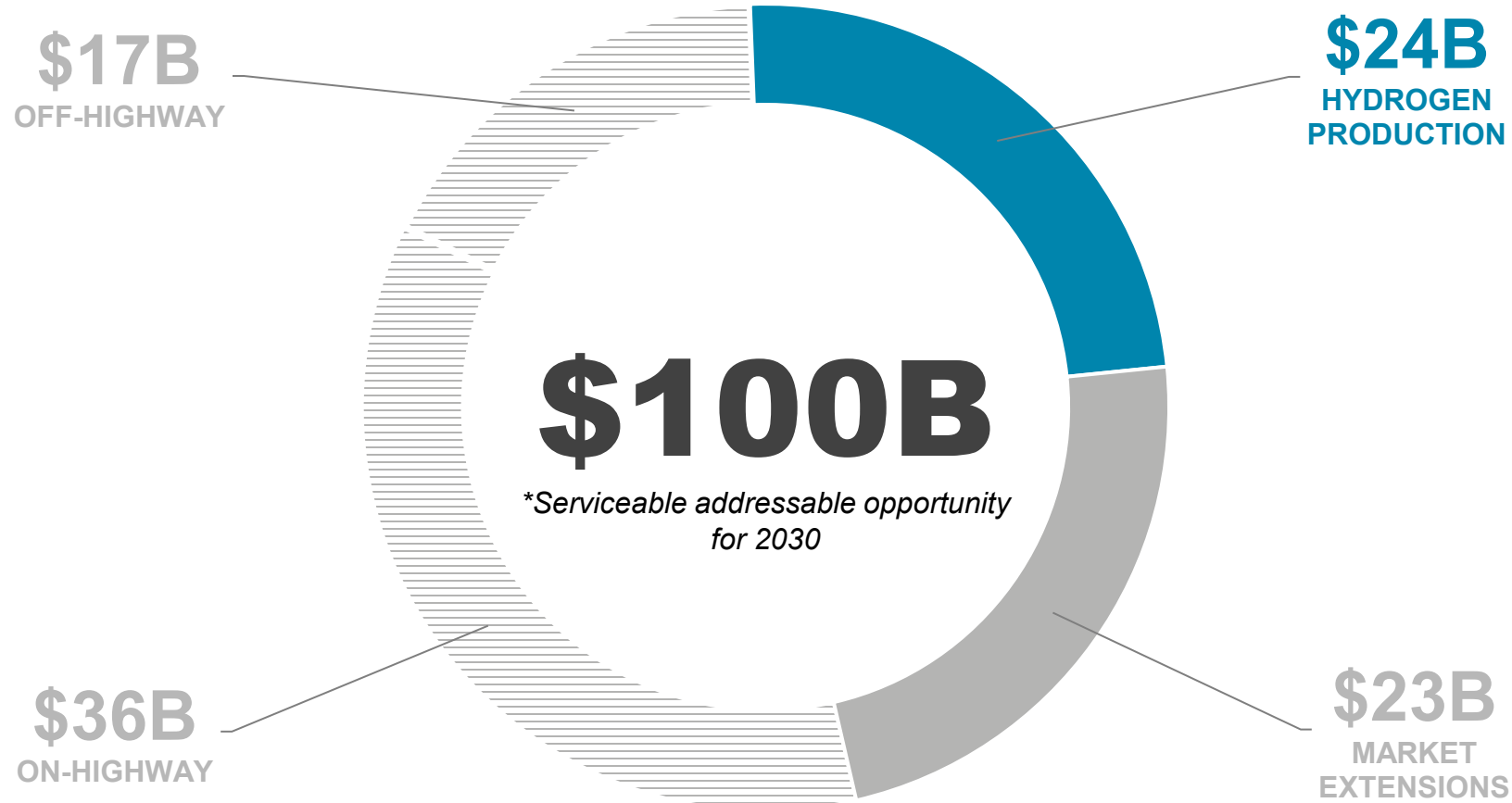


2000+
fuel cells deployed

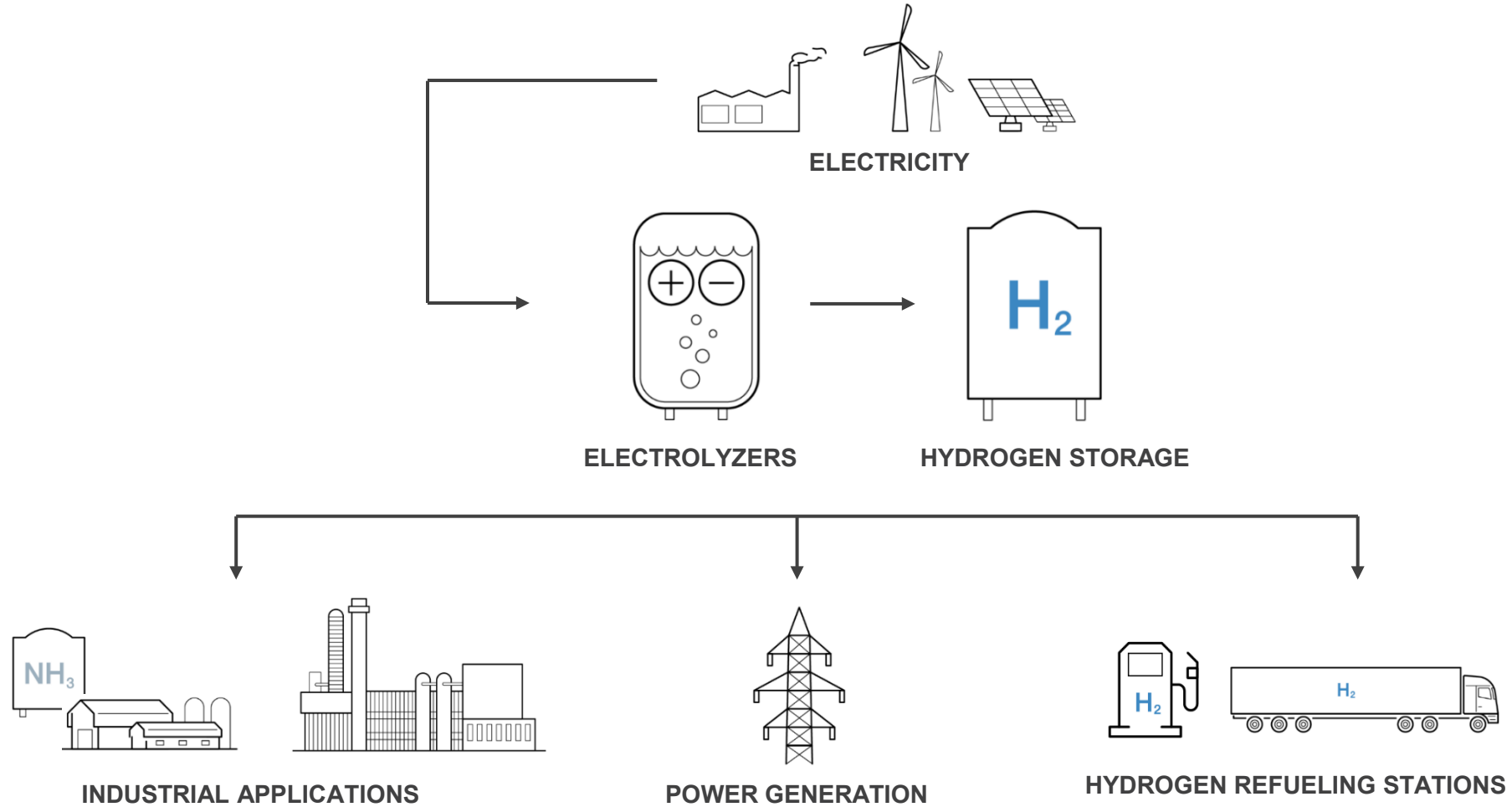


ACCELERATING THE HYDROGEN ECONOMY PRESENTS THE SINGLE BIGGEST OUTGROWTH OPPORTUNITY

HYDROGEN PRODUCTION



MOMENTUM TO DECARBONIZE THE EXISTING HYDROGEN MARKET PROVIDES SIGNIFICANT NEAR-TERM WINS



THE BROADEST ELECTROLYSIS PORTFOLIO WITH THE EXPERIENCE TO BACK IT UP



Alkaline



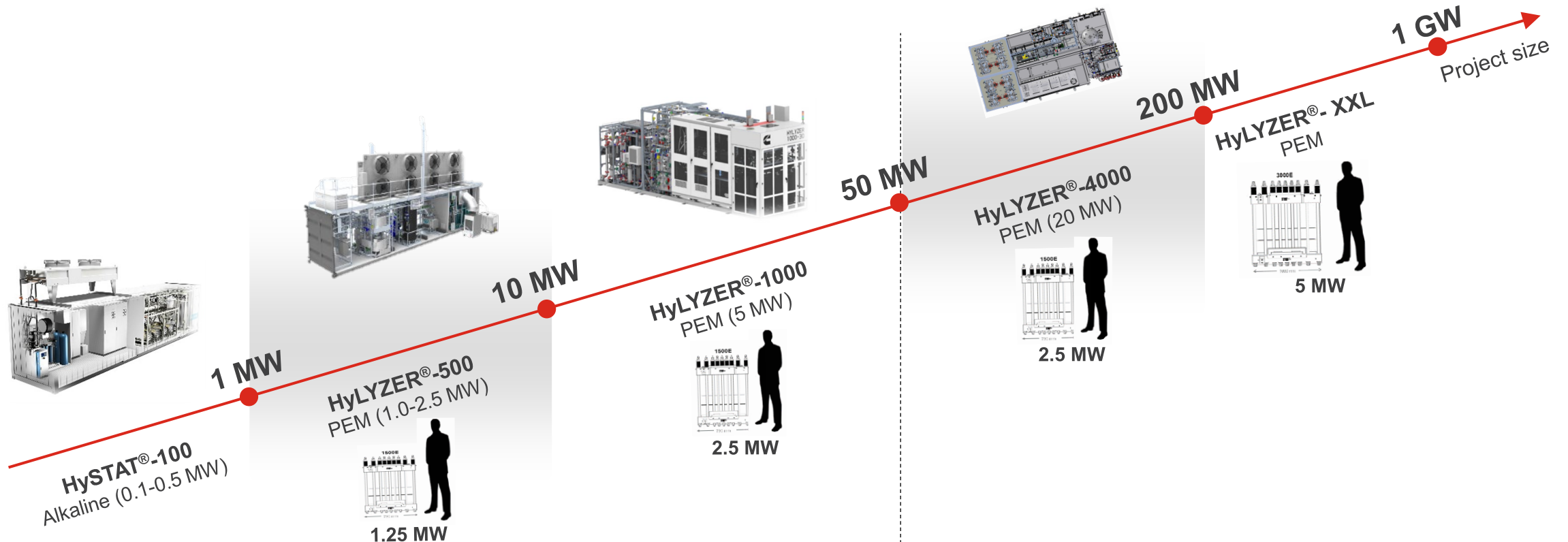
Solid Oxide



PEM

WE KNOW HOW TO SCALE THE INDUSTRY'S MOST EFFICIENT PEM ELECTROLYSIS

FROM THE FIRST MEGAWATT STACK TO THE LARGEST PEM ELECTROLYZER IN THE WORLD – WE'RE READY TO SCALE TO 1GW



COMMERCIALY AVAILABLE TODAY

QUOTING FOR 2023 PRODUCTION

EXPANDING CAPACITY ON THREE CONTINENTS



manufacturing across **3** continents
regionalized supply chain ▪ localized requirements ▪ close to customers

2+
GIGAWATTS

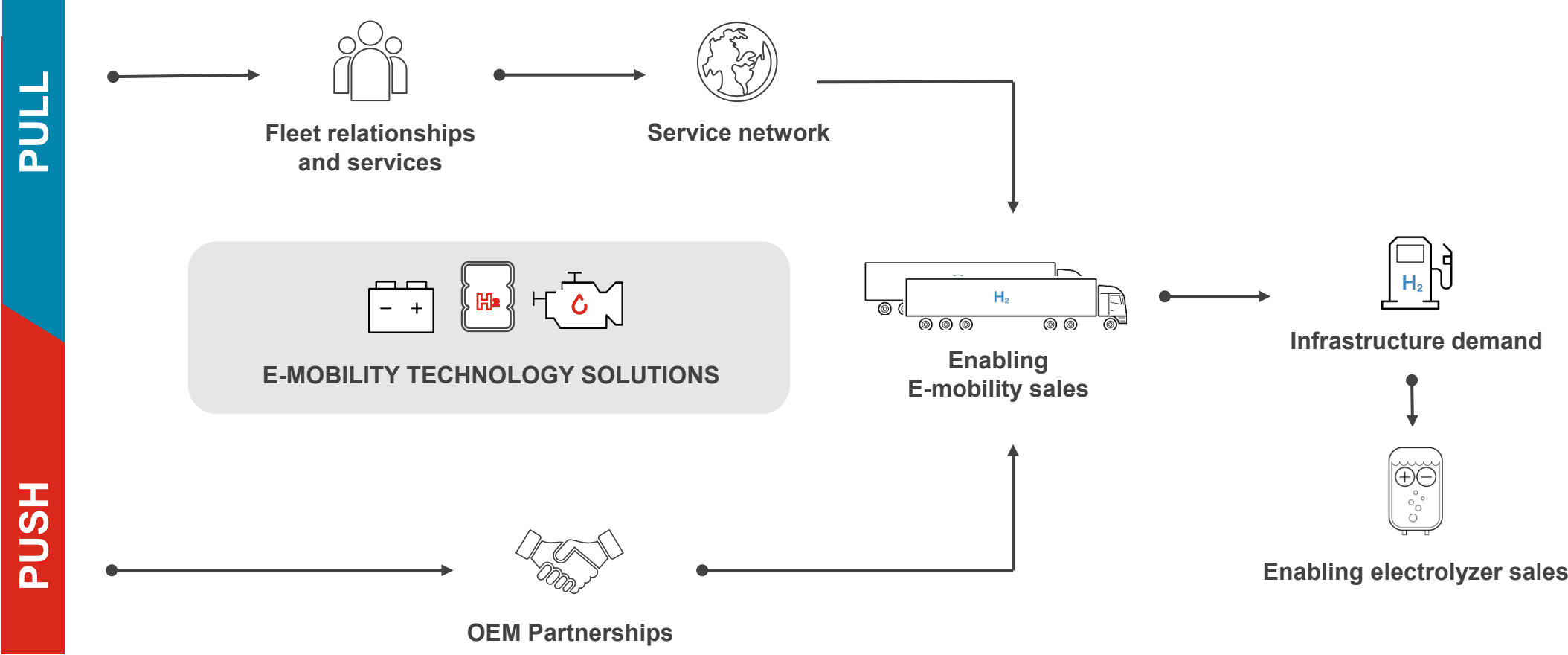
electrolyzer manufacturing capacity globally by 2023



STRATEGIC PARTNERSHIPS WITH INDUSTRY LEADERS

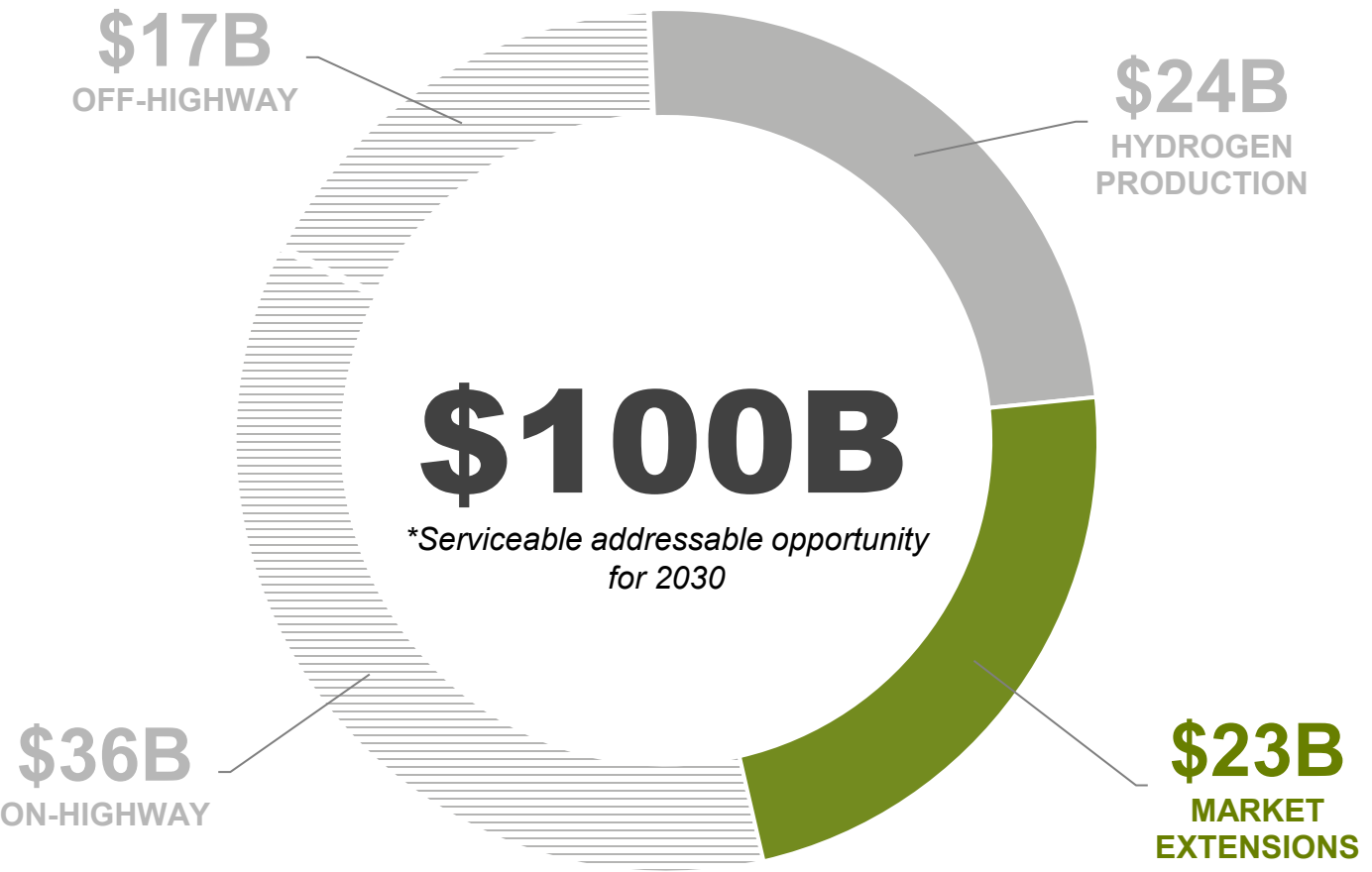


BRINGING IT ALL TOGETHER FOR SYNERGY ACROSS SEGMENTS



SEIZING STRATEGIC OPPORTUNITIES TO LEVERAGE TECHNOLOGIES

MARKET EXTENSIONS



MARKET EXTENSIONS PROVIDE LARGE GROWTH OPPORTUNITIES WITH MINIMAL INVESTMENT



LIGHT COMMERCIAL VEHICLE

BEV drivetrain systems for class 2b-3 last mile delivery vans and class 4-5 cab chassis



MARINE

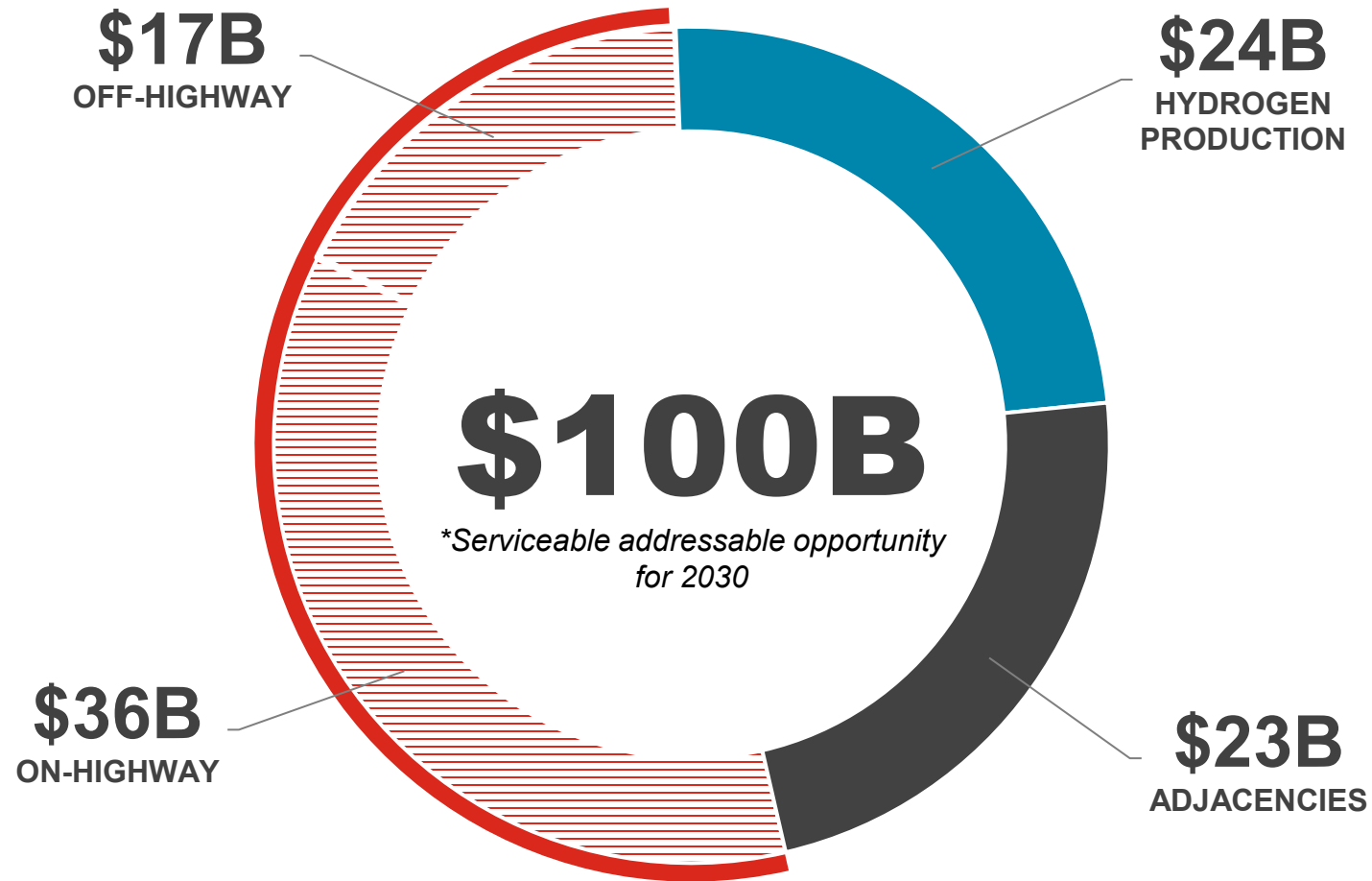
PEM and solid oxide fuel cell system supplier for container ships, cruise ships, ferries and water taxis



STATIONARY POWER

Batteries, solid oxide and PEM fuel cell systems for microgrids, multi-megawatt power plants and combined heat and power

NEW POWER WILL DELIVER SIGNIFICANT GROWTH



NEW POWER
2030 ANNUAL
REVENUE

\$6
TO
\$13
BILLION

DELIVERING MAXIMUM VALUE: A PORTFOLIO OF COMPANIES IN ONE



BATTERY ELECTRIC



PEM FUEL CELL



ELECTROLYZERS



SOLID OXIDE FUEL CELL



Summary

Tom Linebarger

CHAIRMAN AND CHIEF EXECUTIVE OFFICER



OUR FINANCIAL TARGETS

BASE BUSINESS*

\$33-\$35B in revenue in 2030

>\$30B cash from operations
from 2022-2030

>20% incremental
EBITDA growth

NEW POWER

\$6-\$13B in revenue in 2030

~\$1.3B cash outflow from
operations from 2022-2027

Breakeven in 2027

CUMMINS

\$41-\$46B in revenue in 2030

**Base business excludes Filtration
Targets include impact of Meritor acquisition*

DECARBONIZATION IS A GROWTH OPPORTUNITY FOR CUMMINS

And we are well positioned to generate strong returns while leading in the transition to zero emissions

WHY CUMMINS WILL WIN

- Innovative technologies
- Collaborative relationships with stakeholders and partners
- Application knowledge and customer trust
- Power of the incumbent and agility of a startup
- Skilled talent and leadership

Appendix

Non-GAAP Reconciliation - EBITDA

	<u>Twelve Months Ended</u>	
In Millions	31-Dec-2021	
Net income attributable to Cummins Inc.	\$	2,131
Net income attributable to noncontrolling interests		33
Consolidated net income		2,164
Income tax expense		587
Income before taxes		2,751
Interest expense		111
EBIT		2,862
Depreciation and amortization		659
EBITDA		3,521
Less: Non-segment EBITDA		(74)
Total Segment EBITDA	\$	3,595

We define EBITDA as earnings before interest expense, provision for income taxes, depreciation & amortization, and non-controlling interests in earnings of consolidated subsidiaries. The table above reconciles EBITDA, a non-GAAP financial measure, to our consolidated earnings before income taxes and non-controlling interests, for each of the applicable periods. We believe EBITDA is a useful measure of our operating performance for the periods presented as it illustrates our operating performance without regard for financing methods, capital structure, income taxes, or depreciation & amortization methods. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.

Non-GAAP Reconciliation - EBITDA

In Millions	Twelve Months Ended	
	31-Dec-2000	
Net income attributable to Cummins Inc.	\$	8
Net income attributable to noncontrolling interests		14
Consolidated net income		22
Income tax expense		(19)
Income before taxes		3
Interest expense		86
EBIT		89
Depreciation and amortization		240
Total Segment EBITDA	\$	329
Restructuring Charges	\$	160
Total Segment EBITDA excluding restructuring charges	\$	489

We define EBITDA as earnings before interest expense, provision for income taxes, depreciation & amortization, and non-controlling interests in earnings of consolidated subsidiaries. The table above reconciles EBITDA, a non-GAAP financial measure, to our consolidated earnings before income taxes and non-controlling interests, for each of the applicable periods. We believe EBITDA is a useful measure of our operating performance for the periods presented as it illustrates our operating performance without regard for financing methods, capital structure, income taxes, or depreciation & amortization methods. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.

Non-GAAP Reconciliation - Invested Capital Used for Return on Invested Capital Calculation

In Millions		
	31-Dec-21	31-Dec-20
Total Equity	\$ 9,401	\$ 8,989
Less: Defined benefit postretirement plans	(346)	(735)
Equity used for return on invested capital calculation	9,747	9,724
Loans payable	208	169
Commercial paper	313	323
Current maturities of long-term debt	59	62
Long-term debt	3,579	3,610
Invested capital used for return on invested capital calculation	\$ 13,906	\$ 13,888

A reconciliation of invested capital used for return on invested capital calculation to total equity in our Condensed Consolidated Financial Statements is shown in the table above.

Reconciliation is representative of method used for other years shown in this deck

Non-GAAP Reconciliation - Net Operating Profit After Taxes Used for Return on Invested Capital Calculation

In Millions	Twelve Months Ended	
	31-Dec-21	
Net income attributable to Cummins Inc.	\$	2,131
Net income attributable to noncontrolling interests		33
Consolidated net income		2,164
Income tax expense		587
Income before taxes		2,751
Interest expense		111
EBIT		2,862
Less: Tax effect on EBIT		610
Net operating profit after taxes used for return on invested capital calculation	\$	2,252

A reconciliation of net operating profit after taxes used for return on invested capital calculation to net income attributable to Cummins Inc. in our Condensed Consolidated Financial Statements is shown in the table above.

Reconciliation is representative of method used for other years shown in this deck



Thank you for your interest.

FOR ADDITIONAL INFORMATION:

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