



First Quarter 2025 Earnings Teleconference

May 5th, 2025



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Disclosure Regarding Forward-Looking Statements

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 consequences resulting from entering into the Settlement Agreements, including required additional mitigation projects, adverse reputational impacts and potential resulting legal actions; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emission standards around the world; evolving environmental and climate change legislation and regulatory initiatives; changes in international, national and regional trade laws, regulations and policies; changes in taxation; global legal and ethical compliance costs and risks; 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, 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; climate change, global warming, more stringent climate change regulations, accords, mitigation efforts, greenhouse gas regulations or other legislation designed to address climate change; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions, divestitures or exiting the production of certain product lines or product categories and related uncertainties of such decisions; increasing interest rates; challenging markets for talent and ability to attract, develop and retain key personnel; exposure to potential security breaches or other disruptions to our information technology (IT) environment and data security; the use of artificial intelligence in our business and in our products and challenges with properly managing its use; 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; failure to meet sustainability expectations or standards, or achieve our sustainability goals; 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 2024 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 <https://www.sec.gov> or at <https://www.cummins.com> in the Investor Relations section of our website.

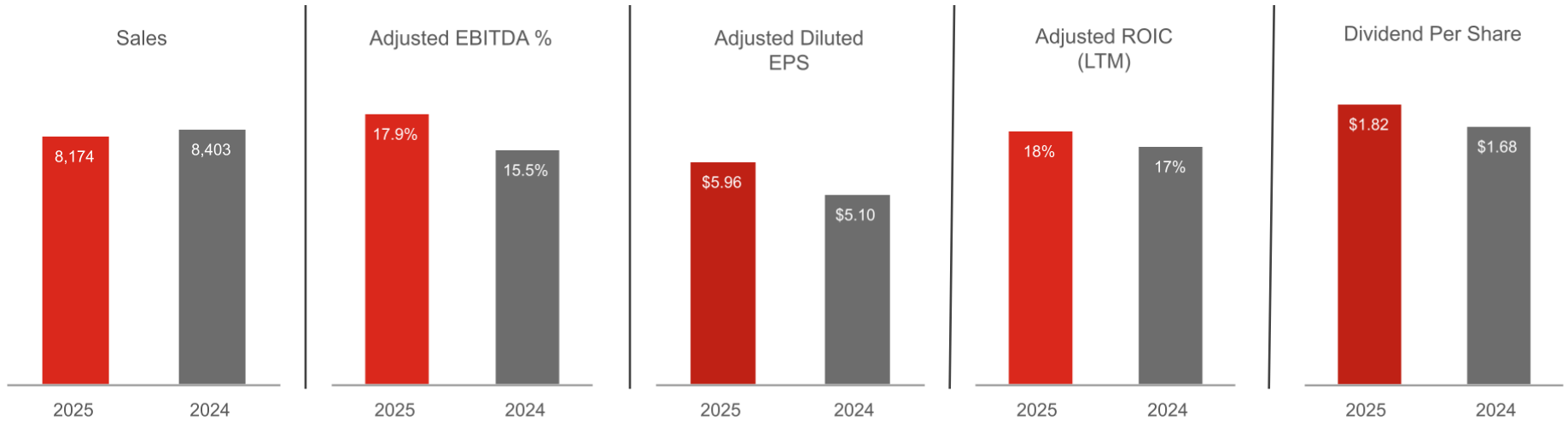
Q1 2025 Summary



Q1 2025 Summary

Performance Metric (\$M)	As Reported
Revenue	8,174
EBITDA	1,460
Net Income	824
EPS	\$5.96

Selected Financial Data - Quarter



All values in \$ millions (except where noted)
Please refer to the appendix for adjustment reconciliations

Q1 2025 Net Sales and EBITDA by Segment

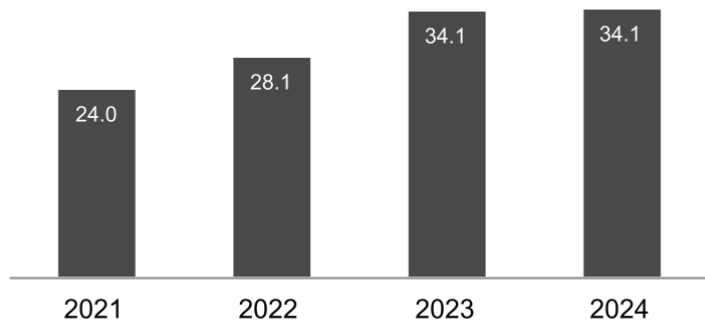
\$ Millions	Engine	Components	Distribution	Power Systems	Accelera	Intersegment Eliminations	Total
Three months ended March 31, 2025							
Net Sales	2,771	2,670	2,907	1,649	103	(1,926)	8,174
<i>Sales growth vs 2024</i>	(5)%	(20)%	15%	19%	11%	3%	(3)%
EBITDA	458	382	376	389	(86)	(59)	1,460
<i>Segment EBITDA %</i>	16.5%	14.3%	12.9%	23.6%	NM		17.9%
Three months ended March 31, 2024							
Net Sales	2,928	3,332	2,535	1,389	93	(1,874)	8,403
Adjusted EBITDA	414	494	294	237	(101)	(35)	1,303
<i>Adjusted Segment EBITDA %</i>	14.1%	14.8%	11.6%	17.1%	NM		15.5%

Q1 2025 EBITDA Detail

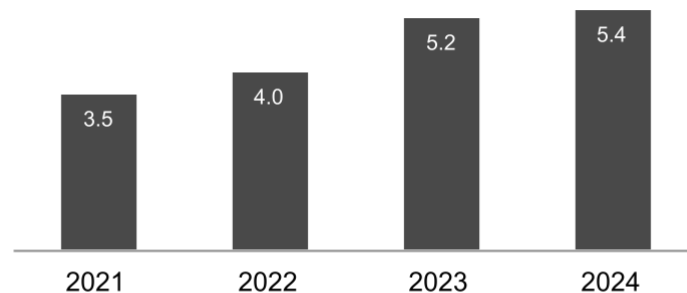
EBITDA (\$M)	As Reported
CMI	1,460
Engine Segment	458
Components Segment	382
Distribution Segment	376
Power Systems Segment	389
Accelera Segment	(86)
Eliminations	(59)

Cummins Inc. - Historical Performance

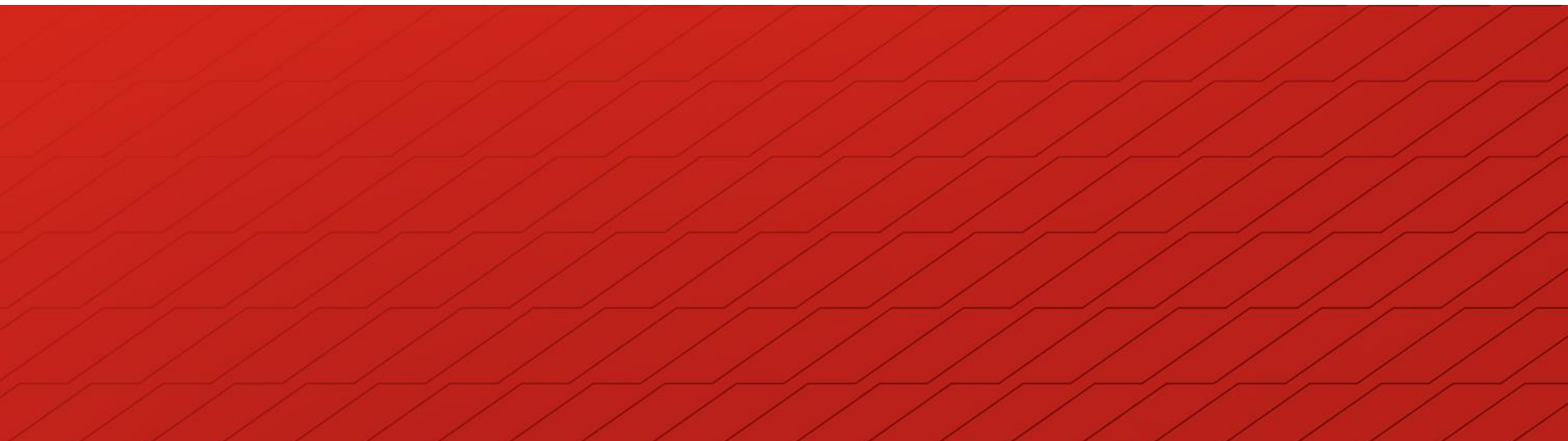
Sales



Adjusted EBITDA



Q1 2025 Supplemental Information



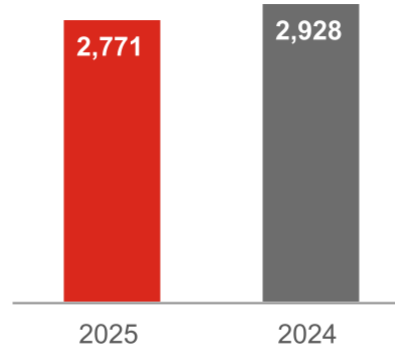
Engine Segment - Selected Financial Data



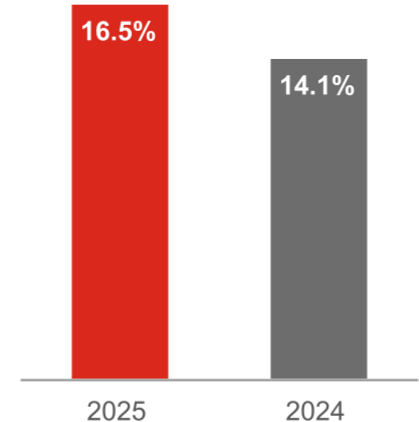
Q1-25 Highlights

- Revenues decreased 5% due to lower On-Highway demand in North America.
- EBITDA margin increase driven by operational efficiencies and favorable pricing in light-duty markets.

Revenue



EBITDA %

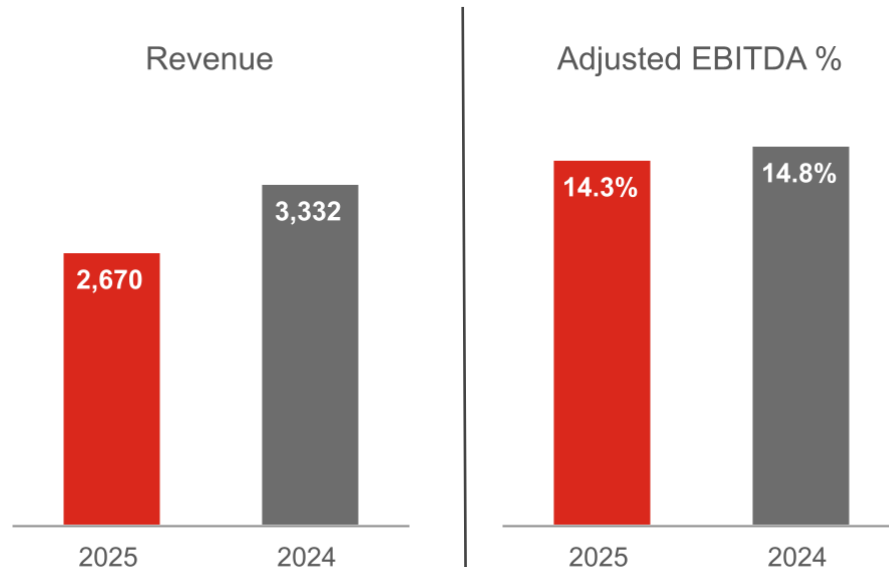


Components Segment - Selected Financial Data



Q1-25 Highlights

- Sales decreased 20% primarily due to the separation of Atmus and lower On-Highway demand in North America and Europe.
- The decrease in Adjusted EBITDA margin is driven primarily by the dilutive impact of the Atmus separation and a weaker heavy-duty truck market in North America.



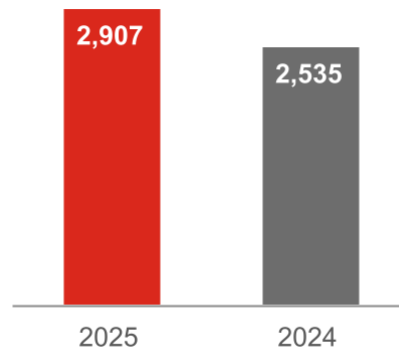
Distribution Segment - Selected Financial Data



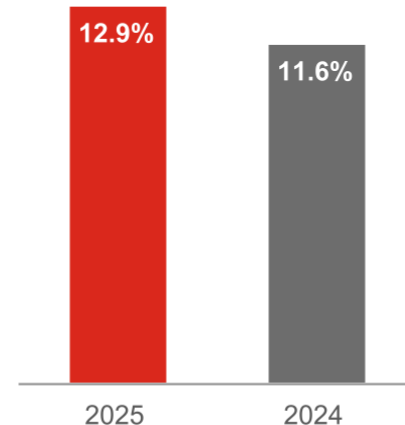
Q1-25 Highlights

- Sales increased 15% driven by increased demand for power generation products in North America.
- EBITDA margin increased primarily due to higher power generation volumes and pricing.

Revenue



EBITDA %



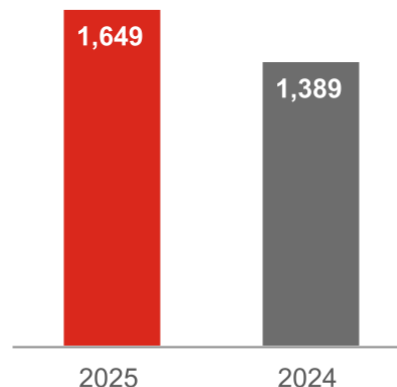
Power Systems Segment - Selected Financial Data



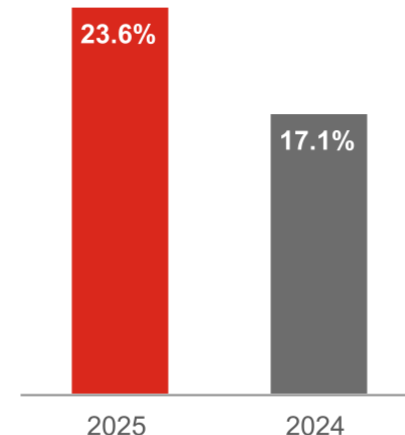
Q1-25 Highlights

- Revenue increased 19% driven primarily by increased power generation demand, particularly for data center applications.
- EBITDA margin increased primarily as a result of higher volumes, favorable pricing and operational improvements.

Revenue



EBITDA %



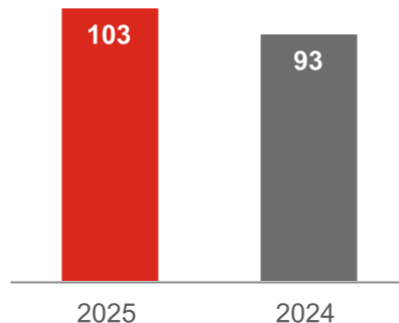
Accelera Segment - Selected Financial Data



Q1-25 Highlights

- Sales increased due to higher eMobility demand and electrolyzer installations.
- EBITDA losses are driven by costs associated with the development of electric powertrains, fuel cells and electrolyzers, as well as products to support battery electric vehicles.

Revenue



(86)

Q1-25 EBITDA

(101)

Q1-24 EBITDA

Joint Venture Income

\$ MILLIONS	Q1 2025	Q1 2024
Engine	73	57
Components	7	26
Distribution	28	24
Power Systems	29	19
Accelera	(6)	(3)
Total JV Income	131	123



Cash Flow

Q1-25

(3)

Operating Cash Flow

162

Capital Expenditures

38.5%

Total Debt to Capital

Q1-24

276

Operating Cash Flow

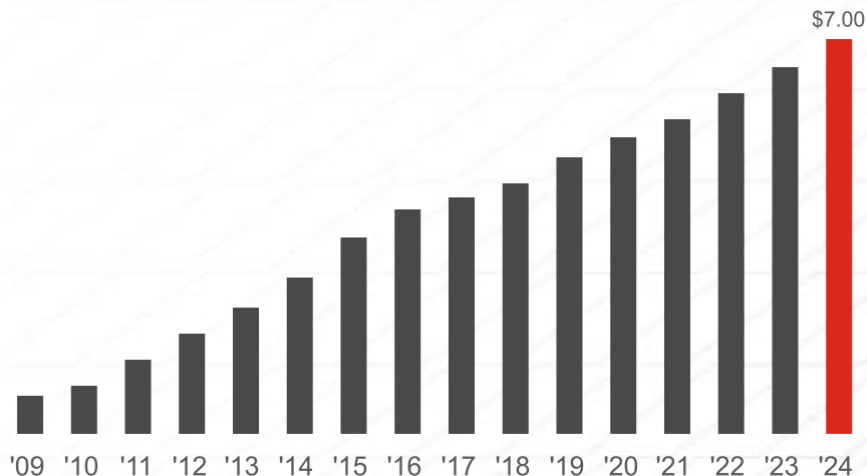
169

Capital Expenditures

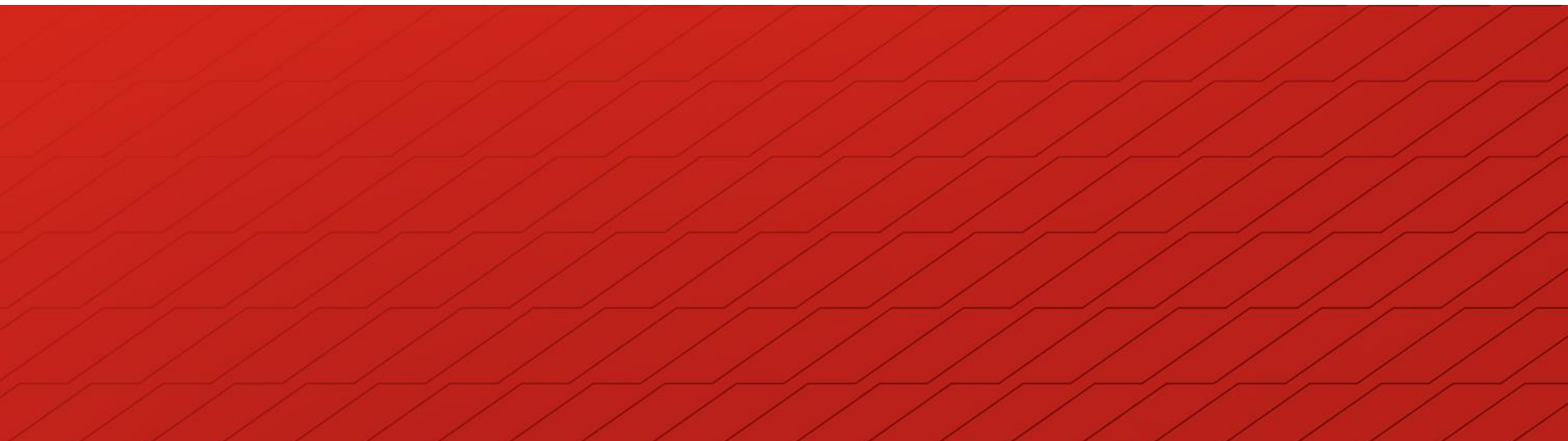
40.4%

Total Debt to Capital

**15 consecutive years of common stock
cash dividend increases**



Appendix

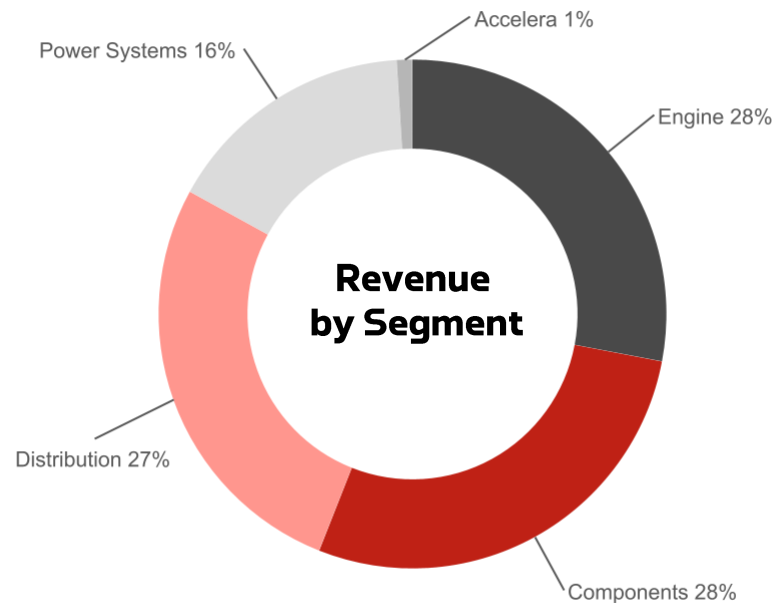
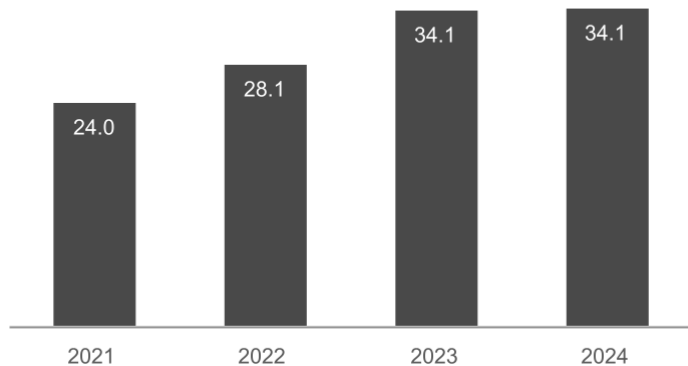


Cummins - Segment Overview



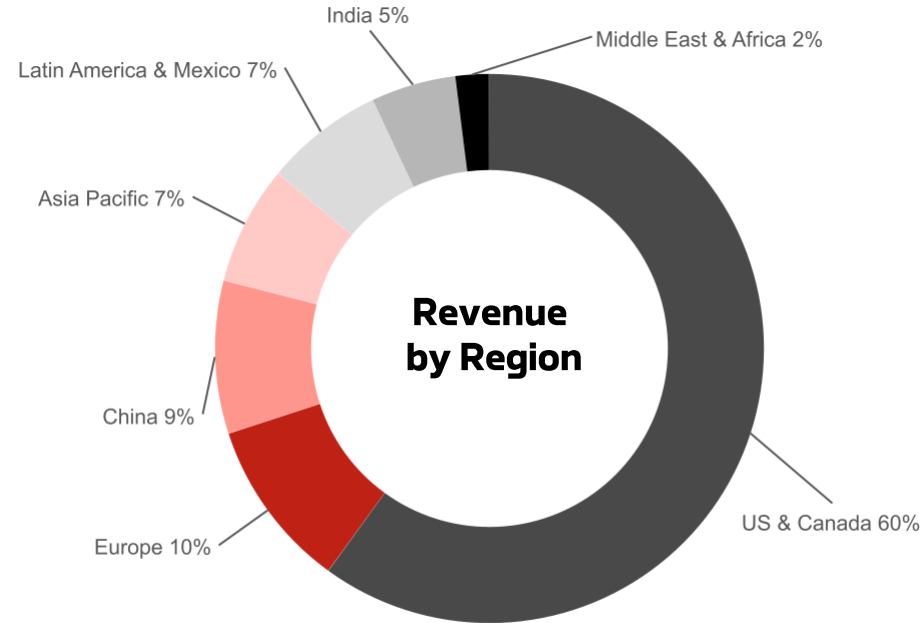
- Strong product portfolio and global partners
- Disciplined investment growth and demonstrated technology leadership

Revenue



Cummins - Regional Overview

- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in approximately 190 countries and territories

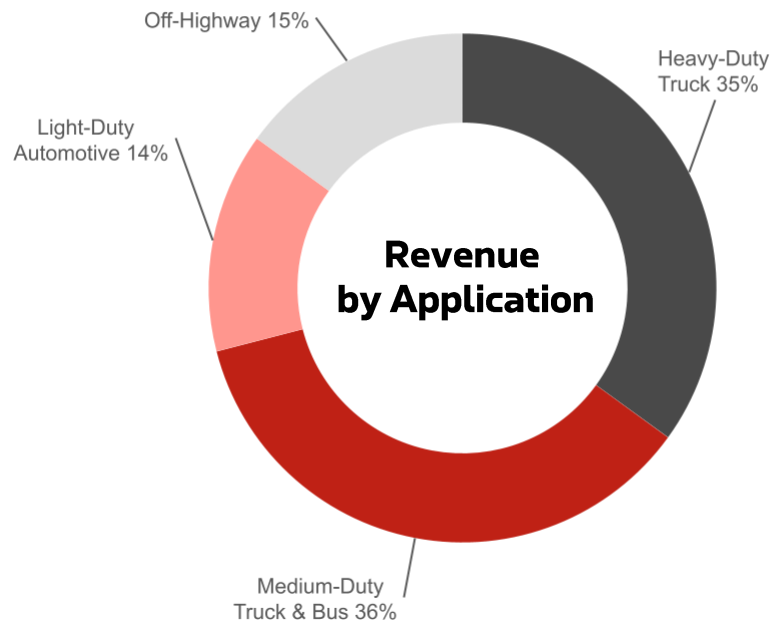
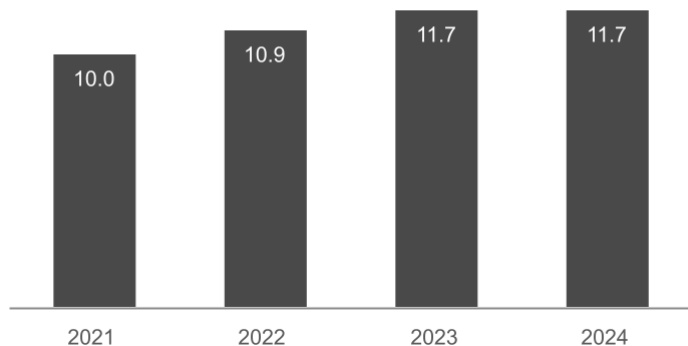


Engine Segment - Overview



- Diesel and natural gas engines from 2.8L to 15L and 48 hp to 715 hp
- Market leader in multiple end-markets and geographies

Revenue

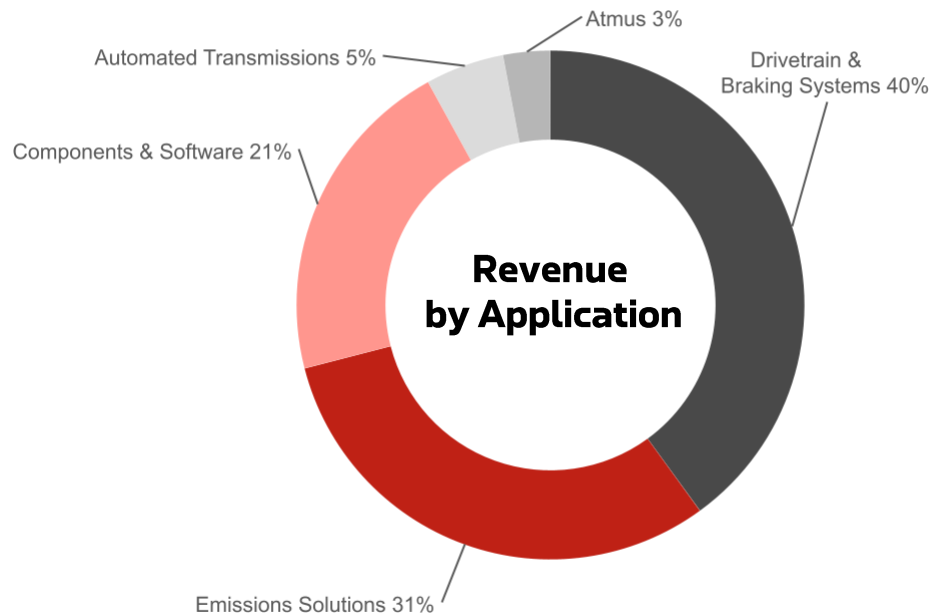
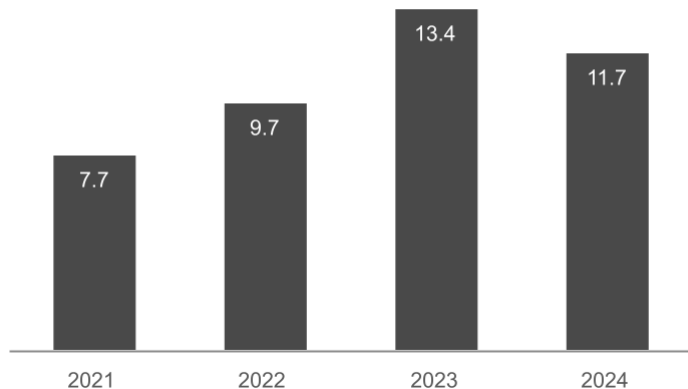


Components Segment - Overview



- Leading supplier of axles, brakes, and aftertreatment products for commercial vehicle applications
- Largest worldwide supplier of turbochargers from 3.8L to 25L for commercial applications

Revenue

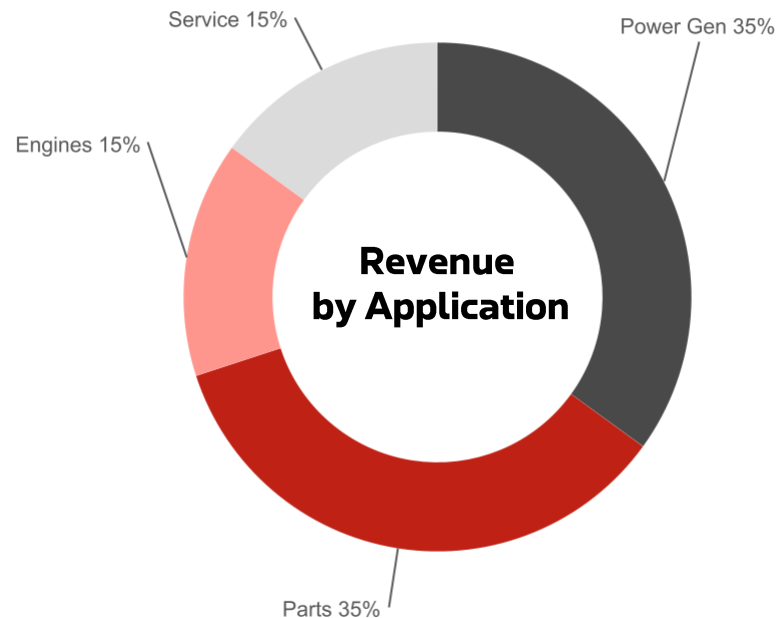
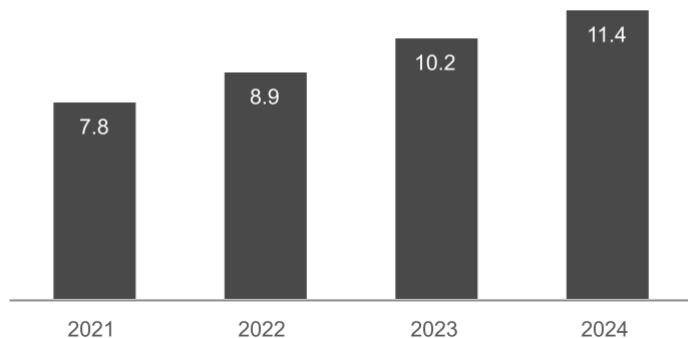


Distribution Segment - Overview



- Engaged in wholesaling engines, generator sets and service parts, as well as performing service and repair activities on our products
- Increase network capabilities in emerging markets to capture profitable growth

Revenue

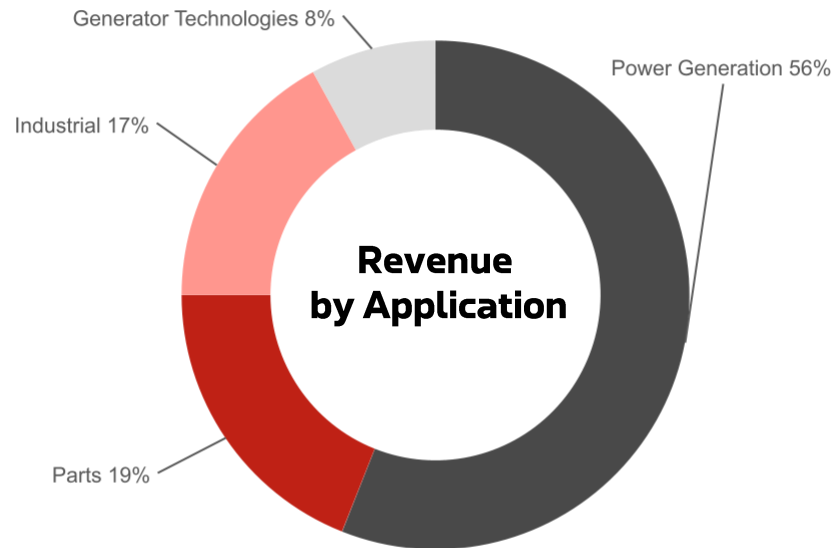
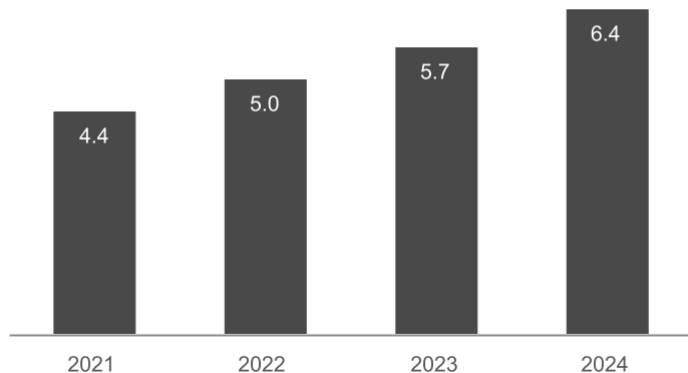


Power Systems Segment - Overview

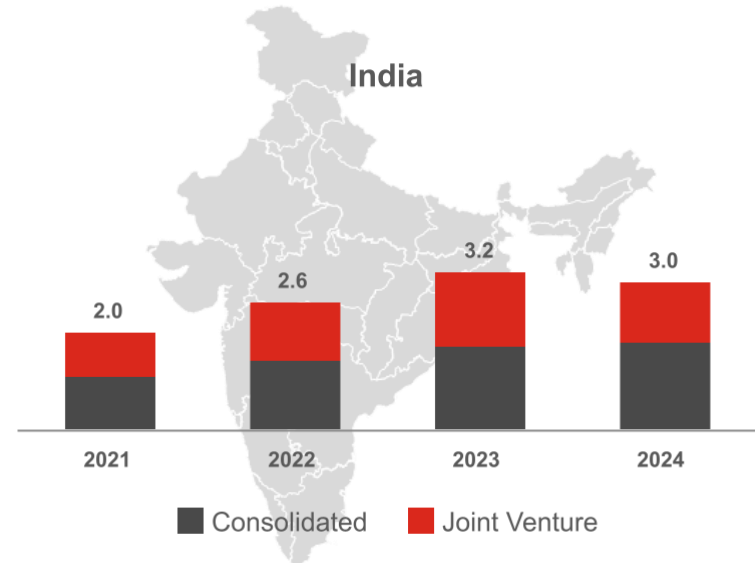
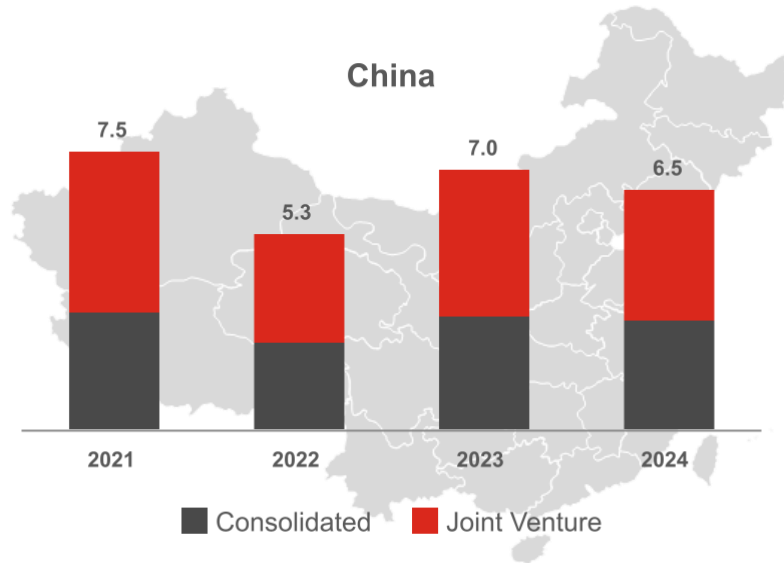


- Global provider of power generation systems, components and services from 2kW to 3.5 Megawatts (MW)
- Leading supplier of engines 16L and larger to industrial applications and alternators from 7.5kVA to 11,200kVA

Revenue



Emerging Market Sales - China & India



- Present in China for 50 years
- Broad product portfolio for On and Off Highway
- Strong OEM partners

- Present in India for over 60 years
- Market leadership
- Strong OEM relationships

Non-GAAP Reconciliation - Q1 2024 EBITDA

EBITDA (\$M)	As Reported	Atmus Separation	Restructuring	Adjusted
CMI	2,572	(1,298)	29	1,303
Engine Segment	414			414
Components Segment	473	21		494
Distribution Segment	294			294
Power Systems Segment	237			237
Accelera Segment	(101)			(101)
Eliminations	1,255	(1,319)	29	(35)

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. The table above excludes forward looking measures of EBITDA and EBITDA Margin where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of non-cash items that are excluded from the non-GAAP outlook measure.

Non-GAAP Reconciliation – Adjusted EBITDA

	Three Months Ended	
In Millions	31-Mar-25	31-Mar-24
Net income attributable to Cummins Inc.	\$ 824	\$ 1,993
Net income attributable to noncontrolling interests	26	35
Consolidated net income	850	2,028
Income tax expense	267	193
Income before taxes	1,117	2,221
Interest expense	77	89
EBIT	1,194	2,310
Depreciation and amortization	266	262
EBITDA	1,460	2,572
One-Time Items ¹	—	(1,269)
EBITDA excluding One-Time Items	1,460	1,303

¹Q1 2024 one-time items include \$1.298 billion of net benefit related to the separation of Atmus and \$29 million of restructuring expenses

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. The table above excludes forward looking measures of EBITDA and EBITDA Margin where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of non-cash items that are excluded from the non-GAAP outlook measure.

Non-GAAP Reconciliation – Adjusted EBITDA (2024 & 2023)

	Twelve Months Ended	
In Millions	31-Dec-24	31-Dec-23
Net income attributable to Cummins Inc.	\$ 3,946	\$ 735
Net income attributable to noncontrolling interests	122	105
Consolidated net income	4,068	840
Income tax expense	835	786
Income before taxes	4,903	1,626
Interest expense	370	375
EBIT	5,273	2,001
Depreciation and amortization	1,053	1,016
EBITDA	6,326	3,017
One-Time Items ¹	(957)	2,178
EBITDA excluding One-Time Items	5,369	5,195

¹Q4 2024 LTM one-time items include \$1.298 billion of net benefit related to the separation of Atmus, \$312 million of costs related to the Accelera reorganization, and \$29 million of restructuring expenses; Q4 2023 LTM one-time items include \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$100 million of cost related to the separation of Atmus, and \$42 million of cost related to employee voluntary retirement and separation

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. The table above excludes forward looking measures of EBITDA and EBITDA Margin where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of non-cash items that are excluded from the non-GAAP outlook measure.

Non-GAAP Reconciliation – Adjusted EBITDA (2022 & 2021)

Twelve Months Ended

In Millions

	31-Dec-22	31-Dec-21
Net income attributable to Cummins Inc.	\$ 2,151	\$ 2,131
Net income attributable to noncontrolling interests	32	33
Consolidated net income	2,183	2,164
Income tax expense	636	587
Income before taxes	2,819	2,751
Interest expense	199	111
EBIT	3,018	2,862
Depreciation and amortization	781	659
EBITDA ¹	3,799	3,521
One-Time Items ²	192	—
EBITDA excluding One-Time Items	3,991	3,521

¹ Q4 2022 LTM EBITDA includes \$115 million of cost related to the acquisition, integration and inventory valuation adjustments of Meritor

² Q4 2022 LTM one-time items include \$111 million of cost related to the indefinite suspension of operations in Russia and \$81 million of cost related to the separation of Atmus

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. The table above excludes forward looking measures of EBITDA and EBITDA Margin where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of non-cash items that are excluded from the non-GAAP outlook measure.

Non-GAAP Reconciliation – Adjusted Diluted EPS

In Millions	<u>Three Months Ended</u>	
	31-Mar-25	31-Mar-24
Diluted Earnings per Share	\$ 5.96	\$ 14.03
One-Time Items ¹		(8.93)
Adjusted Diluted Earnings per Share excluding One-Time Items	5.96	5.10

¹ Q1 2024 one-time items include \$9.08 per share of net benefit related to the separation of Atmus and \$0.15 per share of restructuring expenses

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

In Millions

	31-Mar-25	31-Mar-24
Total Equity	\$ 11,971	\$ 10,101
Less: Defined benefit postretirement plans	(869)	(861)
Equity used for return on invested capital calculation	12,840	10,962
Loans payable	291	342
Commercial paper	1,740	609
Current maturities of long-term debt	661	113
Long-term debt	4,796	5,771
One-Time Items	—	—
Invested capital used for return on invested capital calculation	\$ 20,328	\$ 17,797

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.

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

In Millions	Last Twelve Months Ended	
	31-Mar-25	31-Mar-24
Net income attributable to Cummins Inc.	\$ 2,777	\$ 1,938
Net income attributable to noncontrolling interests	113	124
Consolidated net income	2,890	2,062
Income tax expense	909	756
Income before taxes	3,799	2,818
Interest expense	358	377
EBIT	4,157	3,195
One-Time Items ¹	312	891
EBIT excluding One-Time Items	4,469	4,086
Less: Tax effect on EBIT	1,006	944
Net operating profit after taxes used for return on invested capital calculation	\$ 3,463	\$ 3,142

¹Q1 2025 LTM one-time items include \$312 million of cost related to the Accelera reorganization; Q1 2024 LTM one-time items include \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$1.216 billion of net benefit related to the separation of Atmus, \$42 million of cost related to employee voluntary retirement and separation, and \$29 million of restructuring expenses

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.

Non-GAAP Reconciliation – Adjusted ROIC

In Millions	<u>Last 12 Months Ended</u>	
	<u>31-Mar-25</u>	<u>31-Mar-24</u>
<u>Unadjusted ROIC</u>		
Net Operating Profit after Taxes	\$ 3,163	\$ 2,339
Beginning - Unadjusted Invested capital used for ROIC calculation	17,797	18,808
Ending - Unadjusted Invested capital used for ROIC calculation	20,328	17,797
Unadjusted ROIC	17 %	13 %
<u>Adjusted ROIC</u>		
Net Operating Profit after taxes excluding one-time items ¹	3,463	3,142
Beginning - Adjusted Invested capital used for ROIC calculation	17,797	18,808
Ending - Adjusted Invested capital used for ROIC calculation	20,328	17,797
Adjusted ROIC	18 %	17 %

¹LTM Q1 2025 one-time items include \$296 million of cost related to the Accelera reorganization; LTM Q1 2024 one-time items include \$1.966 billion of cost related to the agreement to settle with U.S. regulators, \$1.228 billion of net benefit related to the separation of Atmus, \$32 million of cost related to employee voluntary retirement and separation, and \$22 million of restructuring expenses

Thank you for your interest



For additional information: (812) 377-3121 | investor.relations@cummins.com
www.investor.cummins.com