

Welcome to Analyst Day 2024

Power Onward™

Analyst Day 2024 **AGENDA**



Jennifer Rumsey
Chair and Chief Executive
Officer

***Raising financial
expectations as we lead
the transition***



Jenny Bush
President, Power Systems
Business

***Unlocking Power
Systems' potential***



Amy Davis
President, Accelera™ by
Cummins and Components

***Positioning for
the future***



Mark Smith
Chief Financial Officer

***Delivering increasing
returns to
shareholders***

Analyst Day 2024

Q+A PANEL



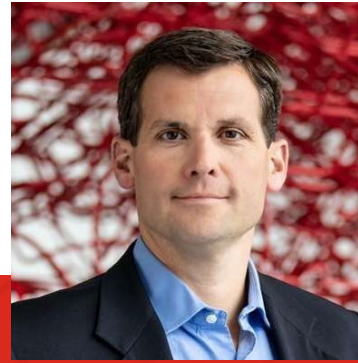
Jennifer Rumsey
Chair and Chief
Executive Officer



Jenny Bush
President,
Power Systems Business



Amy Davis
President,
Accelera™ by Cummins
and Components



Brett Merritt
President,
Engine Business



Bonnie Fetch
President,
Distribution Business



Mark Smith
Chief Financial Officer

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, 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 risks and uncertainties. More information regarding such risks and uncertainties is available in the forward-looking disclosure statement detailed in our Securities and Exchange Commission filings, particularly in the Risk Factors section of our 2023 Annual Report on Form 10-K, and any subsequently filed 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. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, 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.

Raising financial expectations as we lead the transition



Jennifer Rumsey

Chair and Chief Executive Officer





DESTINATION ZERO IS OUR WINNING GROWTH STRATEGY.

Our commitment to sustainability and helping our customers navigate the energy transition while growing our business.

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

DESTINATION ZERO

Our customer-driven, multi-solution path

TODAY

Advance today's solutions and accelerate solutions for the future

2030

Many solutions deployed and progressing at varied paces

2040

Zero-emissions solutions broadly available

2050



Pacing factors for the transition: infrastructure, economics, customer acceptance and regulations

We are raising our 2030 financial targets

(compared to our 2022 Analyst Day)

BASE BUSINESS*

↑ **\$39-\$42B** in revenue
in 2030

↑ **>\$35B** cash from
operations
from 2022-2030

↑ **>25%** incremental
EBITDA growth

ACCELERA

↓ **\$3-\$9B** in revenue in
2030

↓ **\$1.5-\$2B** cash outflow
from operations from
2022-2027

→ **Breakeven** in 2027

CUMMINS

↑ **\$43-\$48B** in revenue
in 2030

↑ **\$34-\$36B** of cash
from operations
from 2022-2030

↑ **17.0-18.0%** EBITDA
in 2030

*Base business excludes Atmus

Strengthening our position

By strategically evolving our portfolio



Strengthening our position

Through the power of partnership



Strengthening and expanding existing partnerships in core and new technologies



Advancing and testing new technologies with fleets and key customers



Improving and promoting a more robust infrastructure

A white semi-truck is shown from a side profile, driving on a highway. The truck has a large cab with a side mirror and a smaller mirror on the side. The side of the cab has a window and a door. The truck is white with some blue and red accents. The background shows a highway and a cloudy sky.

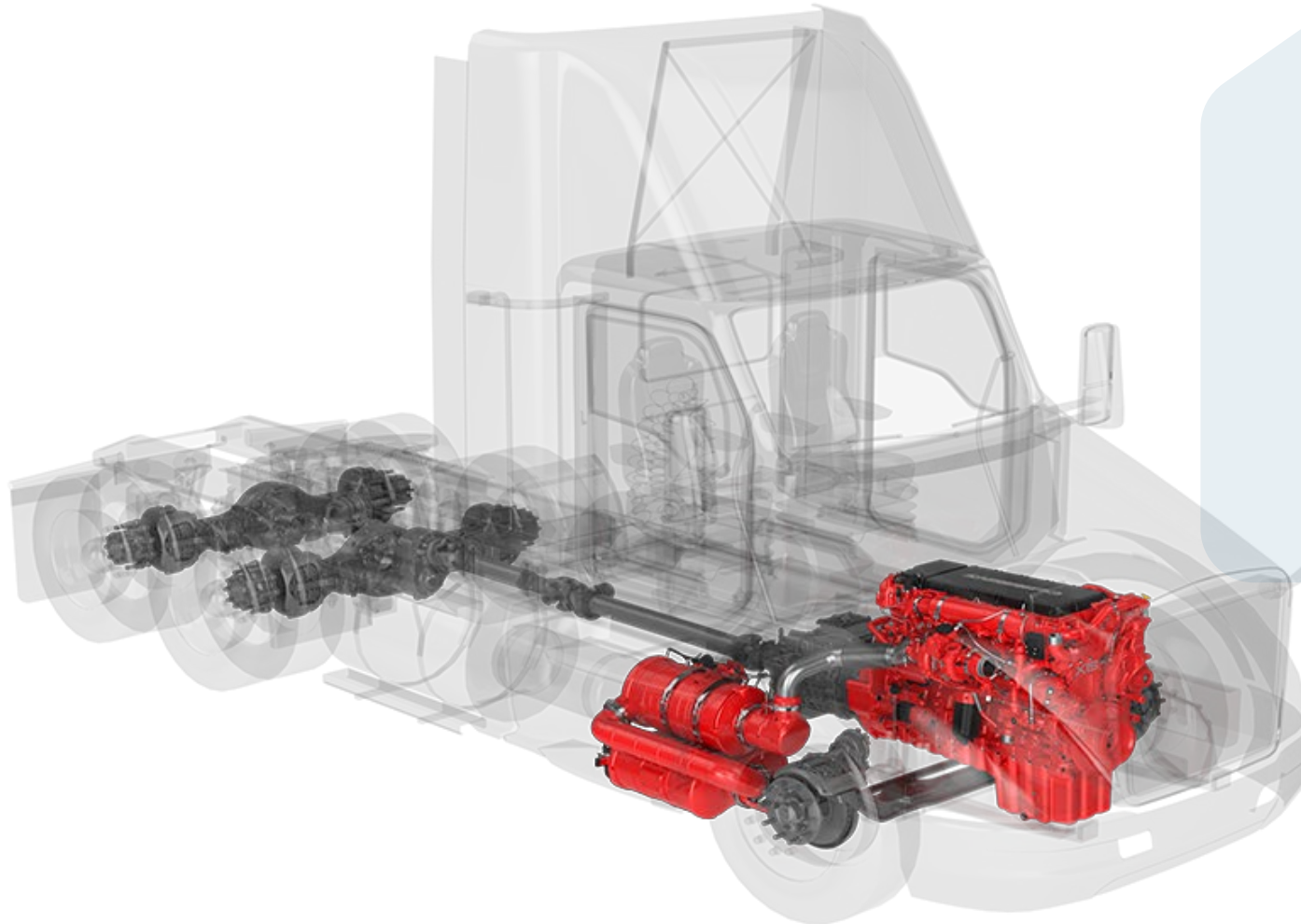
OUR CONTENT HAS GROWN SIGNIFICANTLY

And will continue to grow.

- Our content expansion is a ***key driver of Cummins' growth.***
- With additional content, we're ***driving further growth and profitability.***

Our content has grown significantly

And will continue to grow.

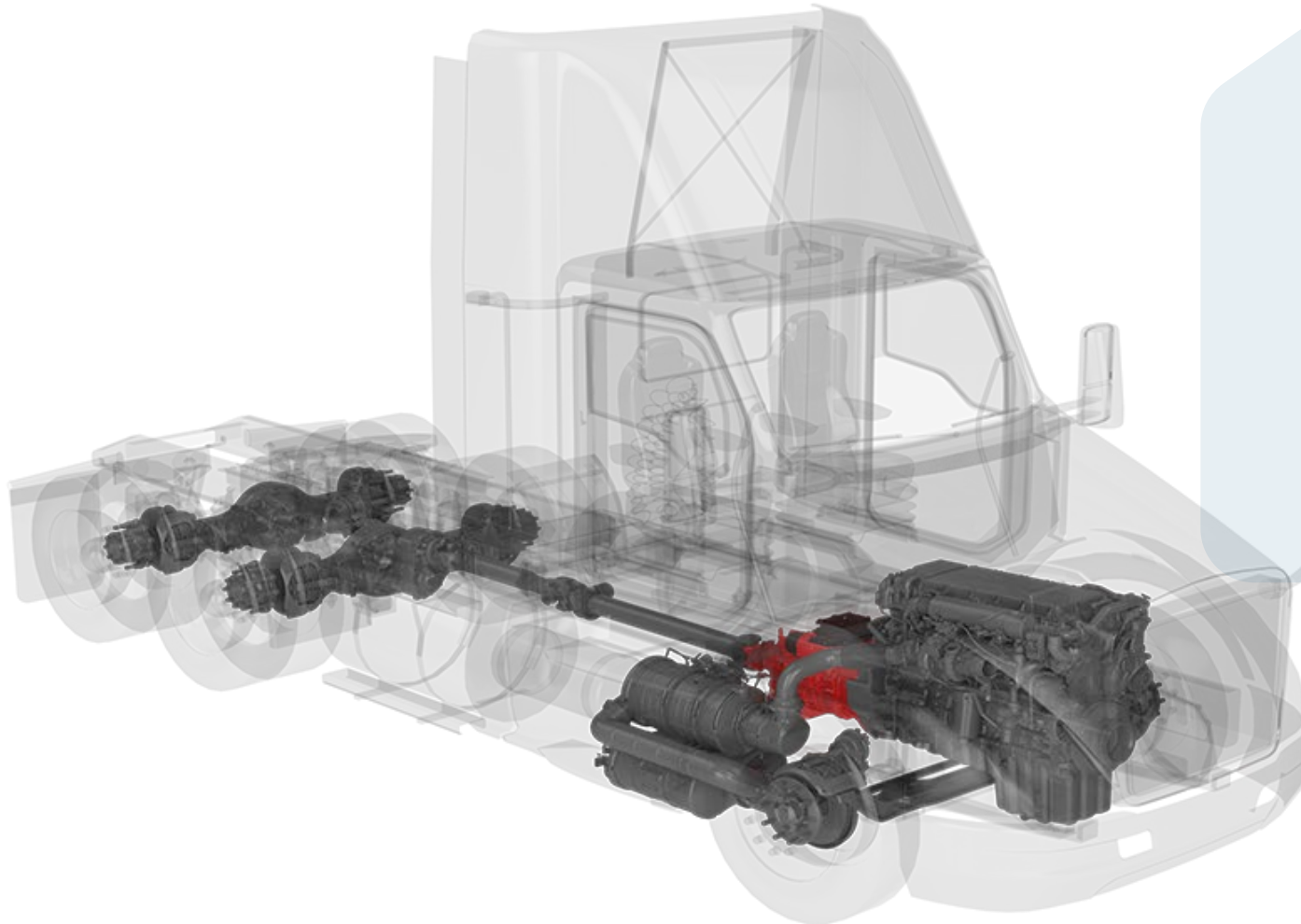


Cummins
HELM[™]
HIGHER EFFICIENCY. LOWER EMISSIONS. MULTIPLE FUELS.

NEXT GEN X15[™]
15L DIESEL ENGINE
AND AFTERTREATMENT

Our content has grown significantly

And will continue to grow.

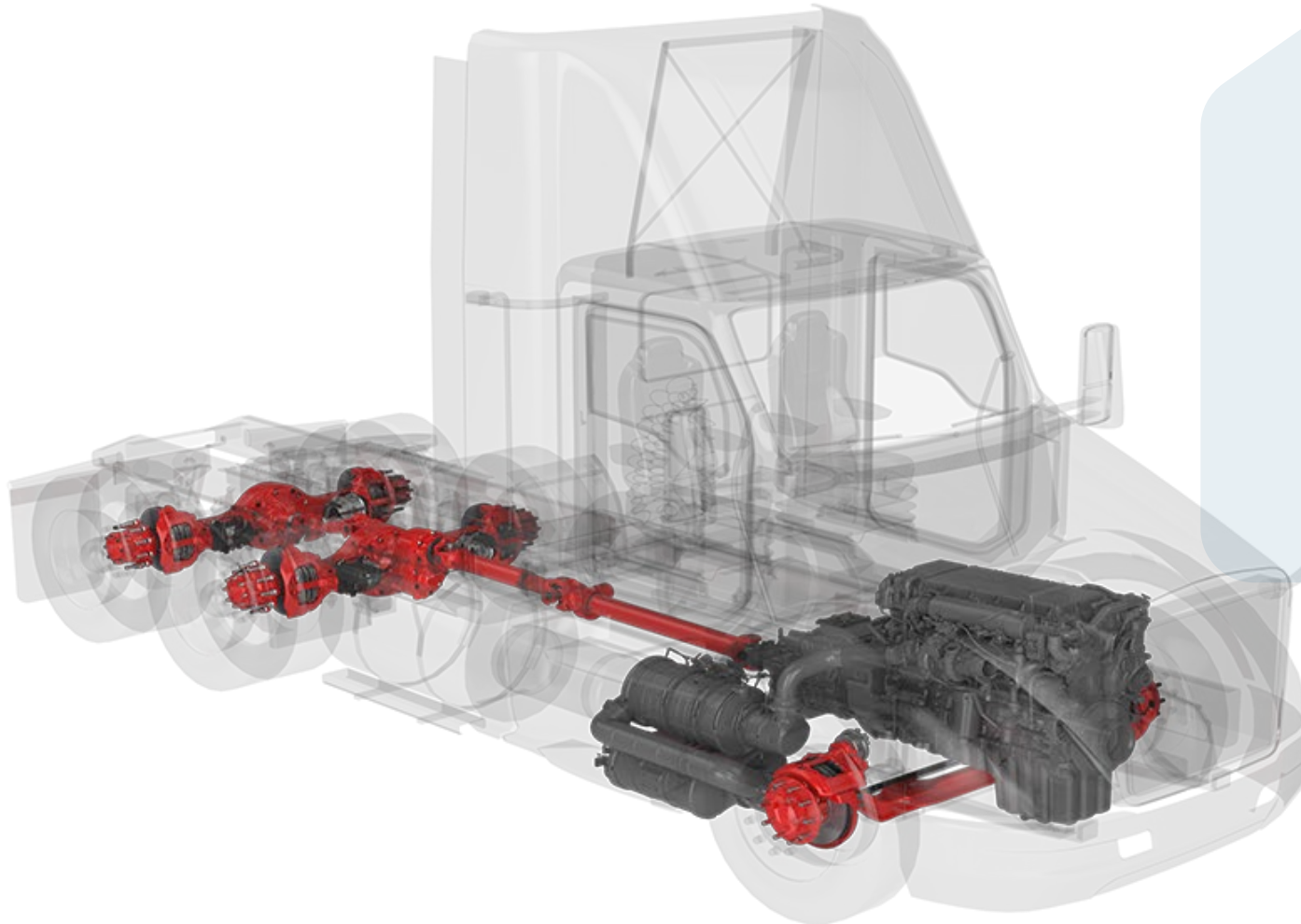


EAT•N 
AUTOMATED TRANSMISSION™
TECHNOLOGIES

TRANSMISSION

Our content has grown significantly

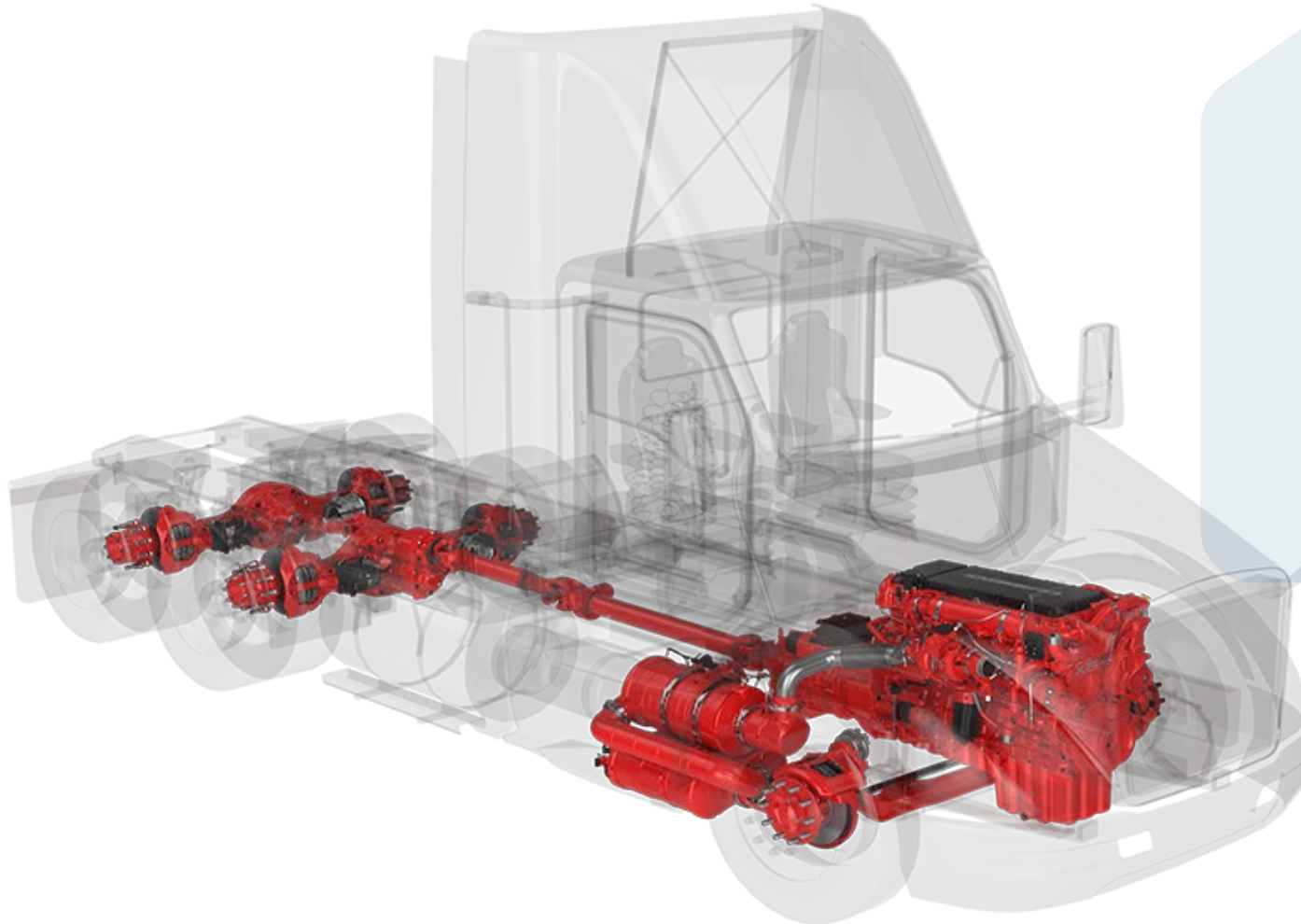
And will continue to grow.



**BRAKES, AXLES
AND DRIVELINE**

Our content has grown significantly

And will continue to grow.



Cummins
HELM[™]
HIGHER EFFICIENCY. LOWER EMISSIONS. MULTIPLE FUELS.

NEXT GEN X15[™]
INTEGRATED POWER

Our content has grown significantly

And will continue to grow.

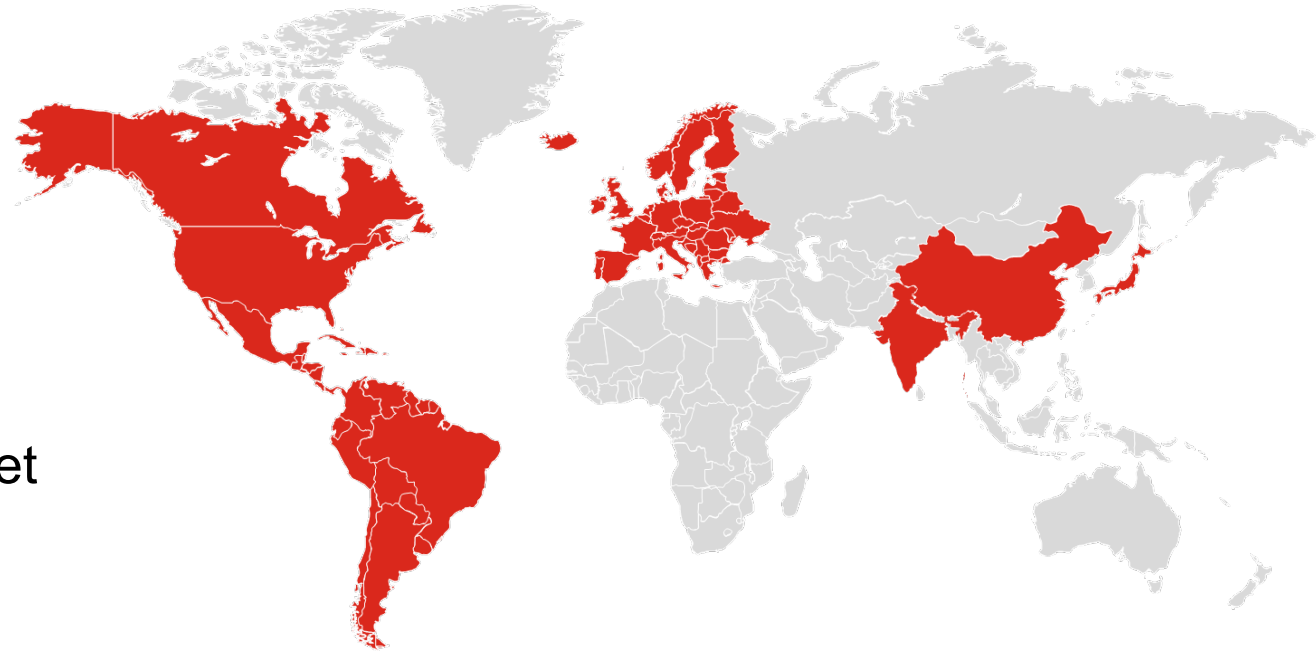


Cummins
HELM[™]
HIGHER EFFICIENCY. LOWER EMISSIONS. MULTIPLE FUELS.

X15N[™]
INTEGRATED POWER

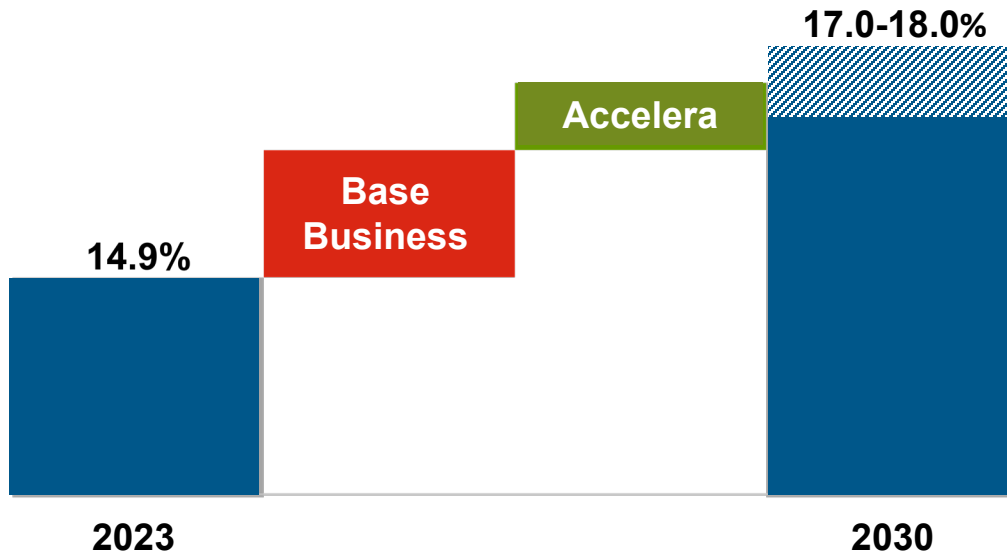
Key themes that support Cummins' growth profile

- Content expansion as a result of emissions regulations
- Continued OEM outsourcing
- Aftermarket growth
- Secular growth in the data center market
- Zero-emissions technology adoption



We will further expand margins

EBITDA MARGIN BRIDGE



PATH TO MARGIN GROWTH

- Content expansion and value-based pricing
- Efficiency improvements
- Normalization of R&D spend
- Accelera™ **breakeven in 2027**

*2023 excludes Atmus and other costs

Profitability expansion drivers

POWER SYSTEMS

- Driving operating efficiency
- Value pricing
- Rationalizing the product portfolio

ENGINES

- Content expansion
- Share gains
- R&D normalization
- China market improvement

COMPONENTS

- Content expansion
- Share gains
- China market improvement
- Meritor improvements

DISTRIBUTION

- Strong aftermarket
- Leverage and expand our unrivaled footprint

ACCELERA

- Demonstrating scalability to reach profitability
- Pacing investments

Simplifying and clarifying how we work to further enhance performance of our business

Unlocking Power Systems' Potential



Jenny Bush

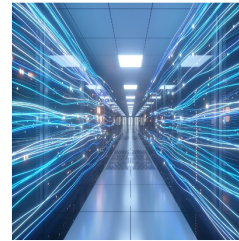
President—Power Systems Business



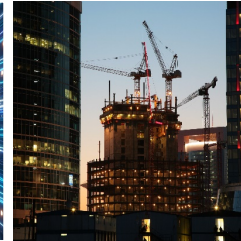
Power Systems Business

OUR SEGMENTS

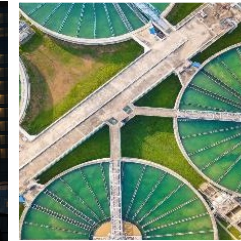
We serve a wide
array of markets
across the economy



**DATA
CENTERS**



COMMERCIAL



**WASTEWATER
TREATMENT**



HEALTHCARE



TELECOM



RESIDENTIAL



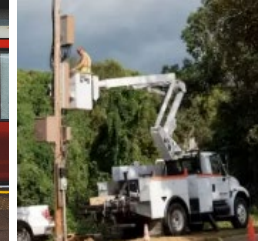
RENTAL



CONSUMER



**PUBLIC
TRANSPORT**



UTILITIES



MINING



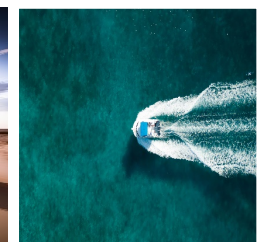
RAIL



OIL & GAS



DEFENSE



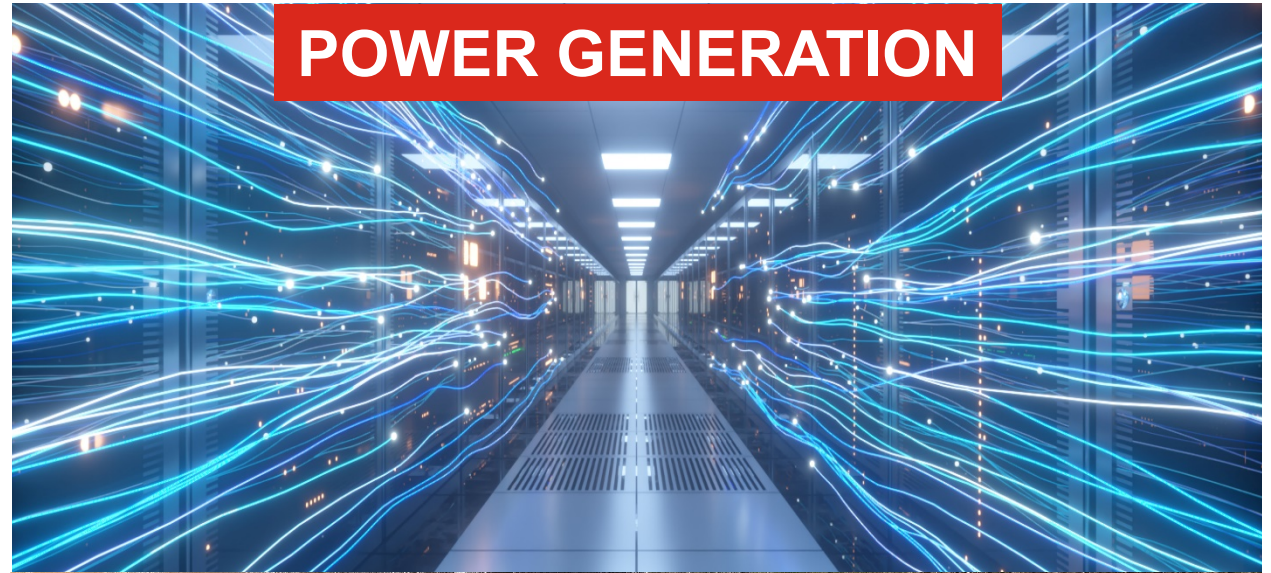
MARINE

Power Systems Business

OUR SEGMENTS

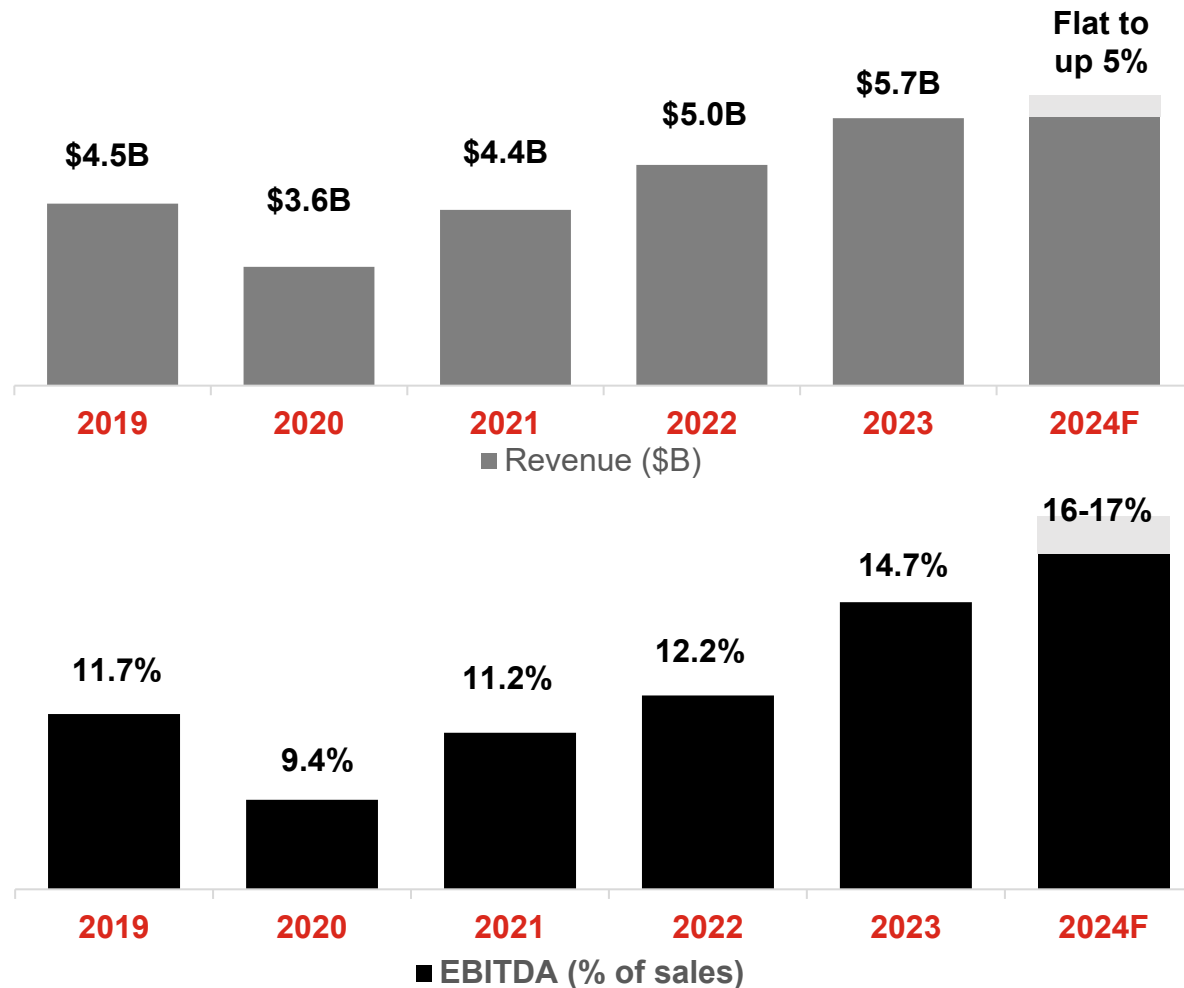
**We serve a wide
array of markets
across the economy**

**We have to win in power
generation and mining**

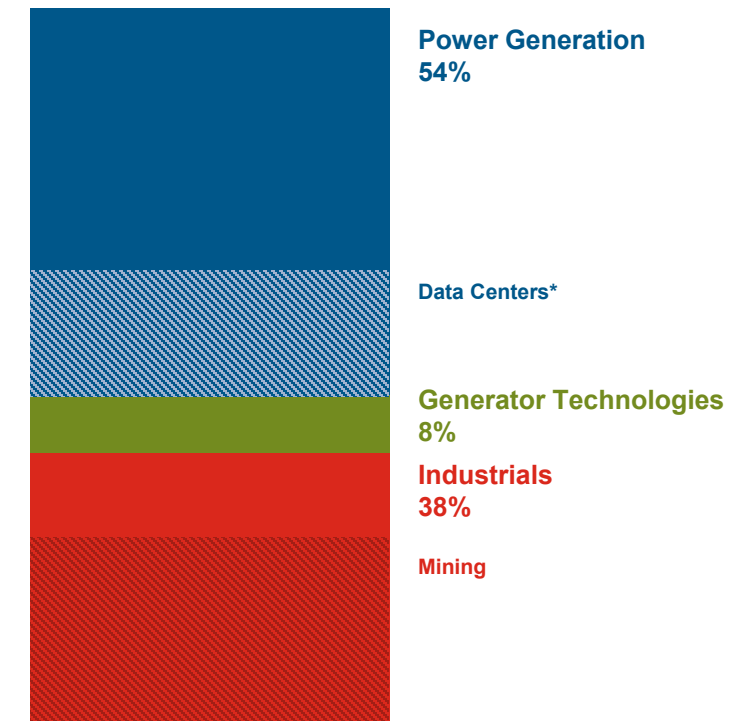


Power Systems Business

We have significantly raised performance



2023 Revenue: \$5.7B



*50% of CMI Data Center revenue comes from the Distribution business

*EBITDA Excludes one-time costs of \$12M in 2019 and \$19M in 2022

Transforming Power Systems

Driving margin expansion through rapid transformation

FOCUS AREAS



PRICE
REALIZATION



EFFICIENCY
IMPROVEMENTS



IMPROVED
ASSET
UTILIZATION



LOCALIZATION



REDUCED
PRODUCT
PROLIFERATION



**Excludes one-time costs of \$19M in 2022*

Public

Cummins

24

Data Center growth

Driving increased Power Generation demand



MARKET DYNAMICS:

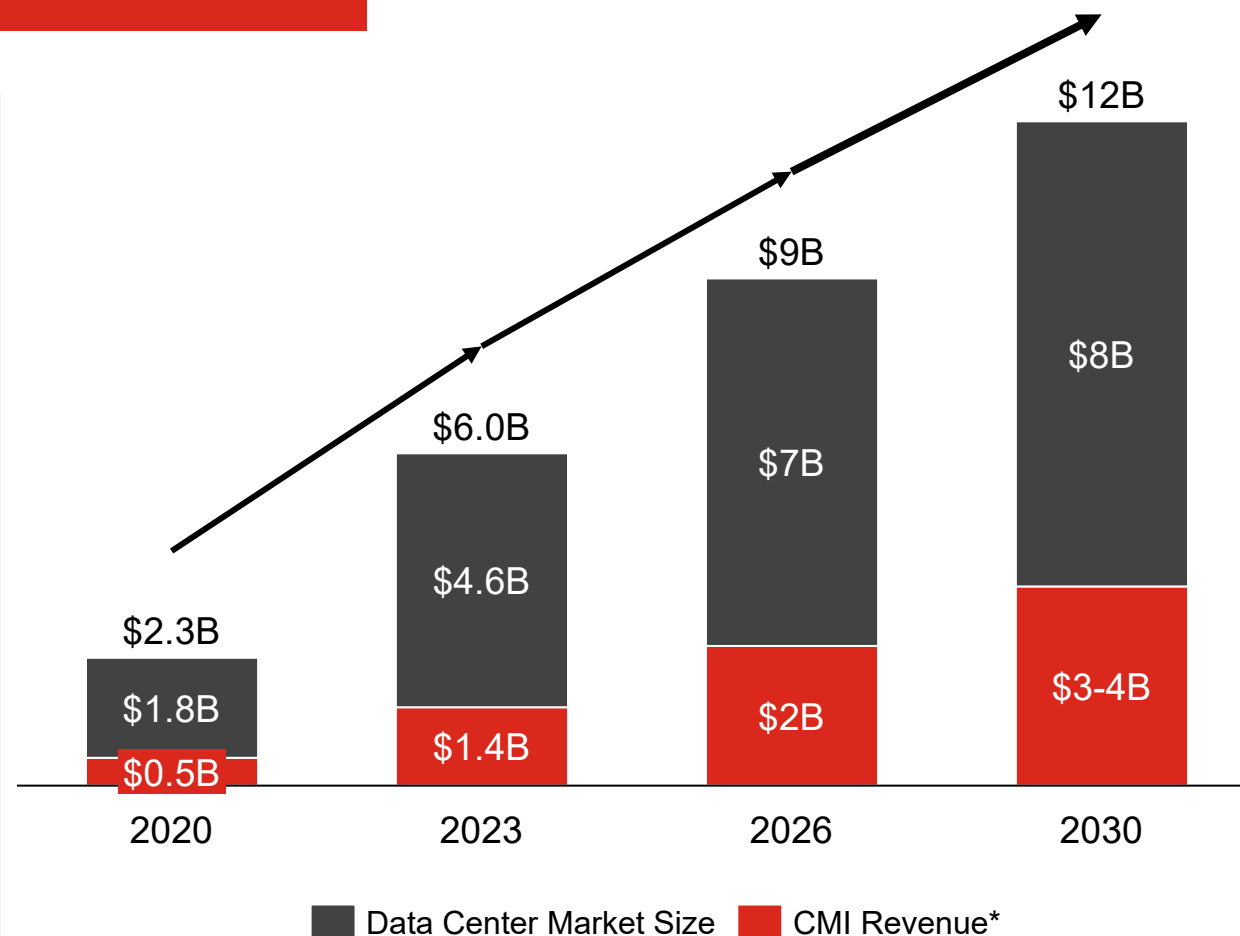
Rapid growth driven by increased digitization,
cloud adoption and the AI revolution

7-10% market growth from now to 2030

OUR APPROACH:

Expanding capacity, investing to vertically
integrate, launching new products and platforms,
leveraging our wholly-owned distribution channel

9-13% revenue growth from now to 2030



*Includes Distribution Business revenue

Power Systems growth pathways



SUSTAINED MINING GROWTH

MARKET DYNAMICS:

Adoption of new energy technologies has slowed, new entrants driving shift in competitive landscape

3% - 5% market growth by 2030

OUR APPROACH:

Leveraging our competitive advantage and developing new products to support bridge transition at the pace of our customers

3% - 5% growth in mining revenues



MICROGRIDS

MARKET DYNAMICS:

Increased need for grid resiliency driven by energy demand from vehicle electrification, AI, and digitization trends

\$60B+ total market size by 2030

OUR APPROACH:

Leveraging and expanding our existing product portfolio, learning from participation in zero-carbon markets through Accelera

\$1B incremental revenue potential by 2030

Driving value in Power Systems



**Expanding profitability
through continued
efficiency gains**



**Leveraging the strategic
advantage of global distribution
and scale of Cummins**



**Driving growth
through focused
investments**

Positioning for the future

Amy Davis

President, Accelera by Cummins™ and Components



ACCELERERA: A UNIQUE MISSION



To accelerate the shift to net zero by pursuing the most promising paths forward.

Uniquely differentiated to win through the energy transition



Startup + incumbent



**Complementary
broad portfolio**

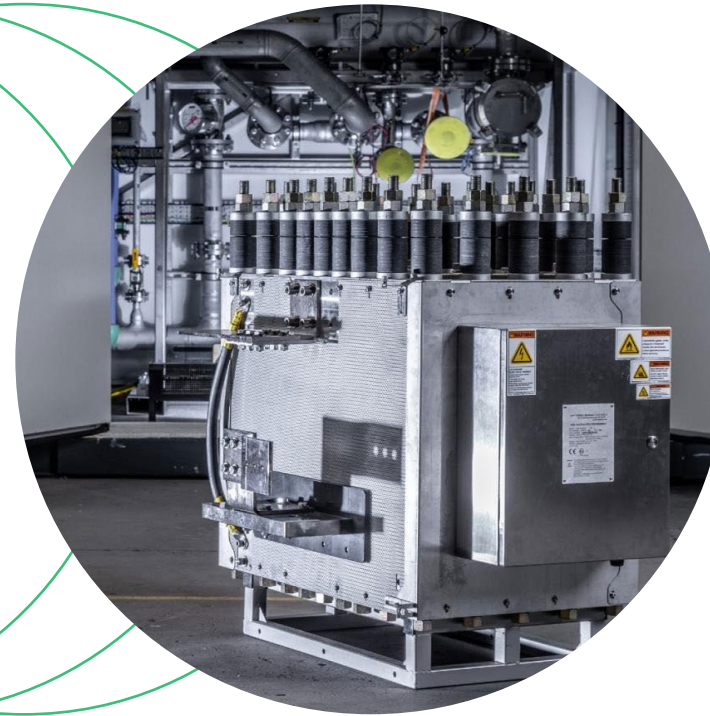


Strategic focus

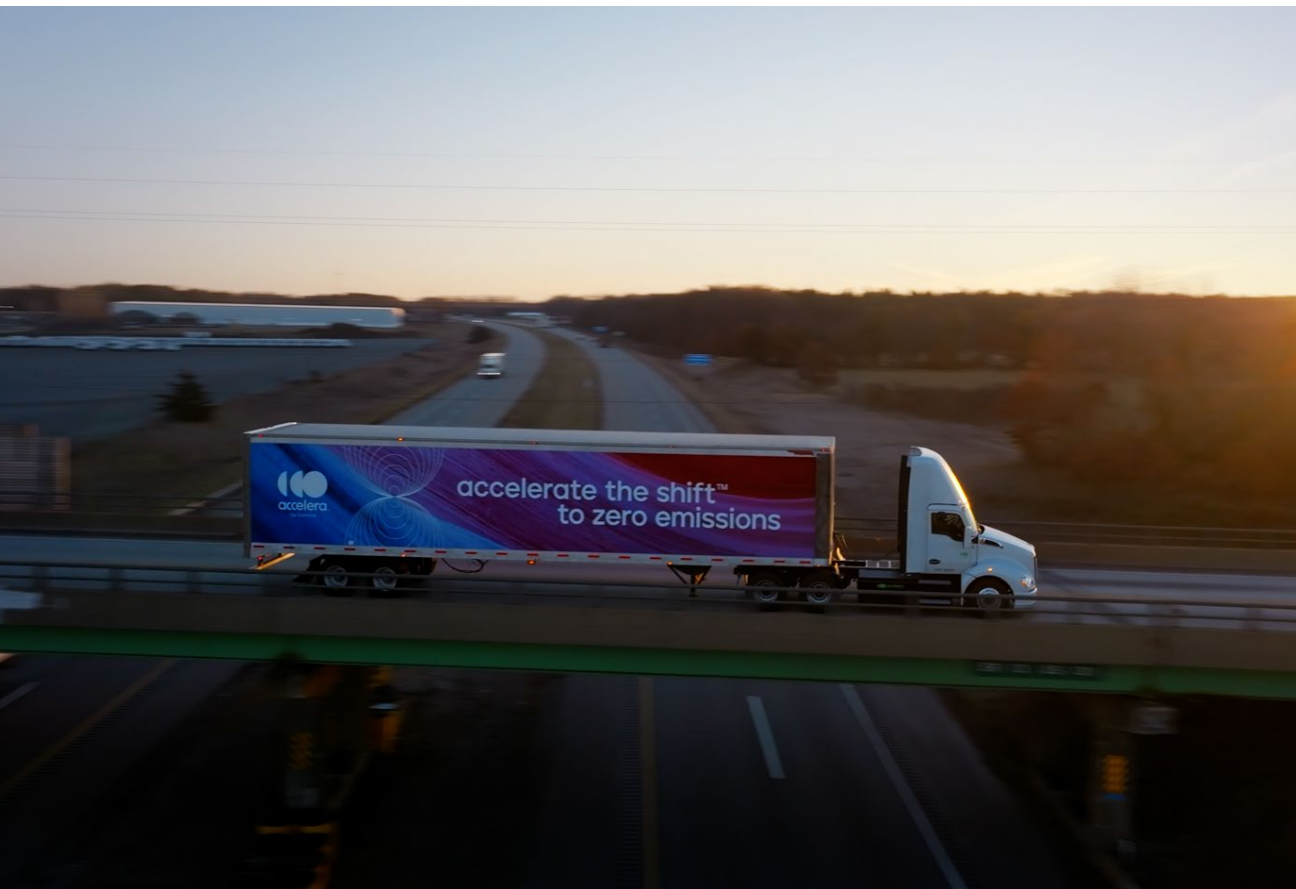
Accelera: A unique mission



eMobility



Electrolyzers



eMOBILITY

Bringing it all together to expand our position



**BATTERIES + FUEL
CELLS + TRACTION DRIVE
+ HYDROGEN STORAGE**

Robust technology portfolio + strong partnerships are winning

ALSTOM



GILLIG

DAIMLER
TRUCK

ISUZU

NAVISTAR

IVECO

PACCAR



SCANIA



Partnering for battery cell scale + setting a new standard for commercial vehicles



DAIMLER
TRUCK

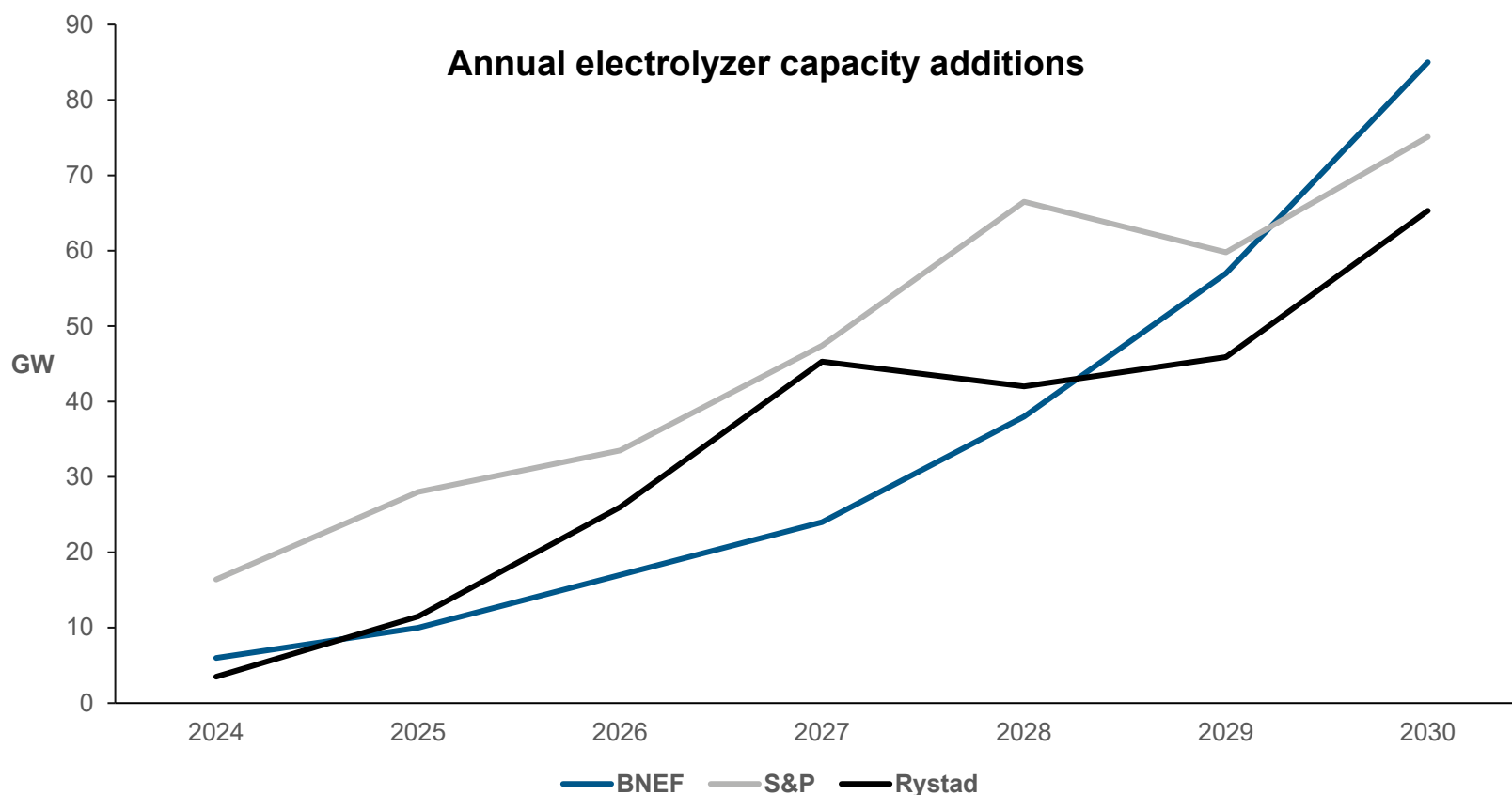


PACCAR



ELECTROLYZERS

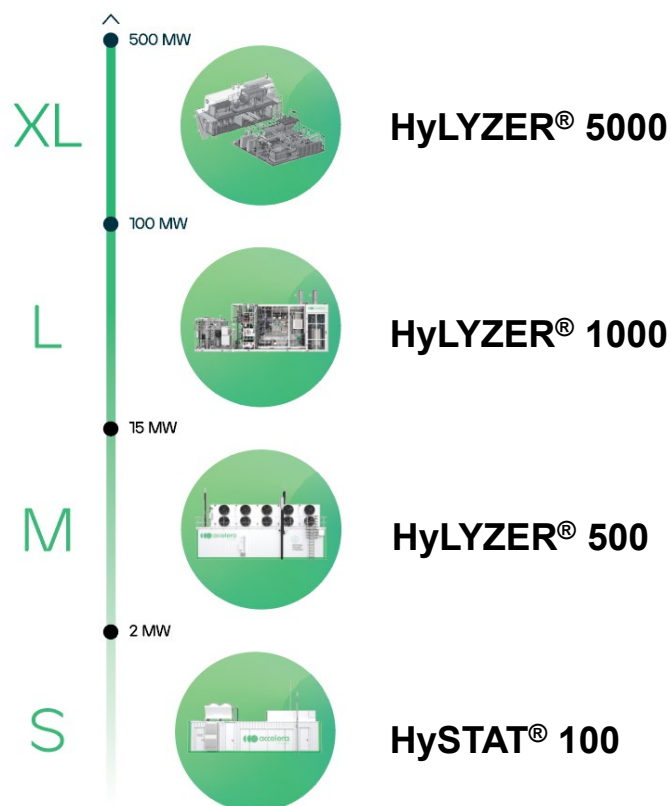
Momentum remains strong, but with industry challenges



Source: BNEF-2022, S&P-2023, Rystad-2023, Accelera Market Intelligence desktop research

Winning with a deliberate product and partner strategy

SCALING PRODUCTS



STRATEGIC PARTNERS



Effectively scaling with market uncertainty



Strategically focused investment



Consolidated manufacturing



Positive margin pricing and fixed cost leverage

A winning strategy to deliver strong growth and profitability

2030 Revenue

Accelera	\$3B - \$9B
eMobility	\$2B - \$4B
Electrolyzer	\$1B - \$5B

2027 EBITDA



Breakeven

- Manufacturing / overhead consolidation
- Pacing investments
- Maturing product margin profiles
- Volume growth

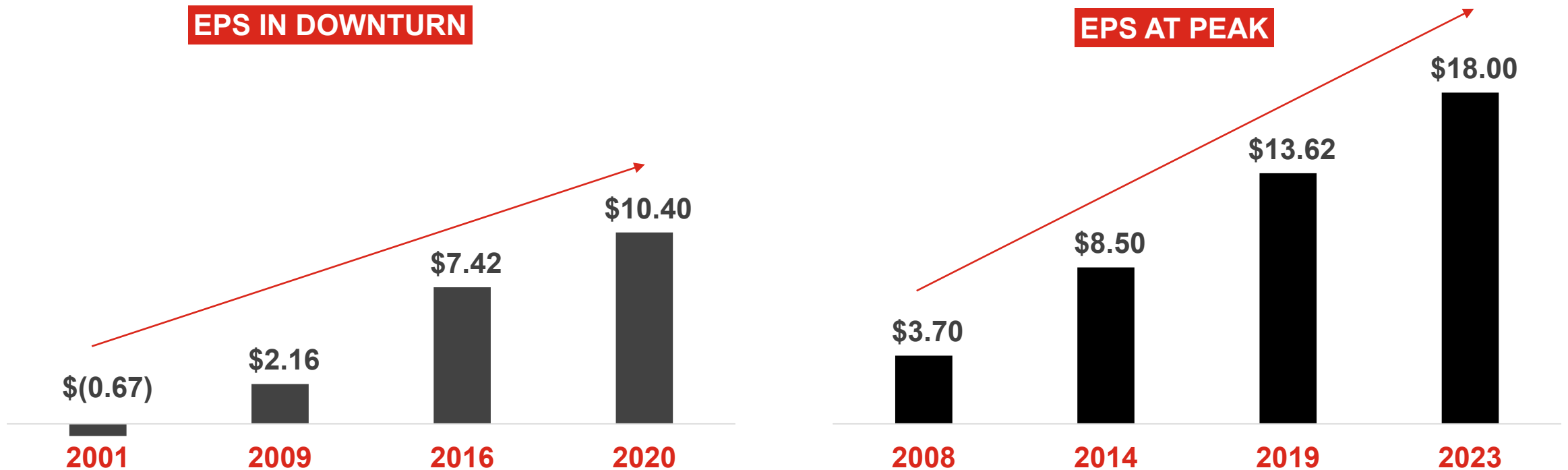
Delivering increasing returns to shareholders



Mark Smith
Chief Financial Officer



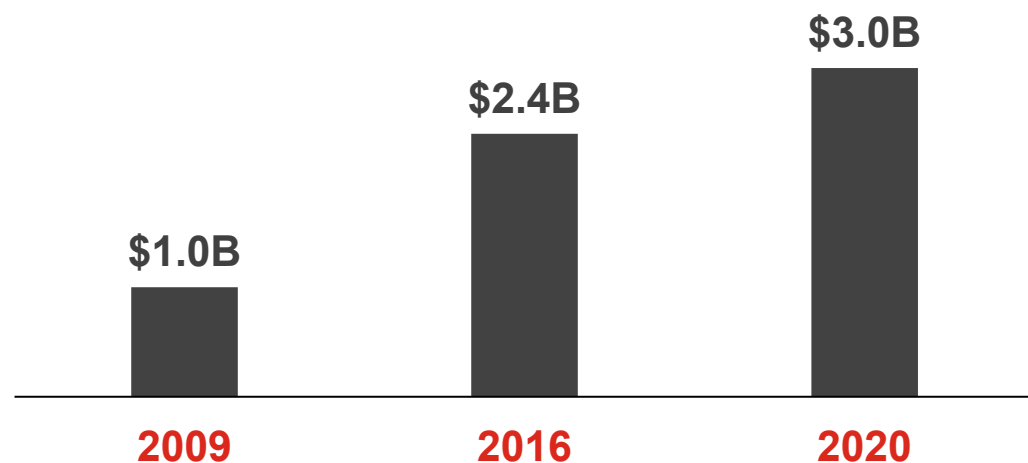
We have a strong track record of raising performance cycle over cycle



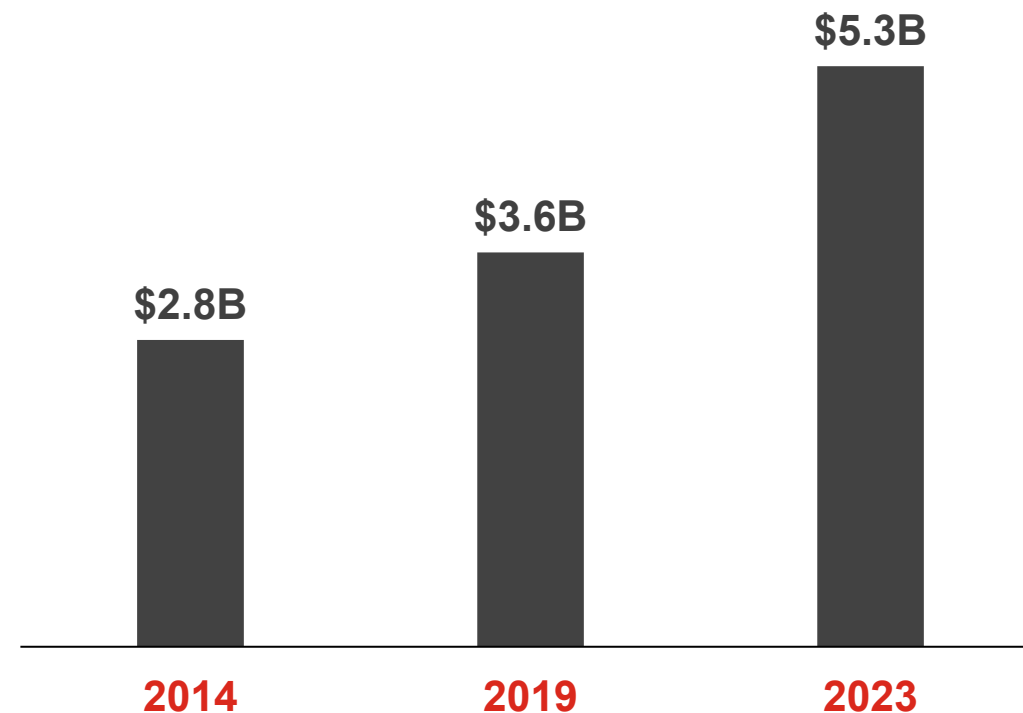
*Excludes Atmus
EPS is adjusted to reflect stock splits and exclude any one-time costs/benefits*

Driven by growth in our base business

BASE EBITDA IN DOWNTURN

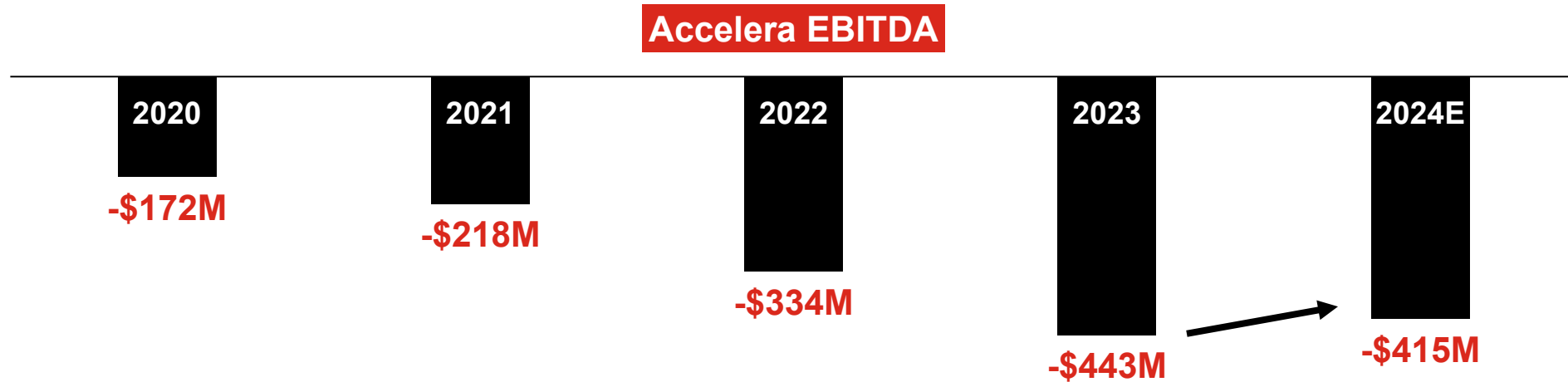


BASE EBITDA AT PEAK



Excludes Atmus and any one-time costs/benefits

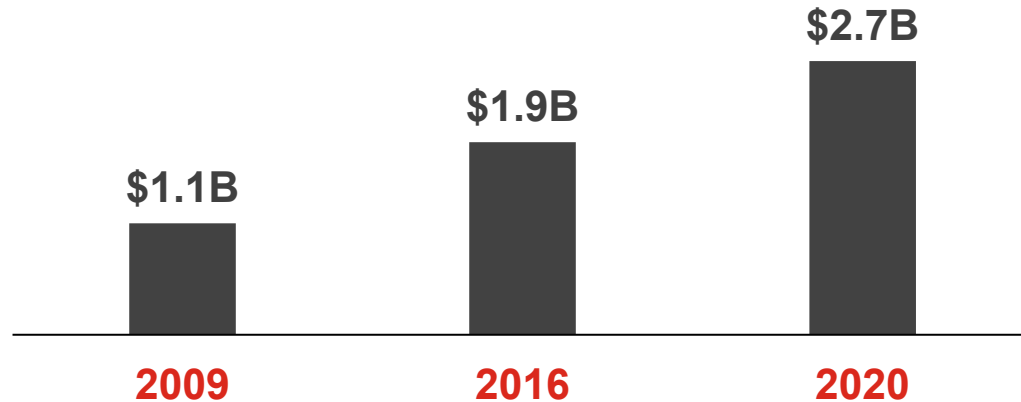
While incurring losses as we advance our technology and capabilities in Accelera



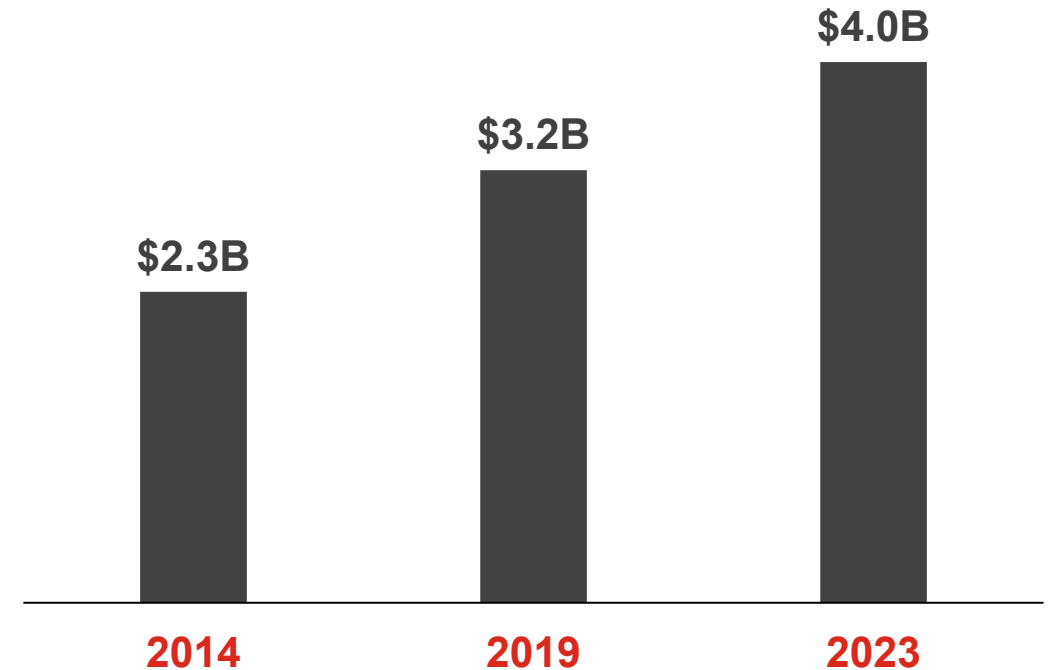
2024E is our mid-point of guidance from Q1 2024 earnings release

Delivering record operating cash flow

CMI CASH FROM OPERATIONS IN DOWNTURN

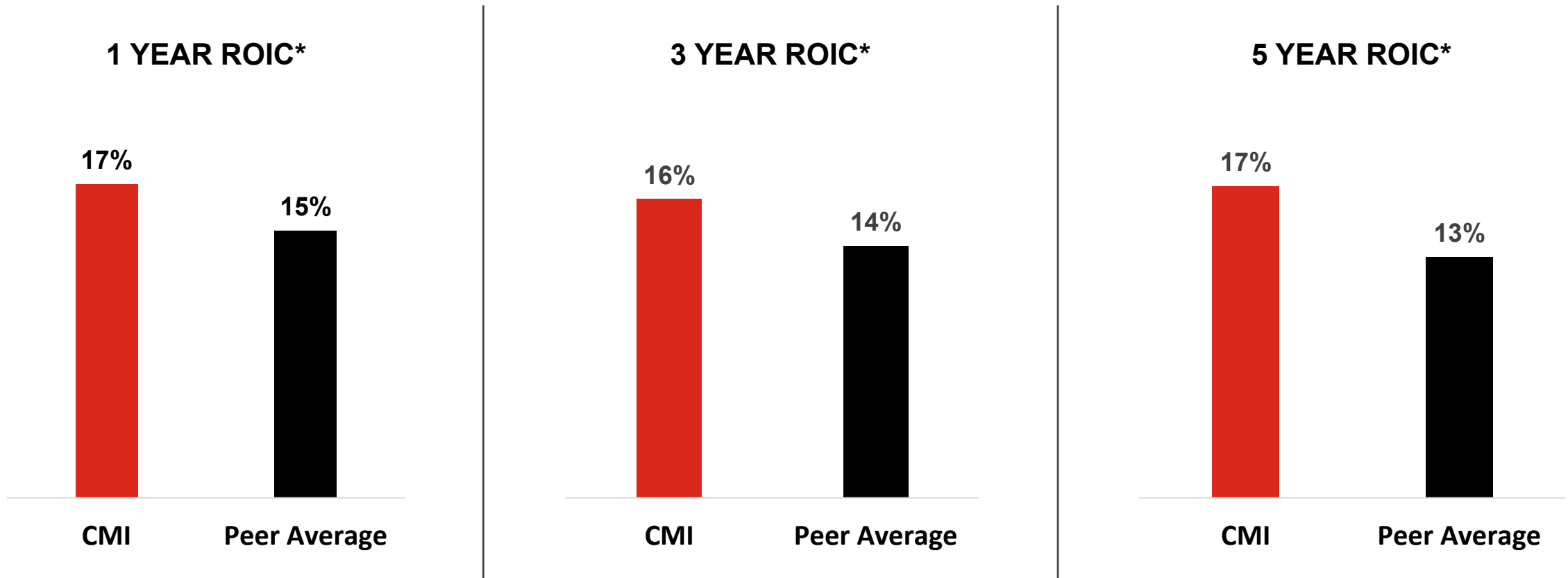


CMI CASH FROM OPERATIONS AT PEAK



Includes Atmus

Resulting in >200 BPS of performance advantage above our peer group average

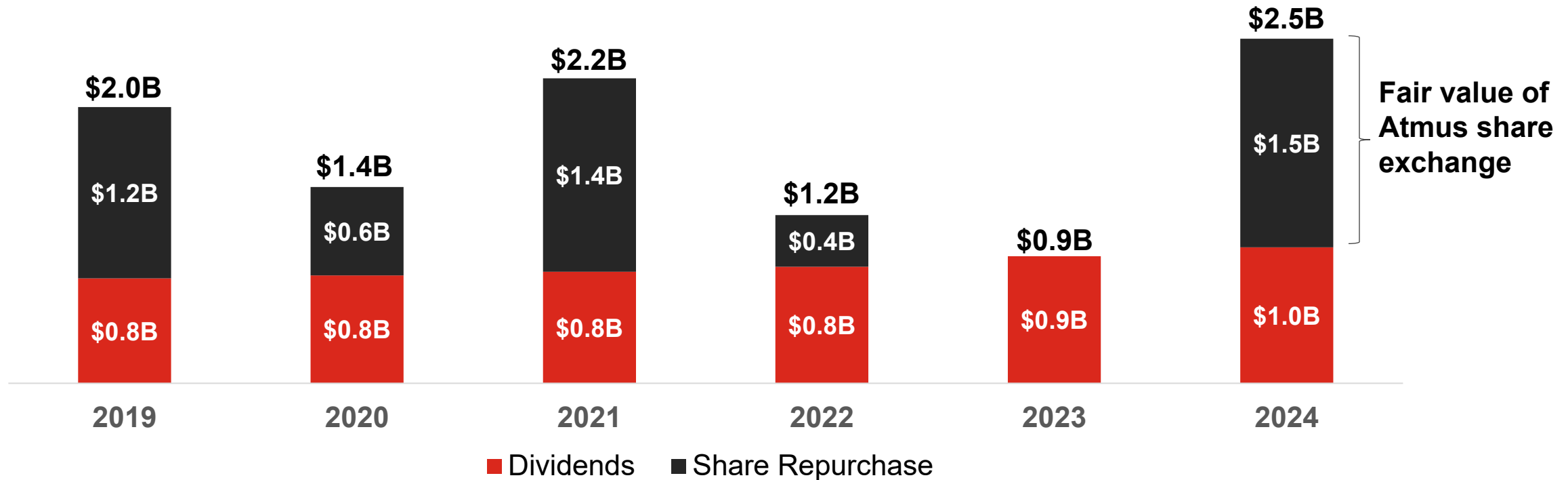


**ROIC, return on invested capital is defined as net operating profit after tax divided by average total capital, excluding pensions and one-time items*

1 Year ROIC: 2023, 3 Year ROIC: 2021 to 2023, 5 Year ROIC: 2019 to 2023

Which has supported dividend growth and reduction in shares outstanding

RETURNS TO SHAREHOLDERS



We will continue to drive more improvement

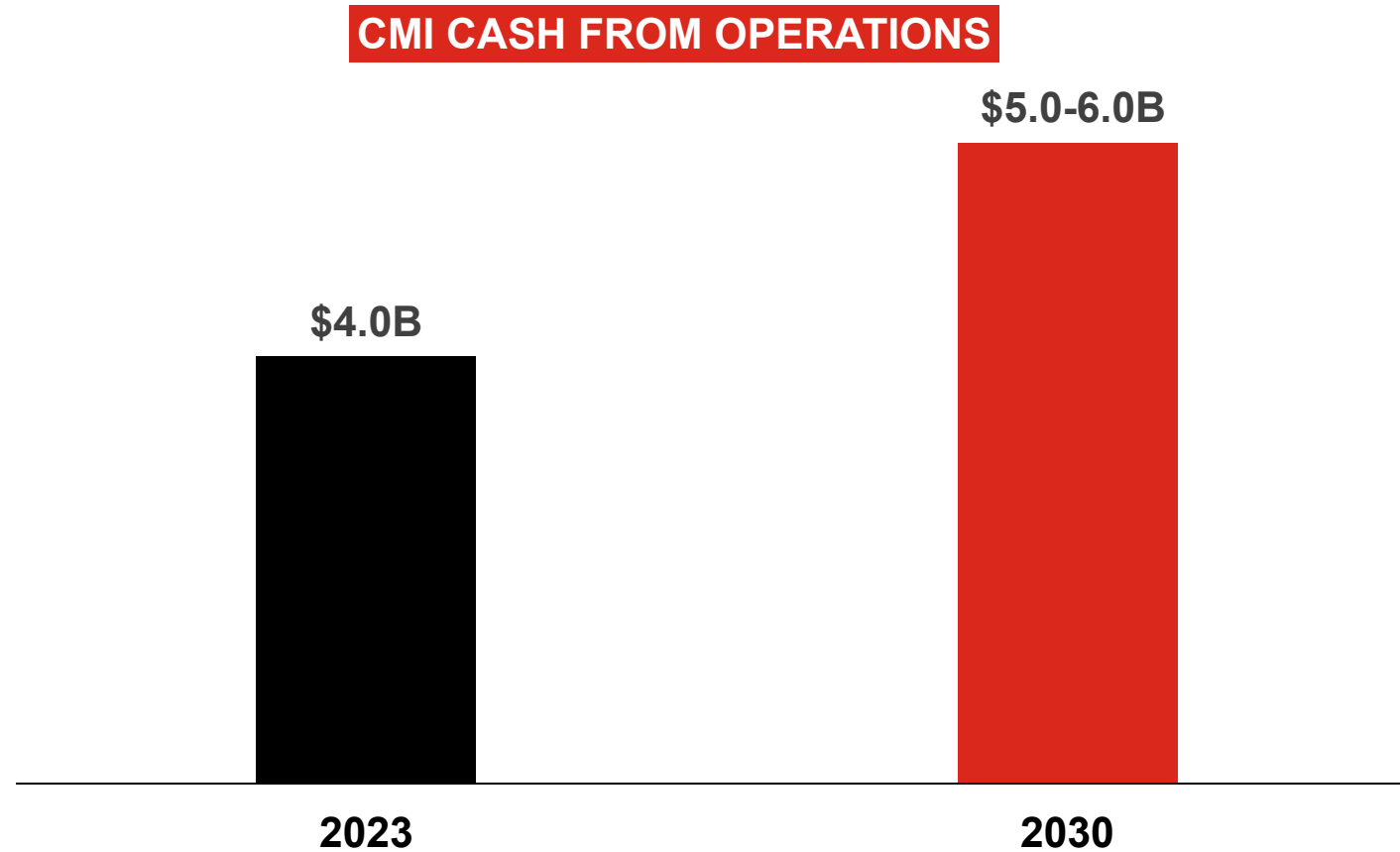
MARGIN EXPANSION IN OUR BASE BUSINESS

- Operational improvement
- Strong returns on new products
- Investment cycle in Capital Expenditures and R&D peaks in 2026

SUCCESSFUL SCALING OF ACCELERA

- Improving margin as demand grows
- Appropriate pacing of investments across technologies as market adoption evolves

Yielding higher operating cash flow



Driving value to shareholders in our capital allocation priorities

CAPITAL ALLOCATION PRIORITIES	2024	2025-2030
REINVEST FOR GROWTH	✓	✓
DELEVERAGING	✓	
DIVIDEND GROWTH	✓	✓
RETURN EXCESS CASH TO SHAREHOLDERS		✓

Our financial expectations

FINANCIAL METRICS	GROWTH TO 2030	PRIMARY DRIVERS
Sales	5-7% CAGR	Secular Themes: Continued OEM outsourcing, content expansion, global data center investment, aftermarket growth
EBITDA	7-9% CAGR	Continued Base business operating improvement and Accelera driving to breakeven
EPS	> 7-9% CAGR	Earnings growth + Return of excess cash to shareholders



Summary

- Cummins is best-placed to support global OEMs
- Secular themes support growth at 1.5x global GDP through 2030
- Margin improvement + disciplined capital deployment to drive higher returns
- Outlook for 2024 unchanged, with 1H expected to be stronger than 2H

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Power Onward™

Analyst Day 2024

Q+A PANEL



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Executive Officer



Jenny Bush
President,
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Amy Davis
President,
Accelera™ by Cummins
and Components



Brett Merritt
President,
Engine Business



Bonnie Fetch
President,
Distribution Business



Mark Smith
Chief Financial Officer

Analyst Day 2024

Join us for lunch



Jennifer Rumsey
Chair and Chief
Executive Officer



Chris Clulow
Vice President,
Investor Relations



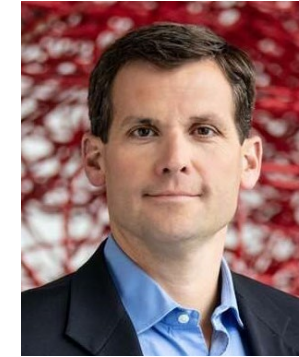
Mark Smith
Chief Financial
Officer



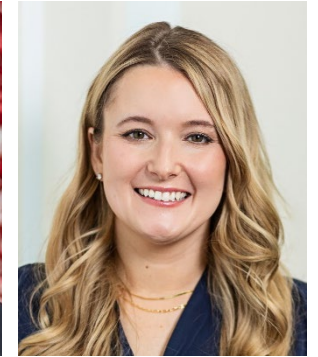
Jenny Bush
President, Power
Systems Business



Bonnie Fetch
President,
Distribution Business



Brett Merritt
President, Engine
Business



Colleen Koeberlein
Director, Investor
Relations



Amy Davis
President, Accelera
and Components



Jeff Wilttrout
Vice President,
Corporate Strategy



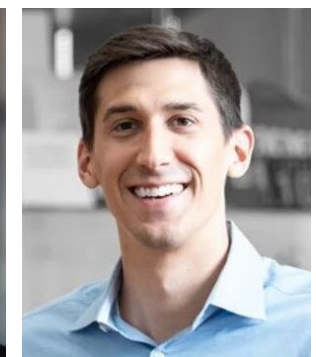
Jon Wood
Chief Technical
Officer



Carole Casto
Vice President,
Marketing and
Communications



**Srikanth
Padmanabhan**
Executive Vice
President and
President, Operations



David Heckman
Investor Relations
Manager



Appendix



Non-GAAP Reconciliation - EBITDA

In Millions	Years Ended					
	31-Dec-2009	31-Dec-2014	31-Dec-2016	31-Dec-2019	31-Dec-2020	31-Dec-2023
Net income attributable to Cummins Inc.	\$ 428	\$ 1,651	\$ 1,394	\$ 2,260	\$ 1,789	\$ 735
Net income attributable to noncontrolling interests	56	85	62	8	22	105
Consolidated net income	484	1,736	1,456	2,268	1,811	840
Income tax expense	156	698	474	566	527	786
Income before taxes	640	2,434	1,930	2,834	2,338	1,626
Interest expense	35	64	69	109	100	375
EBIT	675	2,498	1,999	2,943	2,438	2,001
Depreciation and amortization	324	452	527	669	670	1,016
EBITDA	999	2,950	2,526	3,612	3,108	3,017
Other Items ¹	99	32	-	119	-	2,178
Adjusted EBITDA excluding Other Items	1,098	2,982	2,526	3,731	3,108	5,195
Less: Atmus EBITDA ²	94	155	173	253	273	354
Less: Accelera EBITDA ³	-	-	-	(148)	(172)	(443)
Adjusted EBITDA excluding Atmus, Other Items, and Accelera	\$ 1,004	\$ 2,827	\$ 2,353	\$ 3,626	\$ 3,007	\$ 5,284

¹2023 EBITDA other 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 the Atmus business, and \$42 million of cost related to employee voluntary retirement and separation

2019 EBITDA other items include \$119 million charge for restructuring actions, primarily in the form of voluntary and involuntary separation programs

2014 EBITDA other items include \$32 million charge for restructuring actions, primarily related to the Power Systems business

2009 EBITDA other items include \$99 million charge for restructuring actions and other charges

²Atmus EBITDA excludes separation costs captured in the above disclosure

³Accelera EBITDA excluded to represent Cummins "BASE" business and in 2019 excludes \$1 million charge for restructuring actions captured in disclosure 1

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 – Net income attributable to Cummins Inc.

In Millions	Years Ended	
	31-Dec-2020	31-Dec-2023
Net income attributable to Cummins Inc.	\$ 1,789	\$ 735
Other Items ¹	-	2,075
Adjusted Net income attributable to Cummins Inc. excluding Other Items	1,789	2,810
Less: Atmus Net Income ²	239	243
Adjusted Net income excluding Atmus and Other Items	1,550	2,567
Average diluted shares (millions)	149.0	142.7
Adjusted Earnings per Share excluding Atmus and Other Items	\$ 10.40	\$ 18.00

¹2023 other after-tax items include \$1.966 billion of cost related to the agreement to settle with U.S. regulators, \$77 million of cost related to the separation of the Atmus business, and \$32 million of cost related to employee voluntary retirement and separation

²Atmus per Share excludes separation costs captured in the above disclosure

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

Non-GAAP Reconciliation – Earnings per Share

	Years Ended					
	31-Dec-2009	31-Dec-2014	31-Dec-2016	31-Dec-2019	31-Dec-2020	31-Dec-2023
Earnings per Share	\$ 2.16	\$ 9.02	\$ 8.23	\$ 14.48	\$ 12.01	\$ 5.15
Other Items ¹	0.33	0.11	-	0.57	-	14.54
Earnings per Share excluding Other Items	2.49	9.13	8.23	15.05	12.01	19.69
Less: Atmus Earnings per Share ²	0.32	0.63	0.81	1.43	1.61	1.69
Adjusted Earnings per Share excluding Atmus and Other Items	\$ 2.16	\$ 8.50	\$ 7.42	\$ 13.62	\$ 10.40	\$ 18.00

¹2023 other items include \$13.78 per share of cost related to the agreement to settle with U.S. regulators, \$0.54 per share of cost related to the separation of the Atmus business, and \$0.22 per share of cost related to employee voluntary retirement and separation

2019 other items include \$0.57 per share of cost related to restructuring actions, primarily in the form of voluntary and involuntary separation programs

2014 other items include \$0.11 per share of cost related to restructuring actions, primarily related to the Power Systems business

2009 other items include \$0.33 per share of cost related to restructuring actions and other charges

²Atmus Earnings per Share excludes separation costs captured in the above disclosure

Non-GAAP Reconciliation – Invested Capital used for Return on Invested Capital Calculation

In Millions	Years Ended	
	31-Dec-2020	31-Dec-2023
Total equity	\$ 8,989	\$ 9,904
Less: Defined benefit postretirement plans	(735)	(848)
Equity used for return on invested capital calculation	9,724	10,752
Loans payable	169	280
Commercial paper	323	1,496
Current maturities of long-term debt	62	118
Long-term debt	3,610	4,802
Other Items ¹	-	1,436
Invested capital used for return on invested capital calculation	\$ 13,888	\$ 18,884

¹2023 other items include \$2.036 billion of cost related to the agreement to settle with U.S. regulators and \$600 million of consolidated debt that will be transferred upon completion of the Atmus business separation

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	Years Ended	
	31-Dec-2020	31-Dec-2023
Net income attributable to Cummins Inc.	\$ 1,789	\$ 735
Net income attributable to non controlling interests	22	105
Consolidated net income	1,811	840
Income tax expense	527	786
Income before taxes	2,338	1,626
Interest expense	100	375
EBIT	2,438	2,001
Other Items ¹	-	2,178
Less: Tax effect on EBIT	549	978
Net operating profit after taxes used for return on invested capital calculation	\$ 1,889	\$ 3,201

¹2023 other 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 the Atmus business, and \$42 million of cost related to employee voluntary retirement and separation

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

Non-GAAP Reconciliation – ROIC

In Millions	Years Ended	
	31-Dec-2020	31-Dec-2023
<u>Unadjusted ROIC</u>		
Net Operating Profit after Taxes	\$ 1,889	\$ 1,035
Beginning - Unadjusted Invested capital used for ROIC calculation	11,566	18,249
Ending - Unadjusted Invested capital used for ROIC calculation	13,888	17,448
Unadjusted ROIC	15%	6%
<u>Adjusted ROIC</u>		
Net Operating Profit after taxes excluding other items ¹	\$ 1,889	\$ 3,201
Beginning - Adjusted Invested capital used for ROIC calculation	11,566	18,249
Ending - Adjusted Invested capital used for ROIC calculation	13,888	18,884
Adjusted ROIC	15%	17%

¹2023 other 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 the Atmus business, and \$42 million of cost related to employee voluntary retirement and separation

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