



First Quarter 2021 Earnings Teleconference

May 4, 2021

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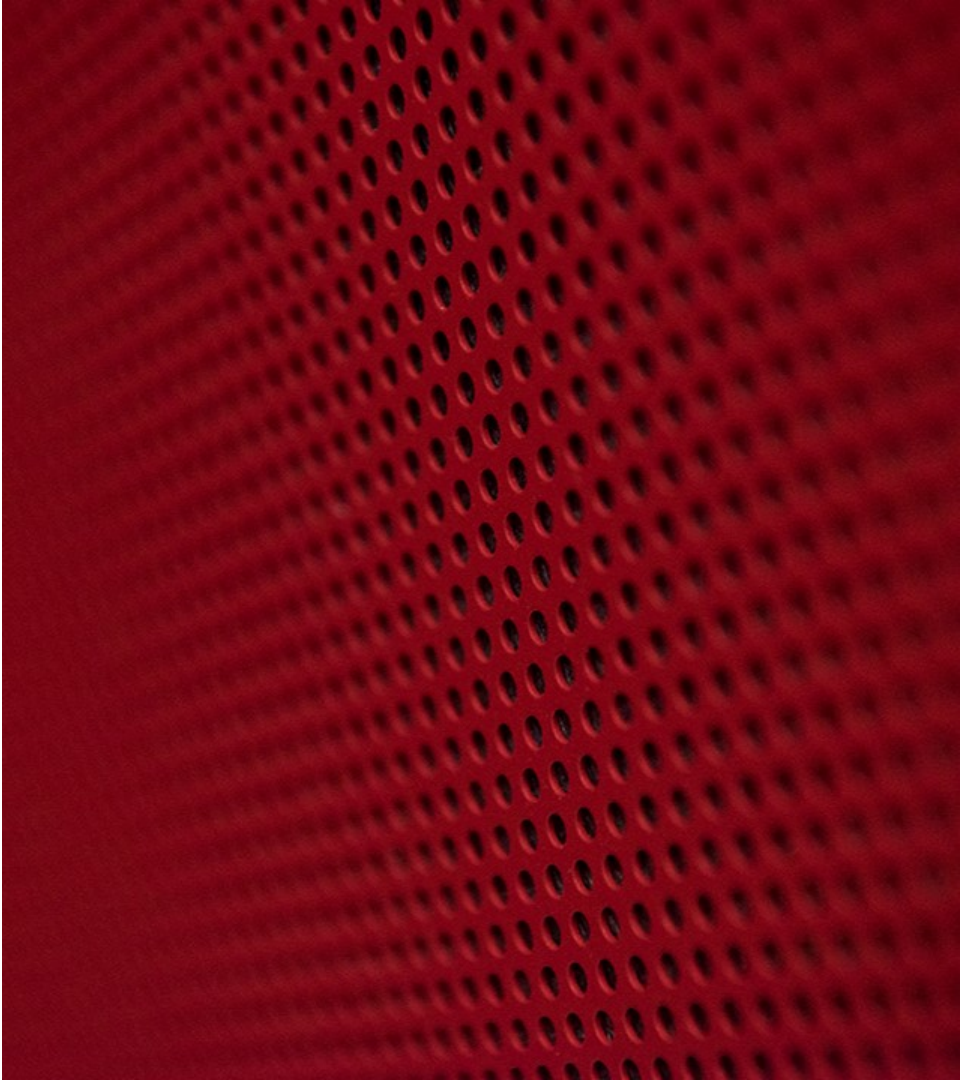
Q1 2021 Supplemental Information

Appendix

Disclosure Regarding Forward-Looking Statements

Information provided in this release 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; policy changes in international trade; the U.K.'s exit from the European Union; 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; supply shortages and supplier financial risk, particularly from any of our single-sourced suppliers, including suppliers that may be impacted by the COVID-19 pandemic; market slowdown due to the impacts from the COVID-19 pandemic, other public health crises, epidemics or pandemics; impacts to manufacturing and supply chain abilities from an extended shutdown or disruption of our operations due to the COVID-19 pandemic; aligning our capacity and production with our demand, including impacts of COVID-19; large truck manufacturers and original equipment manufacturers customers discontinuing outsourcing their engine supply needs or experiencing financial distress, particularly related to the COVID-19 pandemic, bankruptcy or change in control; a slowdown in infrastructure development and/or depressed commodity prices; failure to realize expected results from our investment in Eaton Cummins Automated Transmission Technologies joint venture; the actions of, and income from, joint ventures and other investees that we do not directly control; product recalls; 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; variability in material and commodity costs; product liability claims; our sales mix of products; protection and validity of our patent and other intellectual property rights; disruptions in global credit and financial markets as the result of the COVID-19 pandemic; labor relations or work stoppages; reliance on our executive leadership team and other key personnel; climate change and global warming; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions; exposure to potential security breaches or other disruptions to our information technology systems and data security; political, economic and other risks from operations in numerous countries; competitor activity; increasing competition, including increased global competition among our customers in emerging markets; foreign currency exchange rate changes; the performance of our pension plan assets and volatility of discount rates, particularly those related to the sustained slowdown of the global economy due to the COVID-19 pandemic; the price and availability of energy; the outcome of pending and future litigation and governmental proceedings; 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 2020 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 press release 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.

Q1 2021 Summary



Q1 2021 Summary

- **First quarter revenues of \$6.1 billion**
- **GAAP¹ Net Income of \$603 million and Diluted EPS of \$4.07**
- **EBITDA of \$980 million or 16.1 percent of sales**
- **Full year revenues expected to be up 20 to 24 percent**
- **EBITDA is expected to be in the range of 15.5 to 16.0 percent of sales**

¹ Generally Accepted Accounting Principles

Cummins Inc.

Selected Financial Data - Quarter

\$ MILLIONS	Q1 2021	Q1 2020
Sales	6,092	5,011
Gross Margin (% of Sales)	24.4%	25.8%
SAR (% of Sales)	13.7%	15.6%
EBITDA	980	846
EBITDA (% of Sales)	16.1%	16.9%
GAAP Net Income attributable to Cummins Inc.	603	511
GAAP Net Income (% of Sales)	9.9%	10.2%
Diluted EPS	\$4.07	\$3.41
Dividend Per Share	\$1.35	\$1.31
ROANA (LTM) ¹	26%	31%
ROIC (LTM) ¹	15%	19%

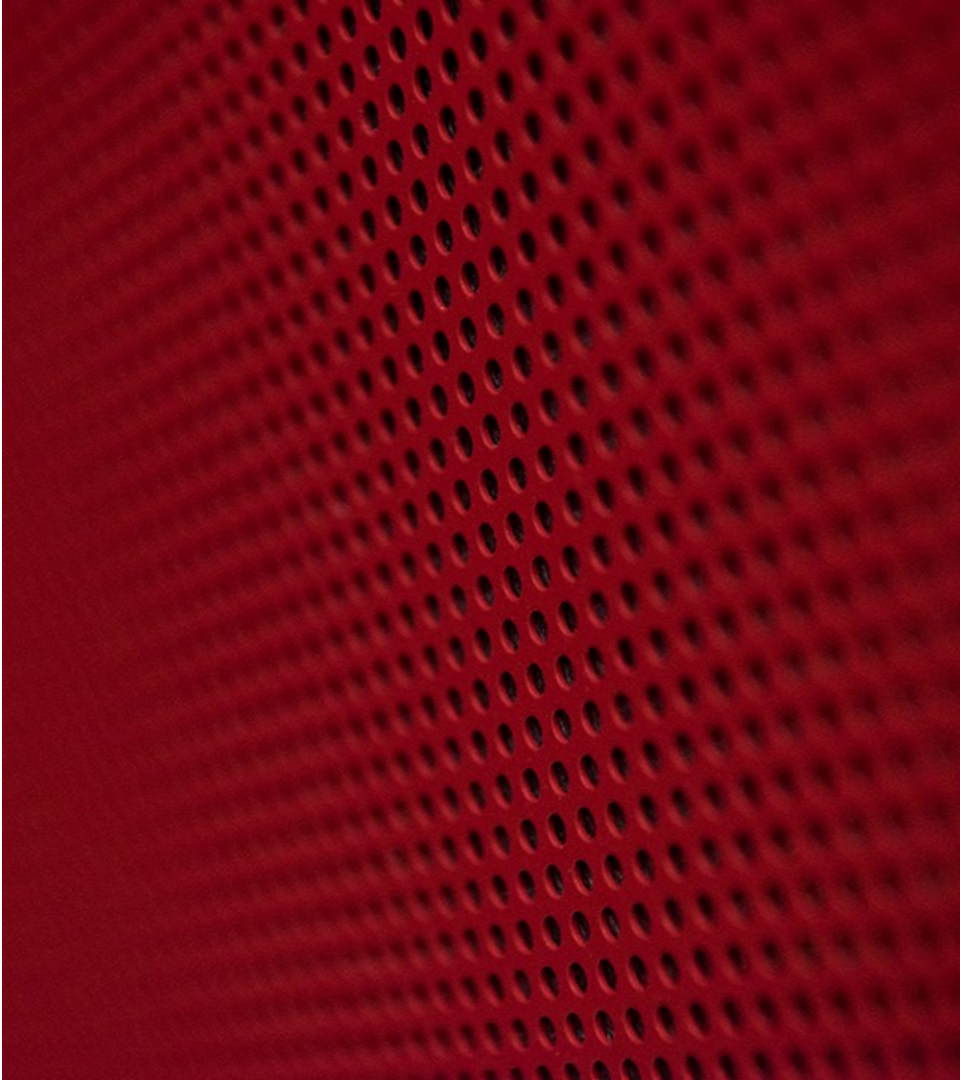
¹ Q1 2020 ROANA and ROIC calculations exclude Q4 2019 \$119 million of restructuring charges.

Q1 2021 Income Statement by Segment

\$M	Engine	Distribution	Components	Power Systems	New Power	Intersegment Eliminations	Total
Three months ended April 4, 2021							
Net Sales	2,459	1,835	2,152	1,022	35	(1,411)	6,092
<i>Sales growth vs 2020</i>	14%	1%	43%	16%	250%	(4)%	22%
EBITDA	354	160	421	126	(51)	(30)	980
Segment EBITDA %	14.4%	8.7%	19.6%	12.3%	NM ¹		16.1%
Three months ended March 29, 2020							
Net Sales	2,158	1,814	1,502	884	10	(1,357)	5,011
EBITDA	365	158	279	77	(43)	10	846
Segment EBITDA %	16.9%	8.7%	18.6%	8.7%	NM ¹		16.9%

¹ "NM" - not meaningful information

2021 Guidance



Guidance for 2021 Consolidated Results

ITEM	FULL YEAR GUIDANCE
Consolidated Revenue	Up 20% to 24%
Earnings from JVs	Down 5%
EBITDA Margin	15.5% to 16.0%
Depreciation & Amortization	\$650 to \$670 M
Effective Tax Rate ¹	22.5%
Capital Expenditures	\$725 to \$775 M
Global Pension Funding	\$75 M
Interest Expense	\$115 M

¹ Excluding discrete income tax items

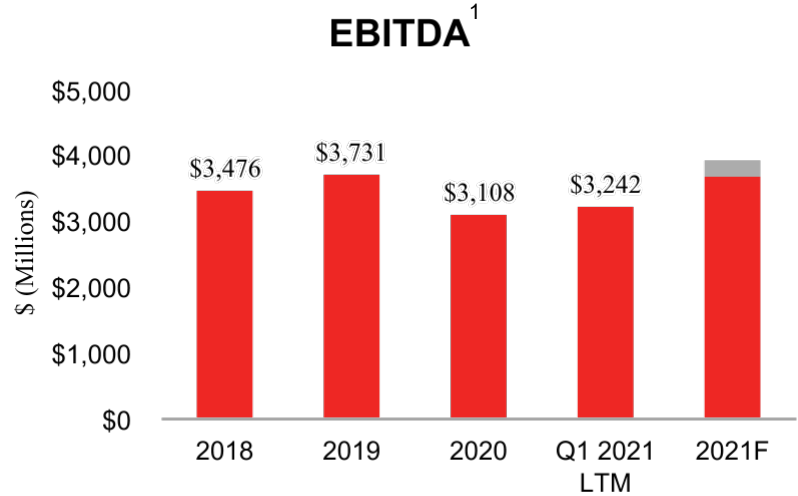
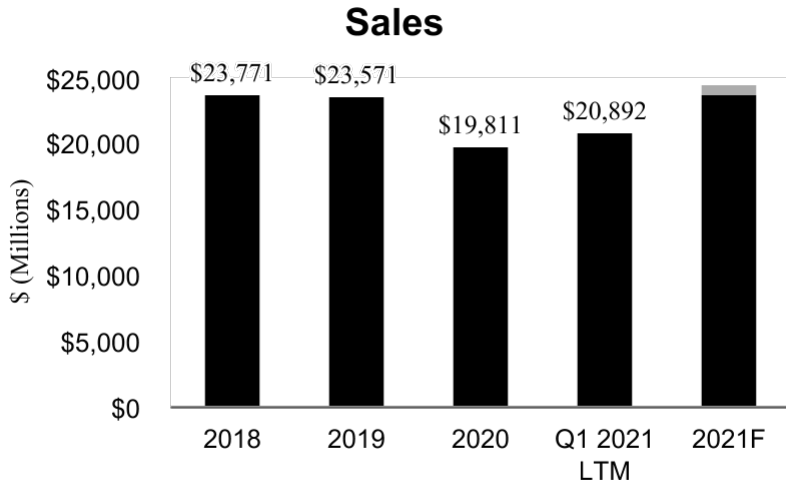
Guidance for 2021 Segment Results

ITEM	ENGINE	DISTRIBUTION	COMPONENTS	POWER SYSTEMS	NEW POWER
Consolidated Revenue Growth	Up 23% to 27%	Up 6% to 10%	Up 30% to 34%	Up 16% to 20%	\$110M to \$130M
2021 EBITDA Margins (% of Revenue)	14.5% to 15.0%	8.75% to 9.25%	16.75% to 17.25%	11.0% to 11.5%	(\$210M) to (\$190M)
2020 EBITDA Margins (% of Revenue)	15.4%	9.3%	16.0%	9.4%	(\$172M)

Key On-Highway Engine Markets - 2021

KEY MARKET	2021 Forecast	Market Size Vs. 2020
Heavy Duty Truck - NAFTA Class 8, Group 2 - Production	264K units	Up 45%
Medium Duty Truck - NAFTA Class 6-7, and Class 8 Group 1 - Production	140K units	Up 35%
Heavy & Medium Truck - China Sales	1,500K units	Down 15%
Heavy & Medium Truck - India Sales	295K units	Up 90%
Heavy & Medium Truck - Brazil Production	113K units	Up 25%

Cummins Inc.



2021 Guidance

Sales Up 20% to 24% EBITDA 15.5% to 16.0%

¹ 2019 EBITDA excludes \$119 million of restructuring charges.

A vertical red bar with a perforated texture occupies the left side of the slide. The perforations are small, dark, oval-shaped holes arranged in a grid pattern that tapers towards the right.

Q1 2021 Supplemental Information

Engine Segment Selected Financial Data

- Sales increased due to higher demand in North America truck and global construction markets.
- The decrease in EBITDA percent was primarily due to increased premium freight costs and other supply chain inefficiencies.

\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Sales	2,459	2,158	14%
EBITDA	354	365	(3)%
EBITDA (% of Sales)	14.4%	16.9%	

Engine Segment - Sales by Market

- On-highway revenues increased due to higher demand in North America truck markets.
- Off-highway revenues increased due to higher demand in global construction markets.

\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Heavy-Duty Truck	827	750	10%
Medium-Duty Truck & Bus	674	618	9%
Light-Duty Automotive	481	353	36%
On-Highway	1,982	1,721	15%
Off-Highway	477	437	9%
Total Sales	2,459	2,158	14%

Distribution Segment Selected Financial Data

- Sales increased 1% driven by higher engine and power generation sales partially offset by lower parts sales.
- EBITDA margin as a percent of sales remained flat as the benefits of our North America transformation work were offset by weaker parts sales resulting from supply chain challenges.

\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Sales	1,835	1,814	1%
EBITDA	160	158	1%
EBITDA (% of Sales)	8.7%	8.7%	

Components Segment Selected Financial Data

- Sales increased 43% driven by stronger demand for trucks in North America and continued strength in China.
- EBITDA margin as a percent of sales increased due to the benefits of higher volumes and lower product coverage costs.

\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Sales	2,152	1,502	43%
EBITDA	421	279	51%
EBITDA (% of Sales)	19.6%	18.6%	

Power Systems Segment Selected Financial Data

- Sales increased 16% driven by stronger demand for power generation and mining equipment globally.
- The increase in EBITDA percent was primarily due to the benefits of higher volumes.

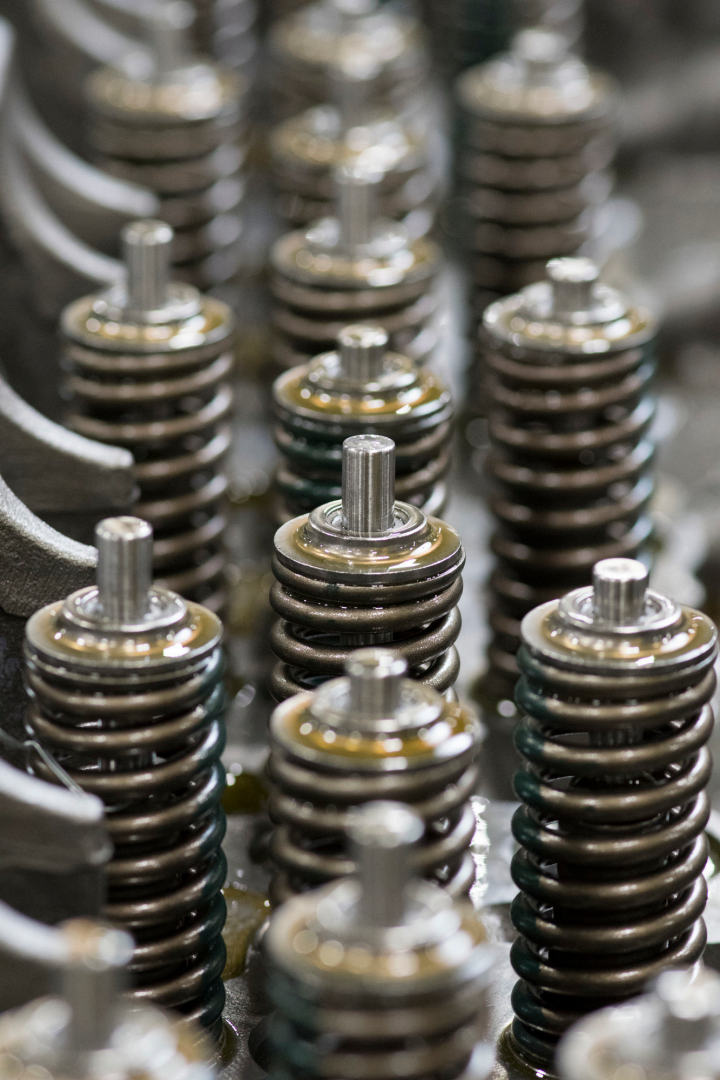
\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Sales	1,022	884	16%
EBITDA	126	77	64%
EBITDA (% of Sales)	12.3%	8.7%	

New Power Segment Selected Financial Data

- EBITDA losses were \$51 million for the quarter driven by the development of new products and the expected slow ramp of new technology adoption.

\$ MILLIONS	Q1 2021	Q1 2020	CHANGE
Sales	35	10	250%
EBITDA	(51)	(43)	(19)%
EBITDA (% of Sales)	NM ¹	NM ¹	

¹"NM" - not meaningful information



Joint Venture Income - Quarter

\$ MILLIONS	Q1 2021	Q1 2020
Engine	113	78
Distribution	17	21
Components	19	21
Power Systems	12	9
New Power	5	—
Total JV Income	166	129



Cash Flow - Quarter

\$ MILLIONS	Q1 2021	Q1 2020
Operating Cash Flow	339	379
Capital Expenditures	87	75
Working Capital Measure	4,683	4,436
Working Capital Measure (% of Net Sales)	19.2%	22.1%
Total Debt to Capital %	31.2%	29.5%
Net Debt to Capital %	5.6%	11.6%

Appendix



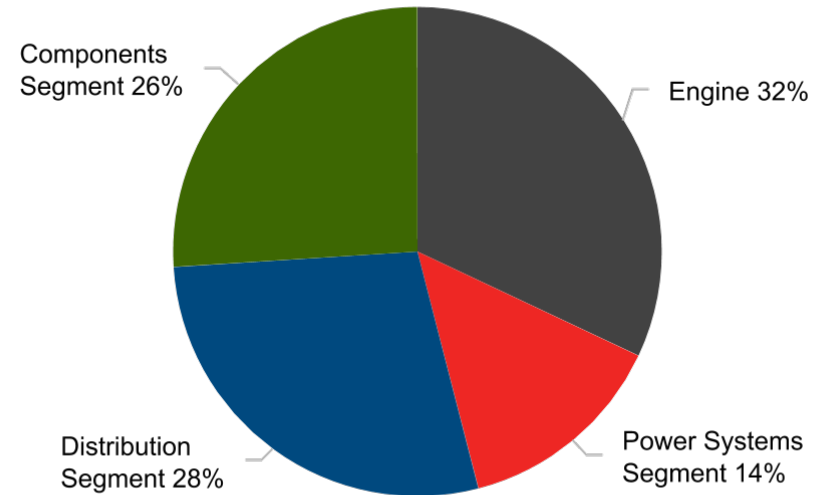
Cummins Inc.

- Strong product portfolio and global partners
- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership

Q1 2021 LTM Results

Sales:	\$20.9 billion
EBITDA:	\$3.2 billion
EBITDA%:	15.5%

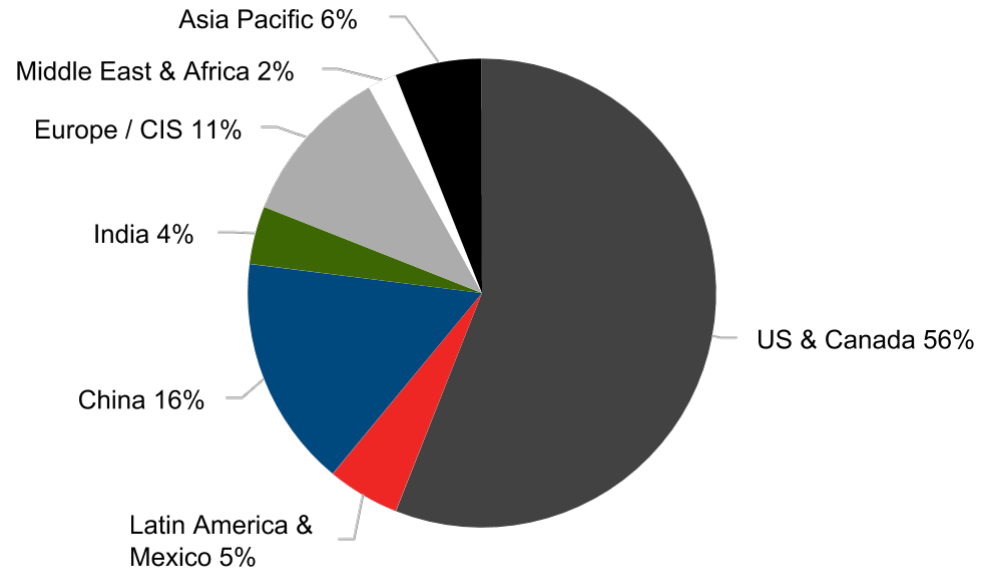
Q1 2021 LTM Revenue by Segment



Cummins Inc.

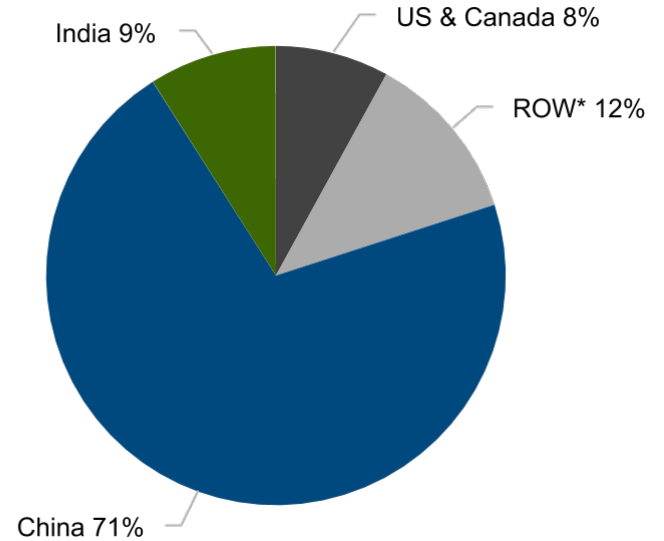
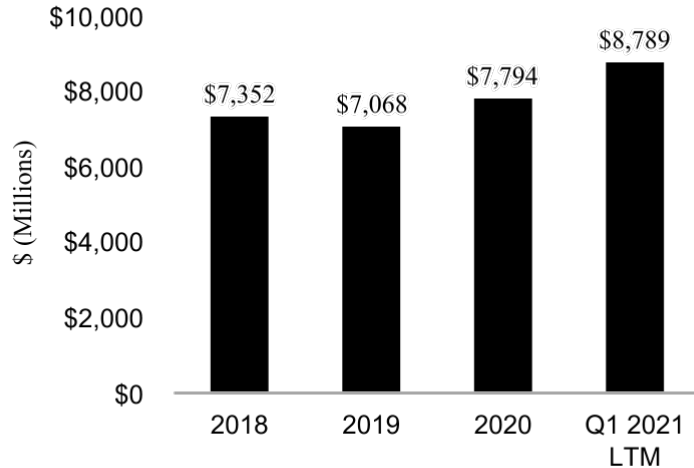
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in approximately 190 countries and territories

Q1 2021 LTM Revenue by Marketing Territory



Cummins - Joint Venture Sales Unconsolidated

Q1 2021 LTM Revenue



* Rest of world

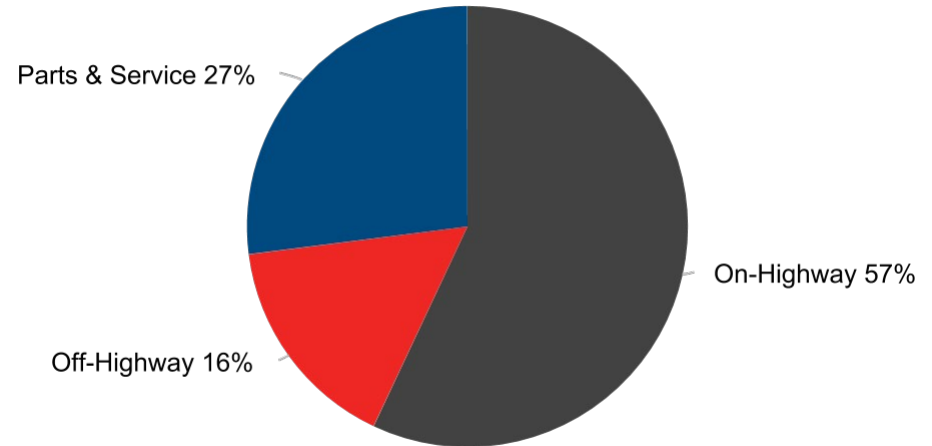
Engine Segment - Overview

- Diesel and natural gas engines from 2.8L to 15L and 48 hp to 715 hp
- Long-term engine supply agreements with key customers to stabilize pricing and to jointly engineer better integrated vehicles to market
- Leading market share in multiple end-markets and geographies

Q1 2021 LTM Results

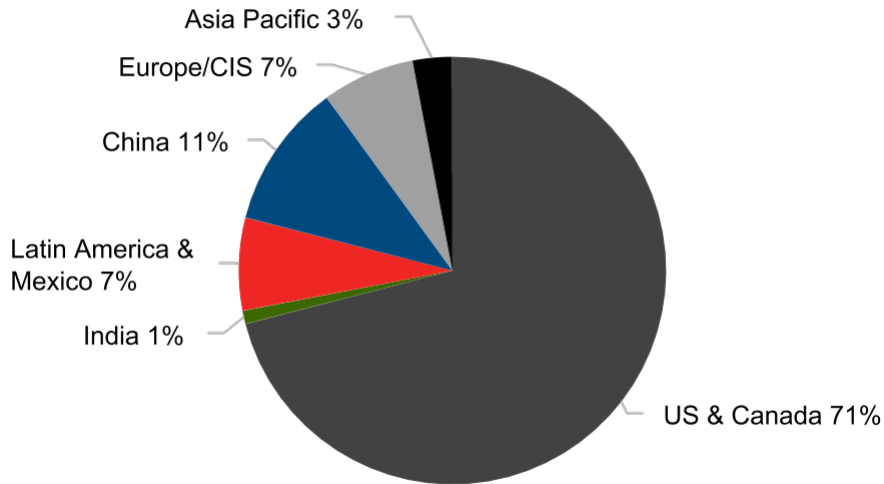
Sales:	\$8.3 billion
EBITDA:	\$1.2 billion
EBITDA%:	14.7%

Q1 2021 LTM Revenue by Product

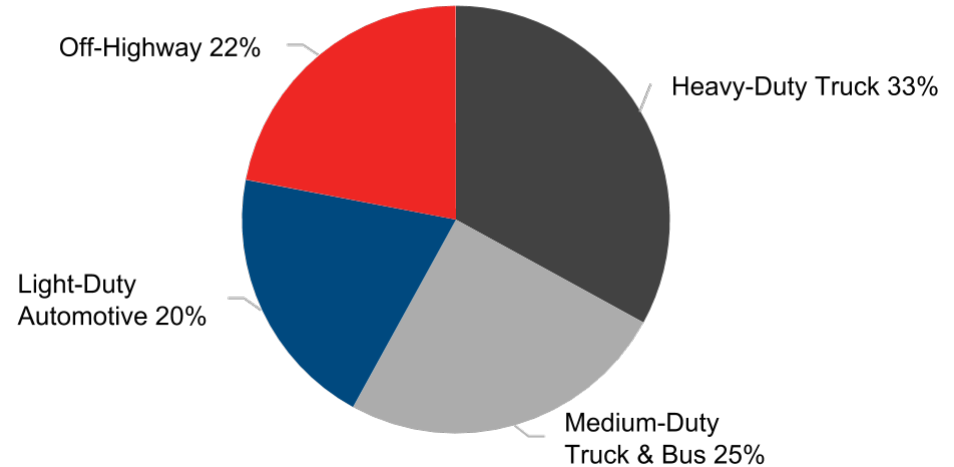


Engine Segment - Sales Mix

By Region



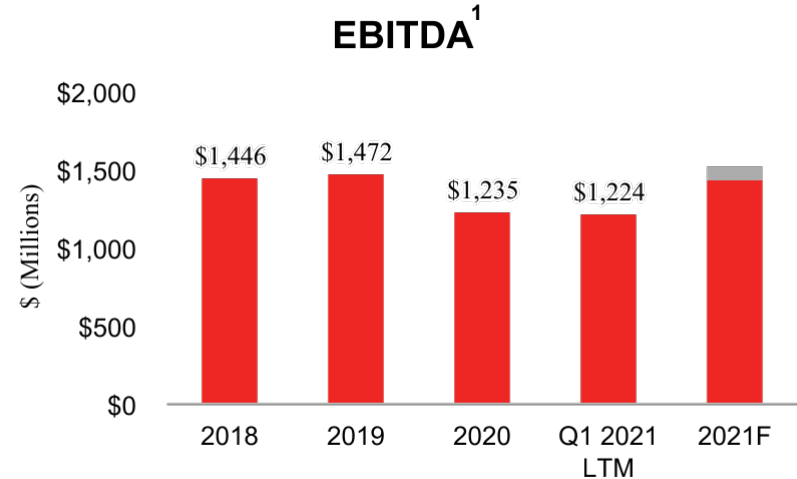
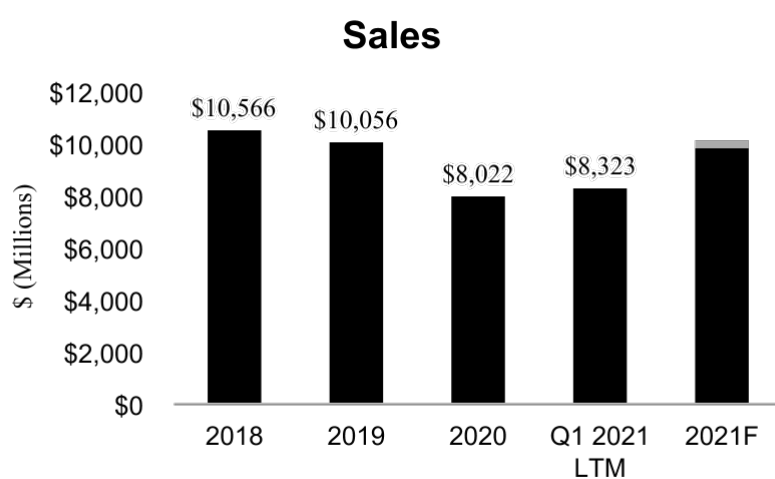
By Application



Q1 2021 LTM Revenue

\$8.3 billion

Engine Segment - Historical Performance



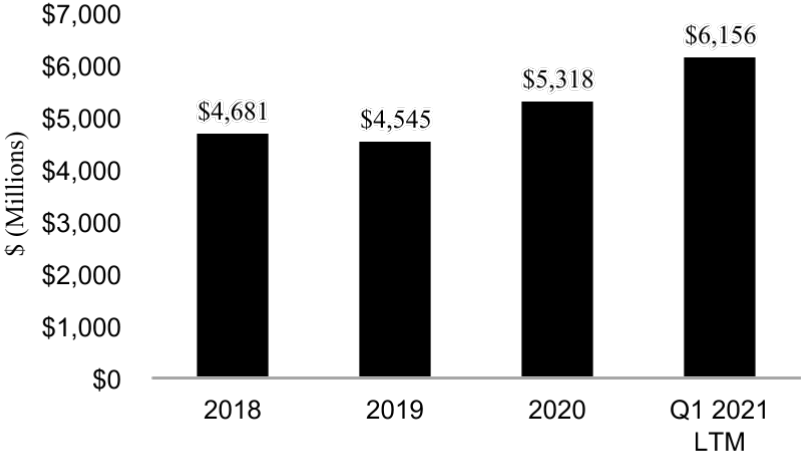
2021 Guidance

Sales Up 23% to 27%

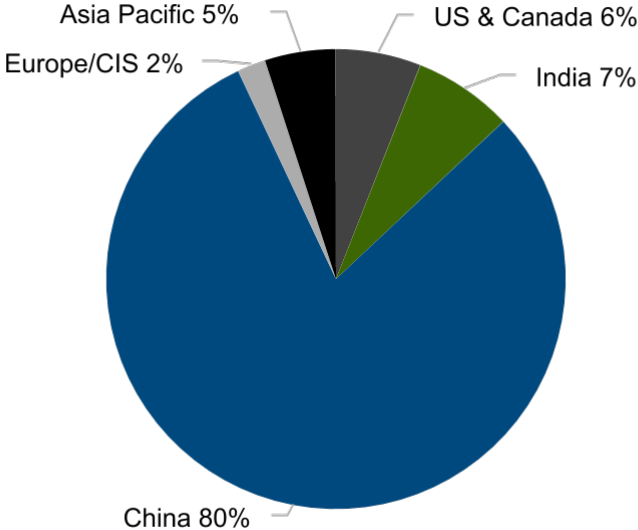
EBITDA 14.5% to 15.0%

¹ 2019 EBITDA excludes \$18 million of restructuring charges.

Engine Segment - Joint Venture Sales Unconsolidated



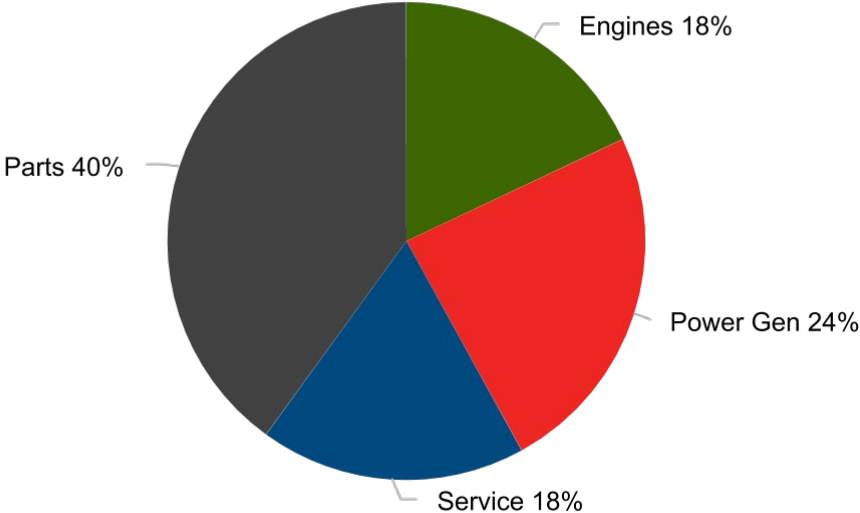
Q1 2021 LTM Revenue



Distribution Segment - Overview

- Provide aftermarket support and increase solution-based revenue
- Increasing network capabilities in emerging markets to capture profitable growth

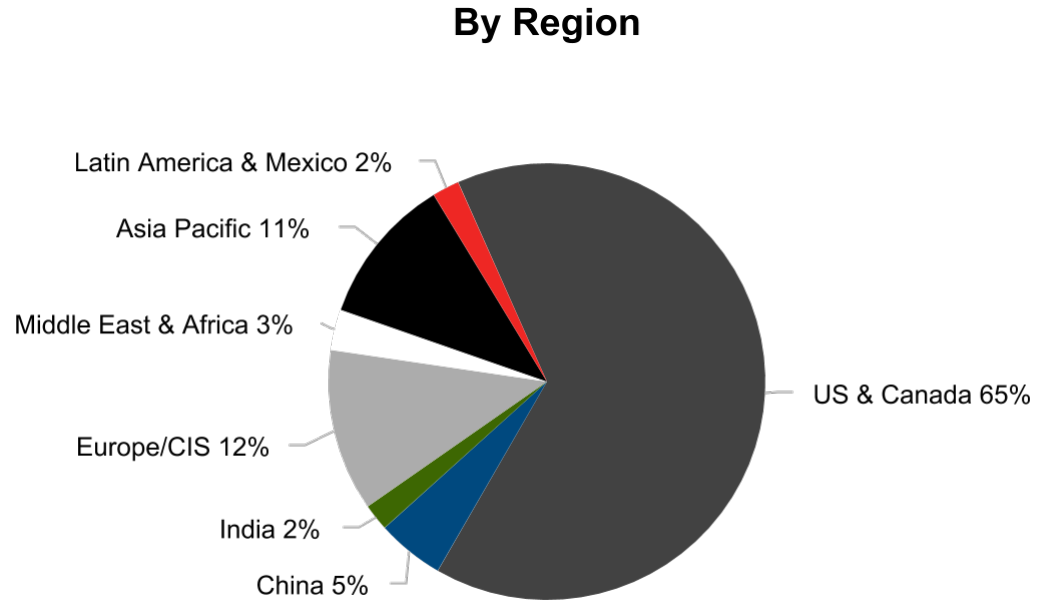
Q1 2021 LTM Revenue by Product



Q1 2021 LTM Results	
Sales:	\$7.2 billion
EBITDA:	\$667 million
EBITDA%:	9.3%

Distribution Segment - Sales Mix

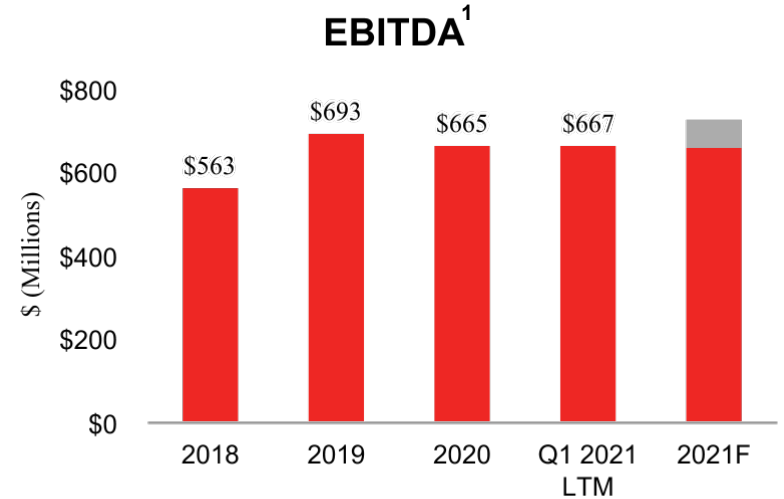
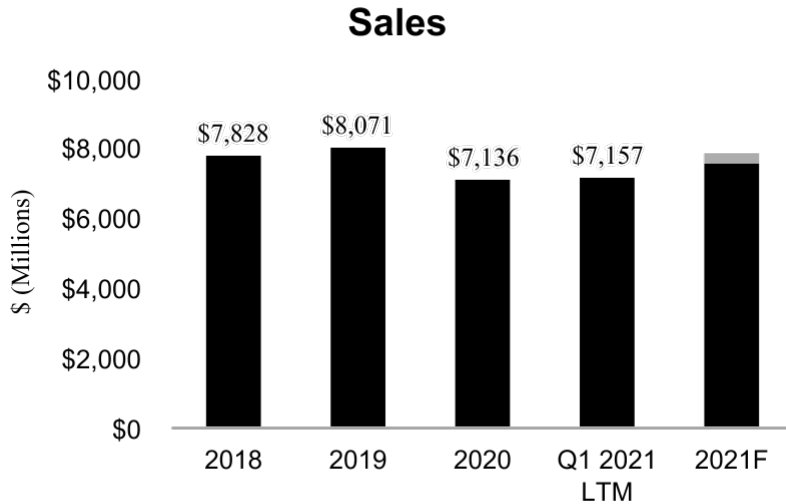
- Key enabler for Cummins growth
- Benefiting from increased population of products in the field



Q1 2021 LTM Revenue

\$7.2 billion

Distribution Segment - Historical Performance

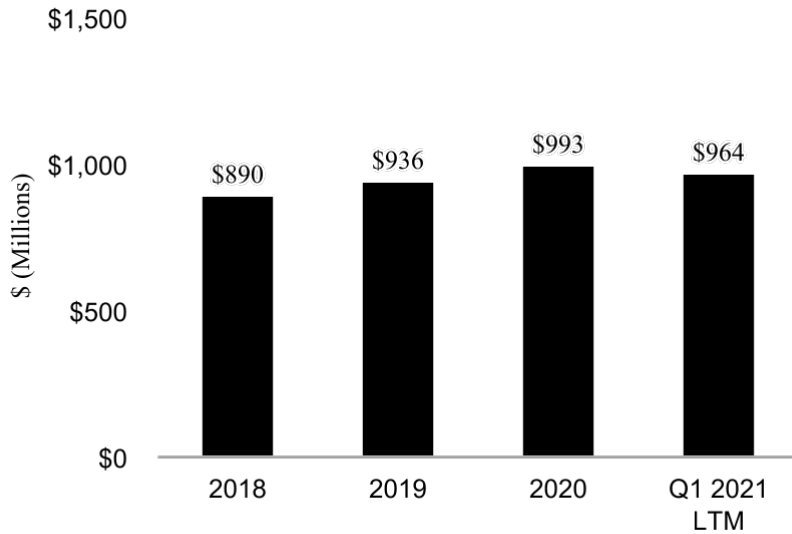


2021 Guidance

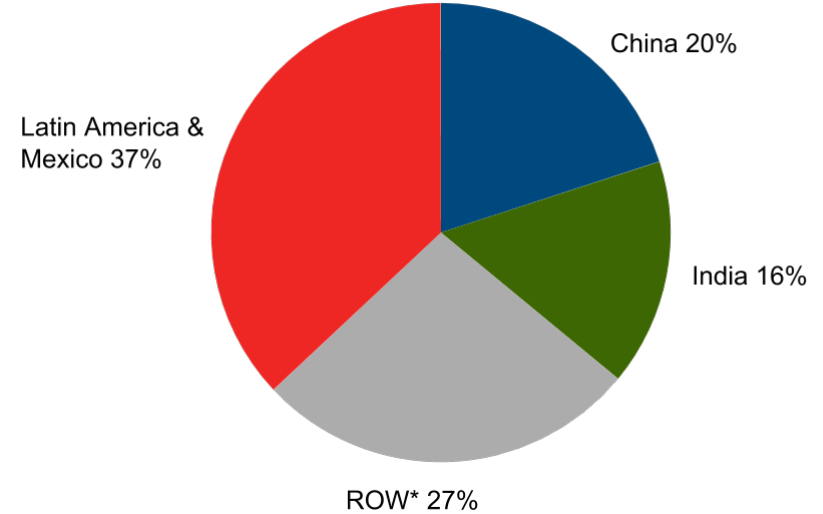
Sales Up 6% to 10% EBITDA 8.75% to 9.25%

¹ 2019 EBITDA excludes \$37 million of restructuring charges.

Distribution Segment - Joint Venture Sales Unconsolidated



Q1 2021 LTM Revenue



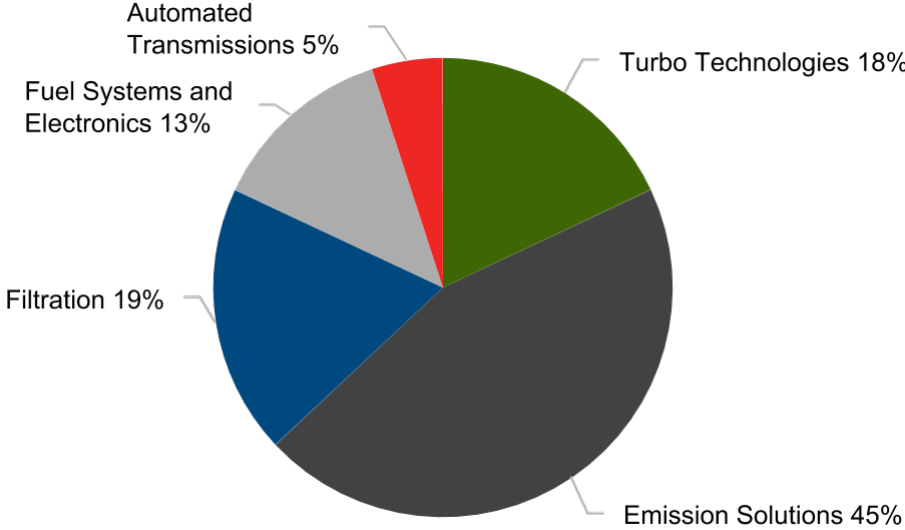
* Rest of World

Components Segment - Overview

- Leading supplier of aftertreatment products for commercial vehicle applications
- Largest worldwide supplier of turbochargers from 3.8L to 25L for commercial applications
- World's leading supplier of filtration, coolant and chemical products

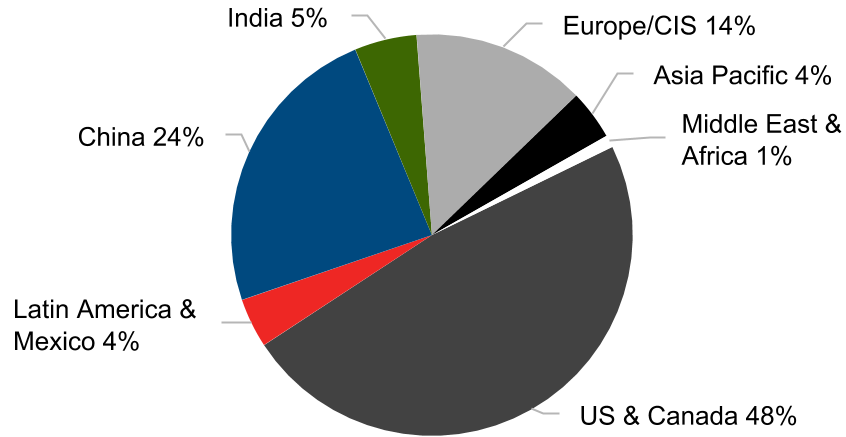
Q1 2021 LTM Results	
Sales:	\$6.7 billion
EBITDA:	\$1.1 billion
EBITDA%:	16.5%

Q1 2021 LTM Revenue by Business

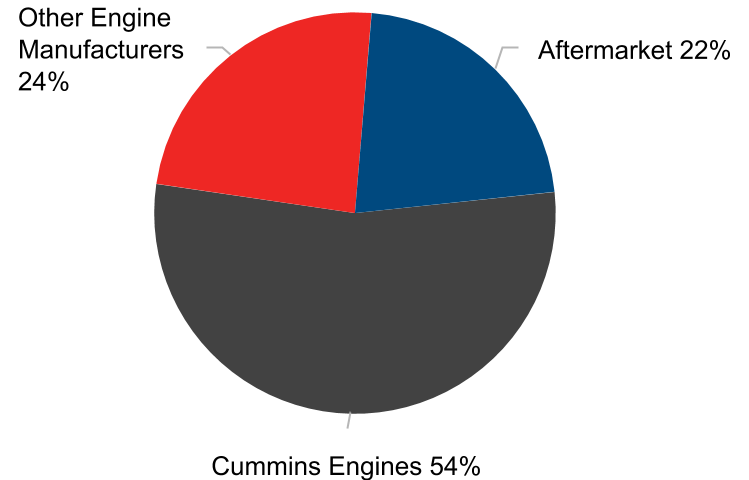


Components Segment - Sales Mix

By Region



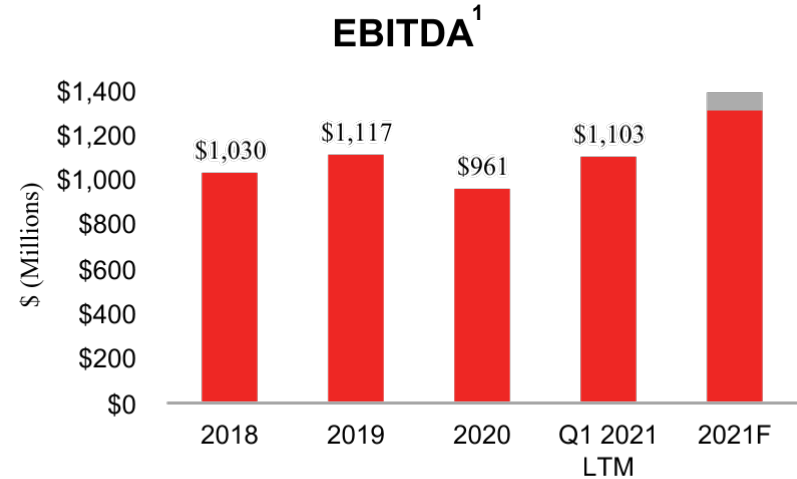
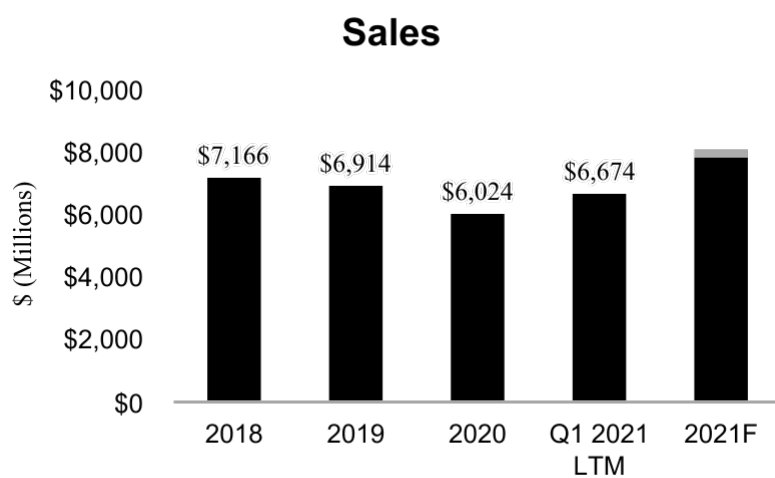
By Application



Q1 2021 LTM Revenue

\$6.7 billion

Components Segment - Historical Performance



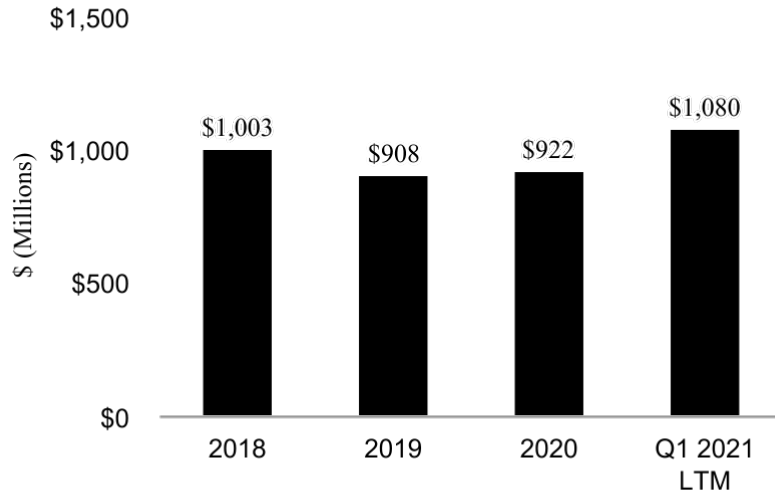
2021 Guidance

Sales Up 30% to 34%

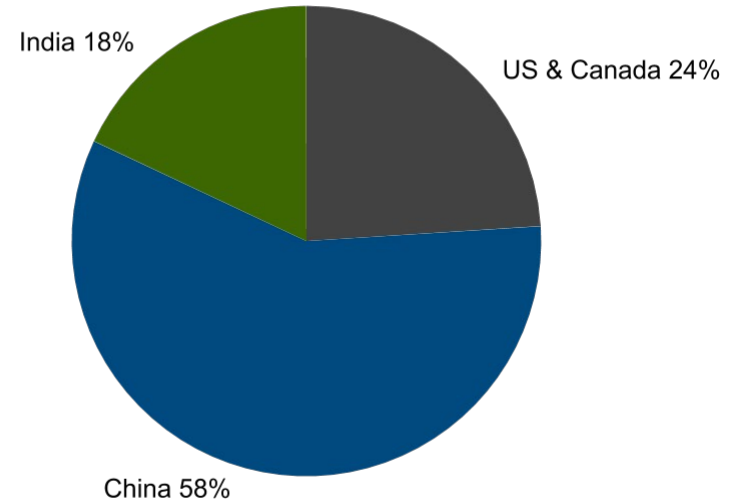
EBITDA 16.75% to 17.25%

¹ 2019 EBITDA excludes \$20 million of restructuring charges.

Components Segment - Joint Venture Sales Unconsolidated



Q1 2021 LTM Revenue



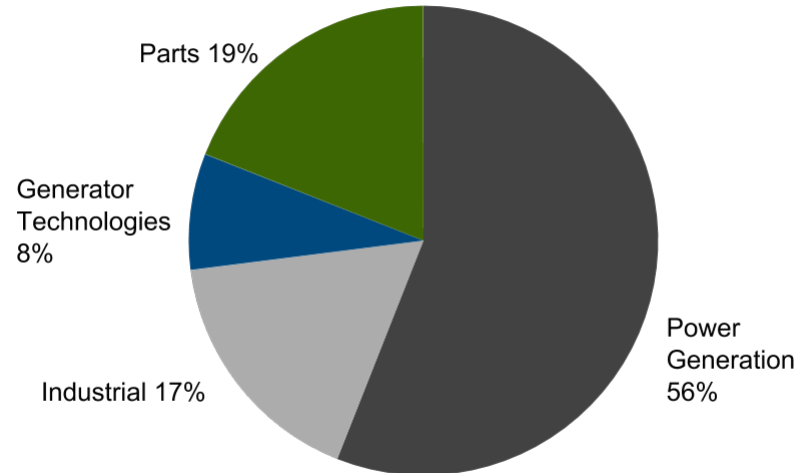
Power Systems Segment - Overview

- Global provider of power generation systems, components and services from 2kW to 3.5 Megawatts (MW)
- Leading supplier of alternators from 3kVA to 12,000kVA
- Leading market share in multiple geographies

Q1 2021 LTM Results

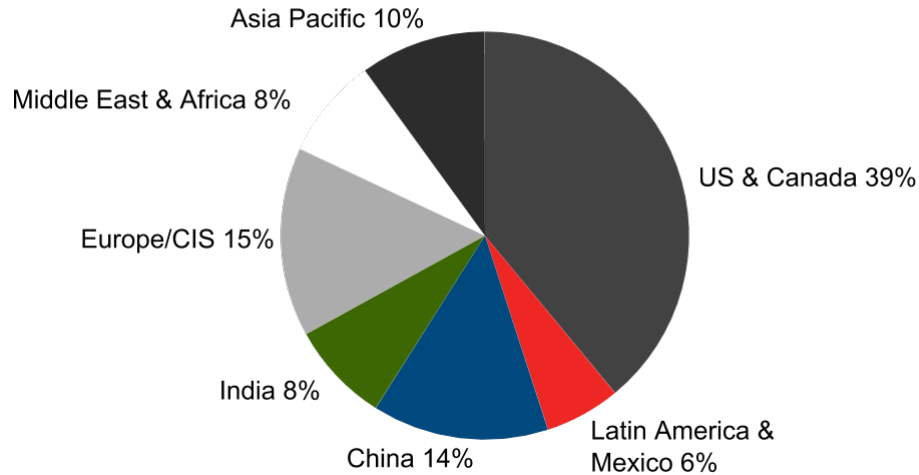
Sales:	\$3.8 billion
EBITDA:	\$392 million
EBITDA%:	10.4%

Q1 2021 LTM Revenue by Product

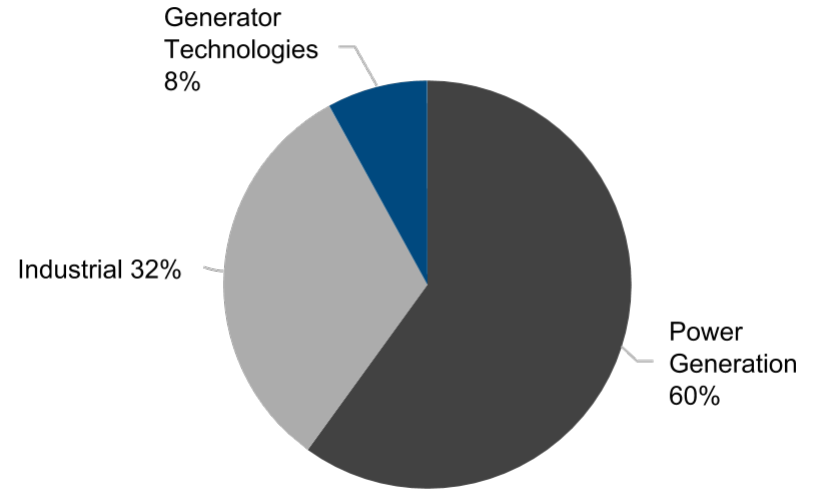


Power Systems Segment - Sales Mix

By Region



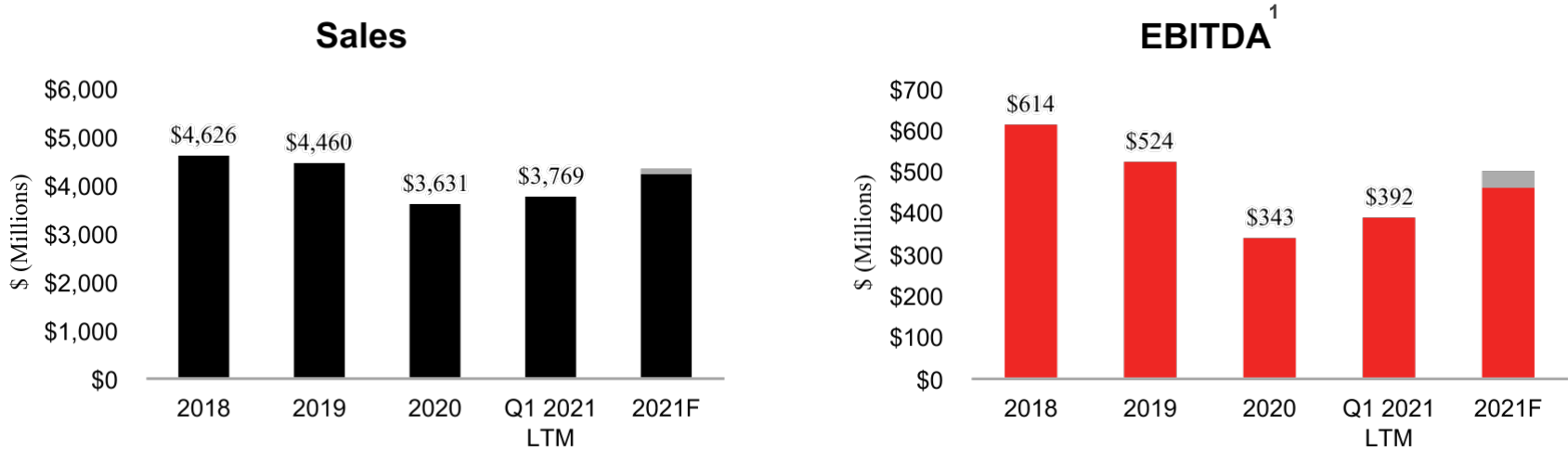
By Product Line



Q1 2021 LTM Revenue

\$3.8 billion

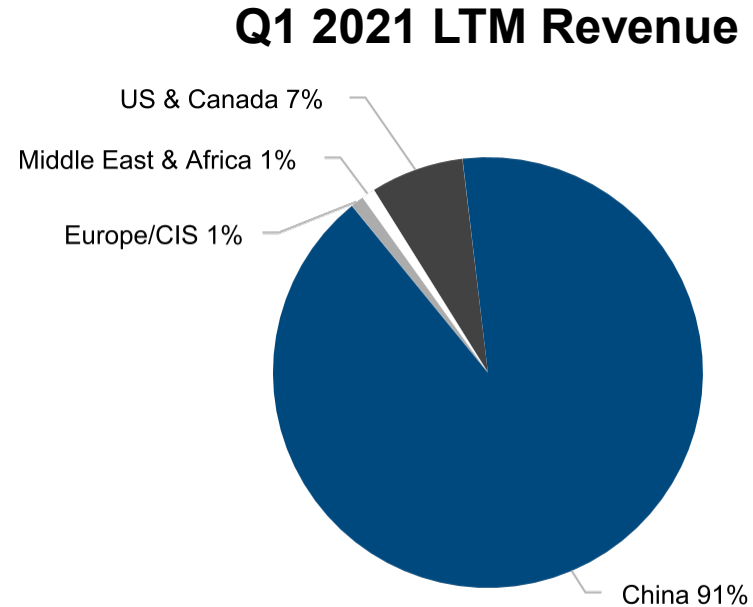
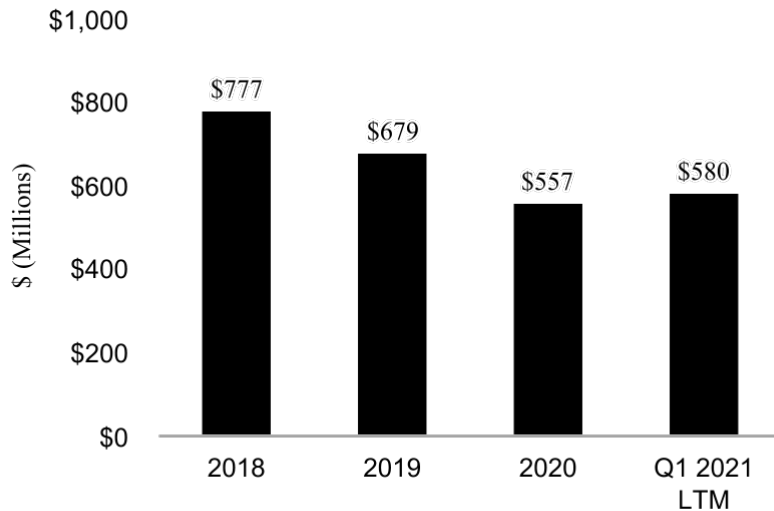
Power Systems Segment - Historical Performance



2021 Guidance	
Sales Up 16% to 20%	EBITDA 11.0% to 11.5%

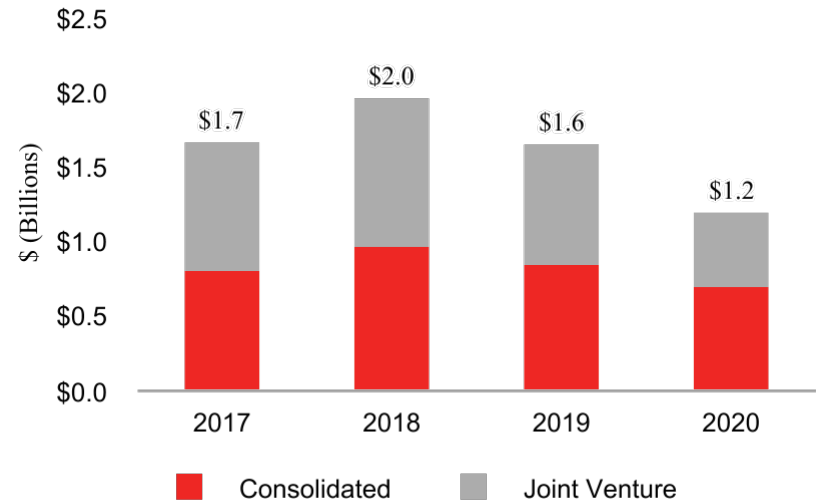
¹ 2019 EBITDA excludes \$12 million of restructuring charges.

Power Systems Segment - Joint Venture Sales Unconsolidated



Emerging Market Sales - India¹

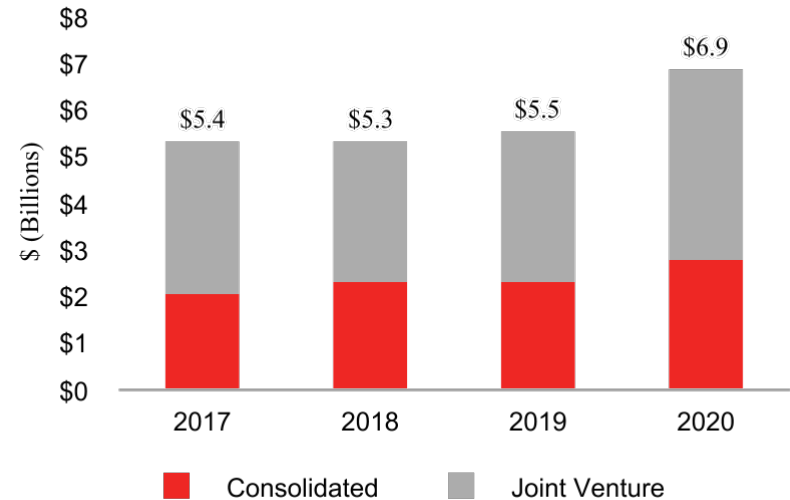
- Present in India for over 50 years
- Market leadership
- Strong OEM relationships
- Expanding our markets



¹ Consolidated & JV sales with eliminations

Emerging Market Sales - China¹

- Present in China for over 40 years
- Broad product portfolio for On and Off Highway
- Strong OEM partners
- Growth from new products and tightening emission standards



¹ Consolidated & JV sales with eliminations

Non-GAAP Reconciliation - EBITDA

In Millions	Three Months Ended	
	04-Apr-21	29-Mar-20
Net income attributable to Cummins Inc.	\$ 603	\$ 511
Net income attributable to noncontrolling interests	8	17
Consolidated net income	611	528
Income tax expense	172	127
Income before taxes	783	655
Interest expense	28	23
EBIT	811	678
Depreciation and amortization	169	168
EBITDA	980	846
Less: Non-segment EBITDA	(30)	10
Total Segment EBITDA	\$ 1,010	\$ 836

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 (LTM)

	<u>Twelve Months Ended</u>	
In Millions	04-Apr-21	29-Mar-20
Net income attributable to Cummins Inc.	\$ 1,881	\$ 2,108
Net income attributable to noncontrolling interests	13	19
Consolidated net income	1,894	2,127
Income tax expense	572	517
Income before taxes	2,466	2,644
Interest expense	105	100
EBIT	2,571	2,744
Depreciation and amortization	671	681
EBITDA	3,242	3,425
Restructuring charges	—	119
EBITDA excluding restructuring charges	3,242	3,544
Less: Non-segment EBITDA excluding restructuring charges	36	93
Total Segment EBITDA excluding restructuring charges	\$ 3,206	\$ 3,451

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 - Working Capital

In Millions	Three Months Ended	
	04-Apr-21	29-Mar-20
Accounts and notes receivable, net	\$ 4,209	\$ 3,505
Inventories	3,753	3,579
Accounts Payable - (principally trade)	(3,279)	(2,648)
Working capital measure	\$ 4,683	\$ 4,436
Annualized Working capital measure (% of Net Sales)	19.2 %	22.1 %

A reconciliation of the calculation of working capital measure as a % of annualized net sales to our Condensed Consolidated Financial Statements is shown in the table above.

Non-GAAP Reconciliation - Net Assets

In Millions			
	04-Apr-21	29-Mar-20	31-Mar-19
Total Assets	\$ 22,962	\$ 20,076	\$ 19,846
Less: Deferred debt costs	3	3	3
Less: Deferred tax assets	439	461	410
Less: Pension and other postretirement benefit adjustments excluded from net assets	121	60	51
Less: Liabilities deducted in arriving at net assets	9,271	8,209	8,144
Total net assets	13,128	11,343	11,238
Less: Cash, cash equivalents and marketable securities	3,355	2,030	1,574
Net assets for operating segments	\$ 9,773	\$ 9,313	\$ 9,664

A reconciliation of net assets for operating segments to total assets in our Condensed Consolidated Financial Statements is shown in the table above.

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

In Millions

	04-Apr-21	29-Mar-20	31-Mar-19
Total Equity	\$ 9,031	\$ 8,018	\$ 8,727
Less: Defined benefit postretirement plans	(706)	(732)	(682)
Equity used for return on invested capital calculation	9,737	8,750	9,409
Loans payable	93	121	70
Commercial paper	317	1,617	709
Current maturities of long-term debt	61	33	37
Long-term debt	3,620	1,580	1,605
Invested capital used for return on invested capital calculation	\$ 13,828	\$ 12,101	\$ 11,830

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	Twelve Months Ended	
	04-Apr-21	29-Mar-20
Net income attributable to Cummins Inc.	\$ 1,881	\$ 2,108
Net income attributable to noncontrolling interests	13	19
Consolidated net income	1,894	2,127
Income tax expense	572	517
Income before taxes	2,466	2,644
Interest expense	105	100
EBIT	2,571	2,744
Restructuring charge	—	119
EBIT excluding restructuring charge	2,571	2,863
Less: Tax effect on EBIT	596	567
Net operating profit after taxes used for return on invested capital calculation	\$ 1,975	\$ 2,296

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.

Net Debt to Capital Reconciliation

In Millions

	04-Apr-21	29-Mar-20
Total Debt (A)	\$ 4,091	\$ 3,351
Total Equity (B)	9,031	8,018
Total Capital (C) = (A+B)	13,122	11,369
Total Cash, Cash Equivalents & Marketable Securities (D)	3,355	2,030
Net Debt (E) = (A-D)	\$ 736	\$ 1,321
Total Debt to Capital % (A/C)	31.2 %	29.5 %
Net Debt to Capital % (E/C)	5.6 %	11.6 %

A reconciliation of Net Debt used for Net Debt to Capital %.



Thank you for your interest

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