



Second Quarter 2022 Earnings Teleconference

August 2, 2022

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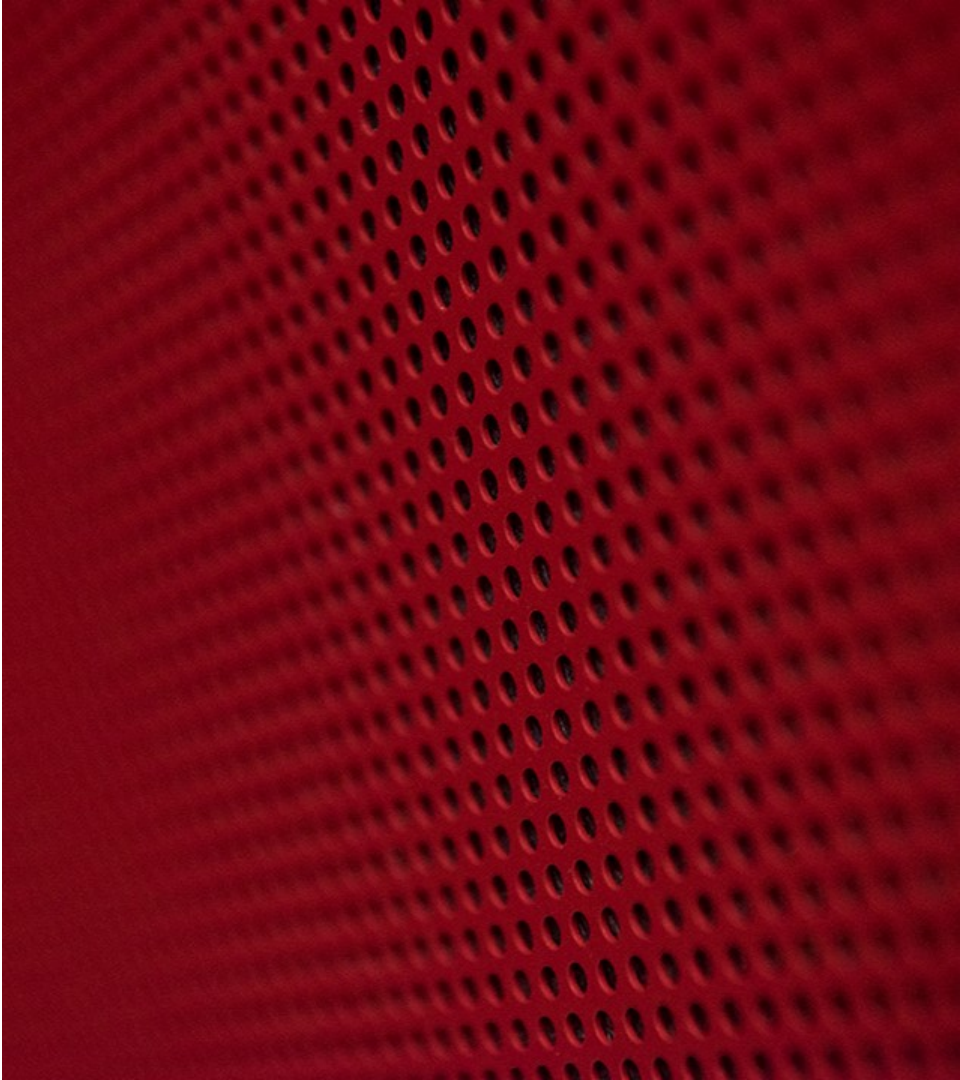
Q2 2022 Supplemental Information

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; 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; any adverse effects of the conflict between Russia and Ukraine and the global response (including government bans or restrictions on doing business in Russia); failure to successfully execute or integrate the acquisition of Meritor, Inc.; failure to realize all of the anticipated benefits from our announced acquisition of Meritor, Inc.; 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 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.

Q2 2022 Summary



Q2 2022 Summary

- **Second quarter revenues of \$6.6 billion**
- **Second quarter results include \$47 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$29 million of cost related to the separation of the Filtration business**
- **EBITDA of \$1.1 billion or 16.0 percent of sales**
 - **EBITDA of \$1.0 billion or 15.7 percent of sales excluding the benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business**
- **GAAP¹ Net Income of \$702 million and Diluted EPS \$4.94**
 - **Net Income excluding the benefit of adjusting the reserves related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business of \$678 million and Diluted EPS of \$4.77**
- **We are keeping our full year outlook the same as prior guidance with sales up 8% and EBITDA at 15.5%. EBITDA outlook excludes the net cost related to the indefinite suspension of operations in Russia and the cost or benefit related to the planned separation of the Filtration business**

¹ Generally Accepted Accounting Principles

Cummins Inc.

Selected Financial Data - Quarter

\$ MILLIONS	Q2 2022	Q2 2021
Sales	6,586	6,111
Gross Margin (% of Sales) ¹	25.6%	24.2%
SAR (% of Sales) ²	13.5%	14.3%
EBITDA ³	1,037	974
EBITDA (% of Sales) ³	15.7%	15.9%
GAAP Net Income attributable to Cummins Inc. ⁴	678	600
GAAP Net Income (% of Sales) ⁴	10.3%	9.8%
Diluted EPS ⁵	\$4.77	\$4.10
Dividend Per Share	\$1.45	\$1.35
ROANA (LTM) ⁶	27%	30%
ROIC (LTM) ⁶	16%	18%

¹ Q2 2022 Gross Margin excluding \$40 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia

² Q2 2022 SAR excluding \$29 million of cost related to the separation of the Filtration business

³ Q2 2022 EBITDA excluding \$47 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$29 million of cost related to the separation of the Filtration business

⁴ Q2 2022 Net Income excluding \$47 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$23 million of cost related to the separation of the Filtration business

⁵ Q2 2022 Diluted EPS excluding \$0.33 per share of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$0.16 per share of cost related to the separation of the Filtration business

⁶ Q2 2022 ROANA (LTM) and ROIC (LTM) calculations exclude the net cost related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

Q2 2022 Net Sales and EBITDA by Segment

\$ MILLIONS	Engine	Distribution	Components	Power Systems	New Power	Intersegment Eliminations	Total
Three months ended June 30, 2022							
Net Sales	2,775	2,253	1,950	1,203	42	(1,637)	6,586
<i>Sales growth vs 2021</i>	11%	17%	(2)%	5%	75%	12%	8%
EBITDA	423 ²	252 ³	355 ⁴	127 ⁵	(80)	(40) ⁶	1,037
Segment EBITDA %	15.2% ²	11.2% ³	18.2% ⁴	10.6% ⁵	NM ¹		15.7%
Three months ended July 4, 2021							
Net Sales	2,491	1,920	1,994	1,143	24	(1,461)	6,111
EBITDA	402	201	301	139	(60)	(9)	974
Segment EBITDA %	16.1%	10.5%	15.1%	12.2%	NM ¹		15.9%

¹ "NM" - not meaningful information

² Excluding \$1 million of cost from adjusting the reserves related to the indefinite suspension of operations in Russia

³ Excluding \$45 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia

⁴ Excluding \$2 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$5 million of cost related to the separation of the Filtration business

⁵ Excluding \$1 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia

⁶ Excluding \$24 million of cost related to the separation of the Filtration business

Q2 2022 EBITDA Detail

\$ MILLIONS	CMI	Engine Segment	Distribution Segment	Components Segment	Power Systems Segment	New Power Segment	Eliminations
Reported EBITDA	1,055	422	297	352	128	(80)	(64)
Reported EBITDA included the net benefit/(cost) from adjusting the reserves related to the indefinite suspension of operations in Russia	47	(1)	45	2	1		
Reported EBITDA included loss on Company-Owned Life Insurance	(48)						(48)
Reported EBITDA included costs related to the separation of the Filtration business	(29)			(5)			(24)

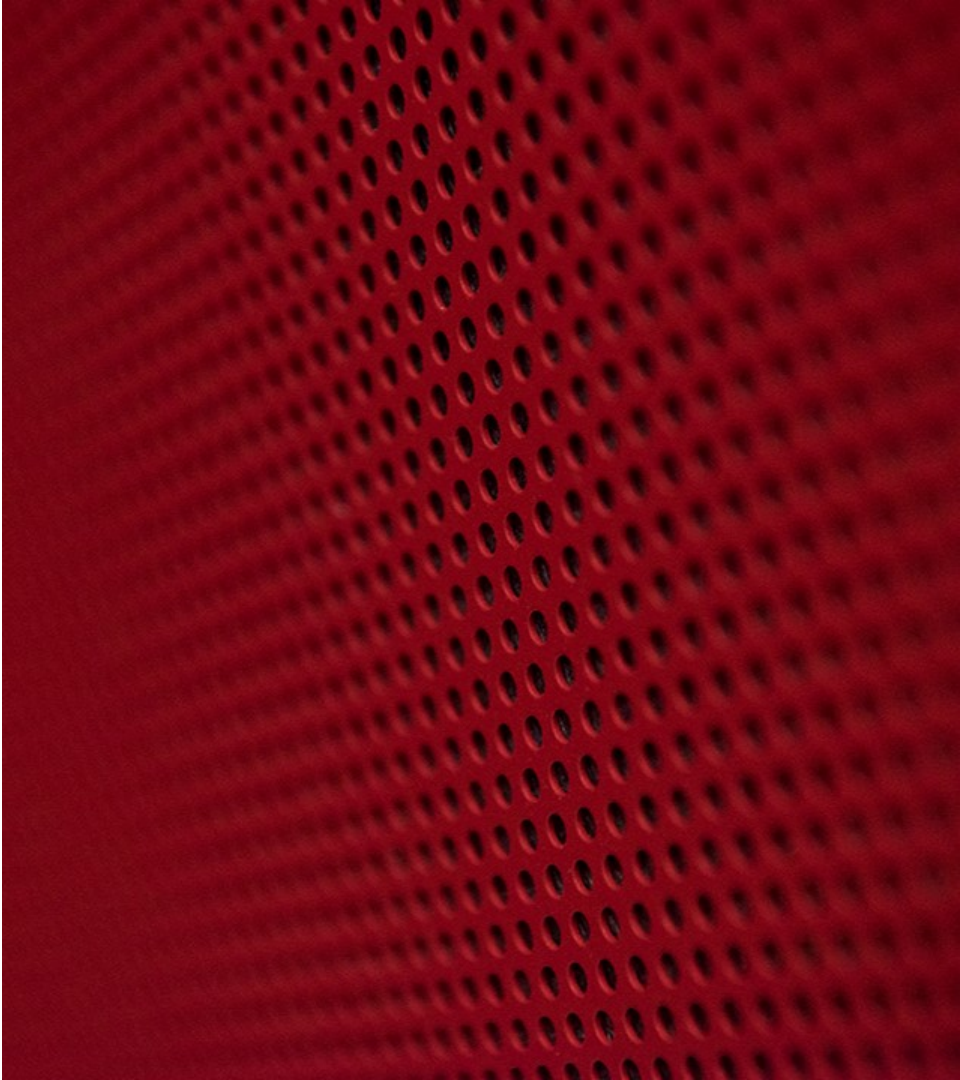
Q2 2022 EPS Detail

	EPS	
Reported EPS	\$	4.94
Reported EPS included the net benefit from adjusting the reserves related to the indefinite suspension of operations in Russia	\$	0.33
Reported EPS included loss on Company-Owned Life Insurance	\$	(0.34)
Reported EPS included costs related to the separation of the Filtration business	\$	(0.16)

Q2 2022 Income Statement

\$ MILLIONS	Included in Reported Results			
	Q2-22 Reported	Russia Net Benefit	COLI Gain/(Loss)	Filtration Separation
Net Sales	6,586			
Gross Margin	1,726	40		
Selling	246			2
Admin	376			27
Research	299			
SAR	921			29
JV Income	95			
Other Inc/(Exp)	(11)	7	(48)	
JV/Other Income	84	7	(48)	
Depreciation/Amortization	166			
EBITDA	1,055	47	(48)	(29)
Net Earnings/(Loss)	702	47	(48)	(23)
Diluted EPS	\$ 4.94	\$ 0.33	\$ (0.34)	\$ (0.16)

2022 Guidance



Guidance for 2022 Consolidated Results

ITEM	FULL YEAR GUIDANCE
Consolidated Revenue	Up 8%
Earnings from JVs ¹	Down 25% compared to down 20% in prior guidance
EBITDA Margin ²	approx. 15.5%
Depreciation & Amortization	\$660 to \$680 M
Effective Tax Rate ³	21.5%
Capital Expenditures	\$850 M to \$900 M
Global Pension Funding	\$49 M
Interest Expense	\$120 M

¹ Guidance excludes the \$31 million impact of the indefinite suspension of operations in Russia

² Guidance excludes the \$111 million of net cost related to the indefinite suspension of operations in Russia as well as cost or benefit associated with the planned separation of the Filtration business

³ Excluding discrete income tax items

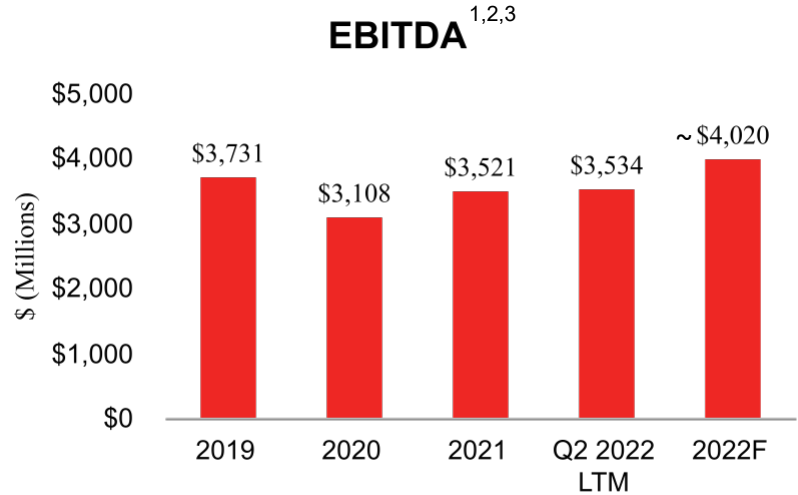
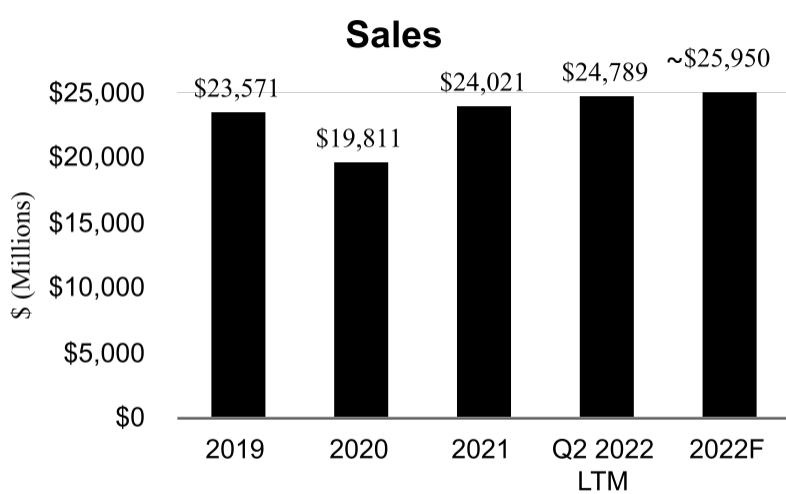
Guidance for 2022 Segment Results

ITEM	ENGINE	DISTRIBUTION	COMPONENTS	POWER SYSTEMS	NEW POWER
Consolidated Revenue Growth	Up 10%	Up 11%	Up 3%	Up 8%	\$200M
2022 EBITDA Margins (% of Revenue)	approx. 14.5%	approx. 10.5%	approx. 16.75%	approx. 11.0%	approx. (\$290M)
2021 EBITDA Margins (% of Revenue)	14.2%	9.4%	15.4%	11.2%	(\$223M)

Key On-Highway Engine Markets - 2022

KEY MARKET	2022 Forecast	Market Size Vs. 2021
Heavy Duty Truck - North America Class 8, Group 2 - Production	250K - 260K units	Up 10 % to 15% Flat with prior forecast
Medium Duty Truck - North America Class 6-7, and Class 8 Group 1 - Production	120K - 130K units	Up 5% to 10% Flat with prior forecast
Heavy & Medium Truck - China Sales	787K units	Down 50% Down 40% in prior forecast
Heavy & Medium Truck - India Sales	356K units	Up 30% Up 20% in prior forecast
Heavy & Medium Truck - Brazil Production	151K units	Down 5% Up 5% in prior forecast

Cummins Inc.



2022 Guidance

Sales Up 8%

EBITDA approx. 15.5%

¹ 2019 EBITDA excludes \$119 million of restructuring charges

² Q2 2022 LTM EBITDA excludes \$111 million of net cost related to the indefinite suspension of operations in Russia and \$46 million of cost related to the separation of the Filtration business

³ 2022 Guidance EBITDA excludes net cost related to the indefinite suspension of operations in Russia as well as cost or benefit associated with the planned separation of the Filtration business

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.

Q2 2022 Supplemental Information

Engine Segment Selected Financial Data

- Sales increased due to higher demand for trucks in North America.
- EBITDA margin as a percent of sales decreased as the benefits of stronger volumes and pricing actions were more than offset by lower joint venture income in China.

\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Sales	2,775	2,491	11%
EBITDA ¹	423	402	5%
EBITDA ¹ (% of Sales)	15.2%	16.1%	

¹ Q2 2022 EBITDA excludes \$1 million of cost from adjusting the reserves related to the indefinite suspension of operations in Russia

Engine Segment - Sales by Market

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

\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Heavy-Duty Truck	1,001	839	19%
Medium-Duty Truck & Bus	875	688	27%
Light-Duty Automotive	456	484	(6)%
On-Highway	2,332	2,011	16%
Off-Highway	443	480	(8)%
Total Sales	2,775	2,491	11%

Distribution Segment Selected Financial Data

- Sales increased 17% driven by stronger demand for both whole goods and aftermarket parts and service.
- The increase in EBITDA is primarily due to higher volumes and pricing actions.

\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Sales	2,253	1,920	17%
EBITDA ¹	252	201	25%
EBITDA ¹ (% of Sales)	11.2%	10.5%	

¹ Q2 2022 EBITDA excludes \$45 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia

Components Segment Selected Financial Data

- Sales decreased 2% driven by weaker demand in China.
- The increase in EBITDA is primarily due to the benefits of pricing actions and lower warranty expense.

\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Sales	1,950	1,994	(2)%
EBITDA ¹	355	301	18%
EBITDA ¹ (% of Sales)	18.2%	15.1%	

¹ Q2 2022 EBITDA excludes \$2 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and \$5 million of cost related to the separation of the Filtration business

Power Systems Segment Selected Financial Data

- Sales increased due to stronger global demand for generator technologies and oil & gas applications.
- EBITDA margin as a percent of sales decreased as the benefits of stronger volumes and pricing were more than offset by higher material and logistic expenses.

\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Sales	1,203	1,143	5%
EBITDA ¹	127	139	(9)%
EBITDA ¹ (% of Sales)	10.6%	12.2%	

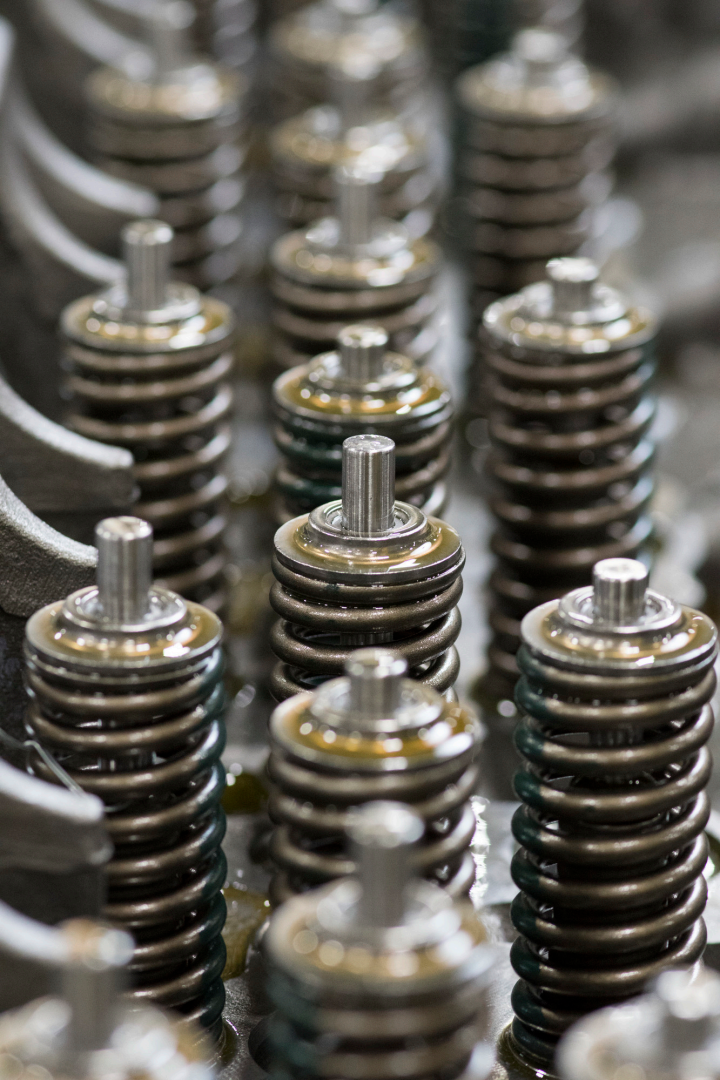
¹ Q2 2022 EBITDA excludes \$1 million of benefit from adjusting the reserves related to the indefinite suspension of operations in Russia

New Power Segment Selected Financial Data

- EBITDA losses were \$80 million as we continue to invest in the products, infrastructure, and capabilities to support strong future growth.

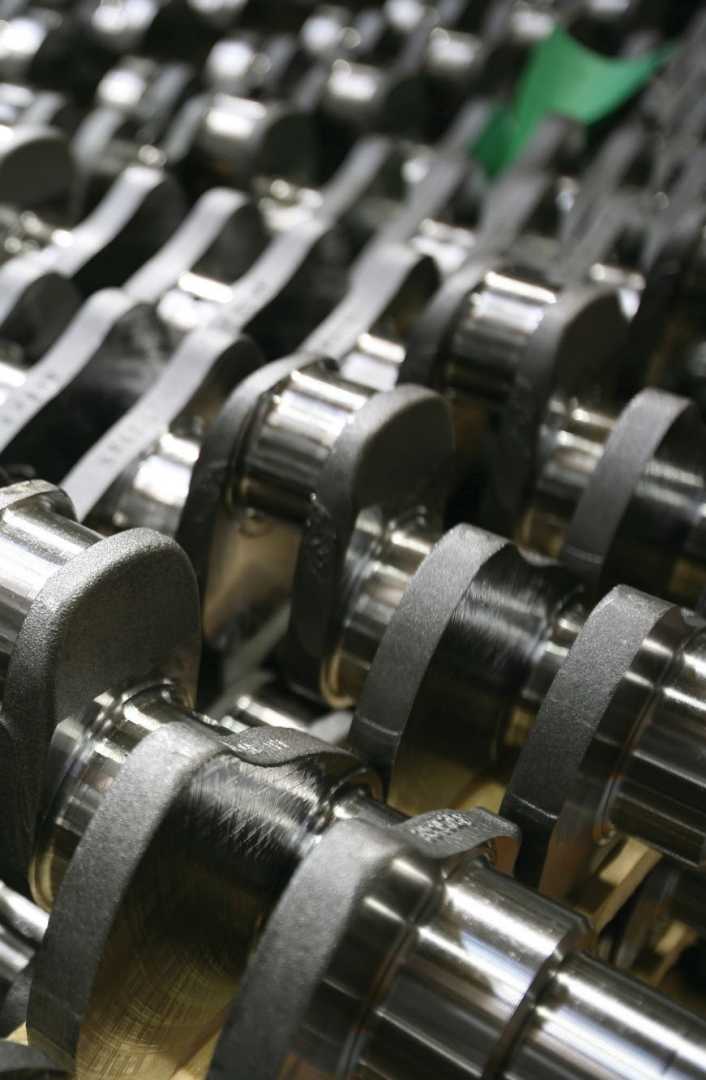
\$ MILLIONS	Q2 2022	Q2 2021	CHANGE
Sales	42	24	75%
EBITDA	(80)	(60)	(33)%
EBITDA (% of Sales)	NM ¹	NM ¹	

¹"NM" - not meaningful information



Joint Venture Income - Quarter

\$ MILLIONS	Q2 2022	Q2 2021
Engine	59	104
Distribution	21	15
Components	9	12
Power Systems	10	9
New Power	(4)	(3)
Total JV Income	95	137



Cash Flow - Quarter

\$ MILLIONS	Q2 2022	Q2 2021
Operating Cash Flow	599	616
Capital Expenditures	147	125
Working Capital Measure	5,516	5,036
Working Capital Measure (% of Net Sales)	20.9%	20.6%
Total Debt to Capital %	31.4%	30.9%
Net Debt to Capital %	10.1%	8.0%

Appendix



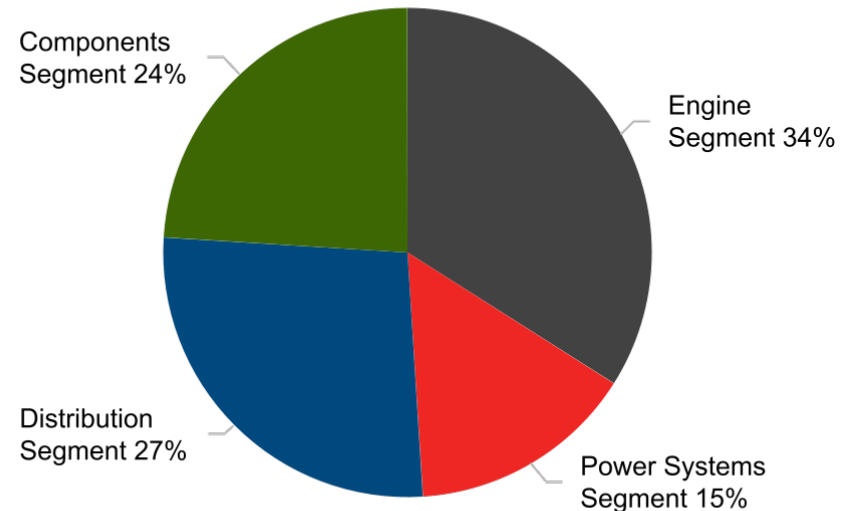
Cummins Inc.

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

Q2 2022 LTM Results

Sales:	\$24.8 billion
EBITDA ¹ :	\$3.5 billion
EBITDA% ¹ :	14.3%

Q2 2022 LTM Revenue by Segment

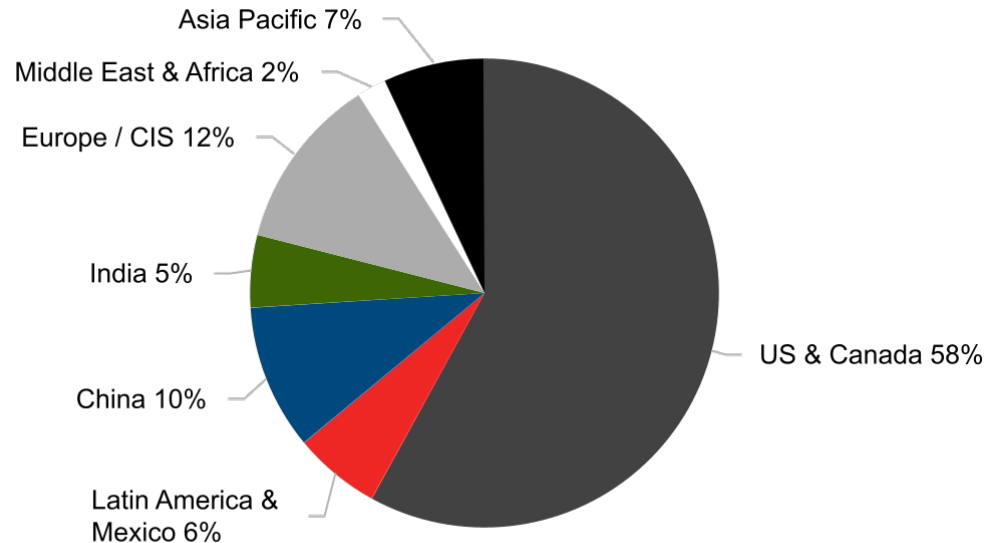


¹ Excluding \$111 million of net cost related to the indefinite suspension of operations in Russia and \$46 million of cost related to the separation of the Filtration business

Cummins Inc.

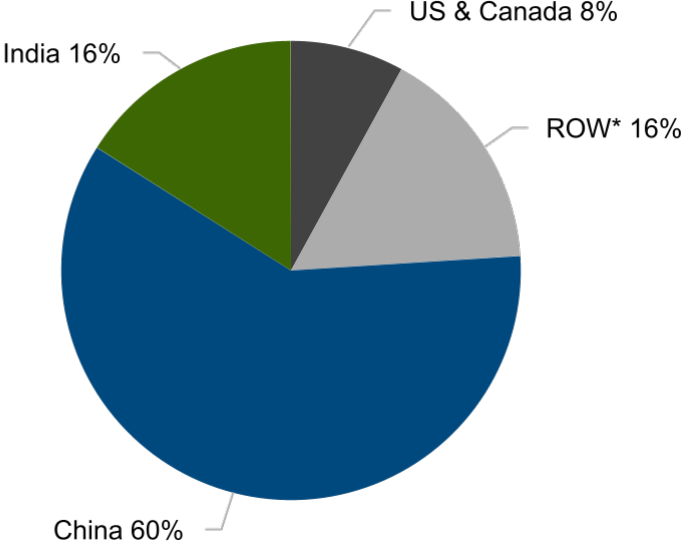
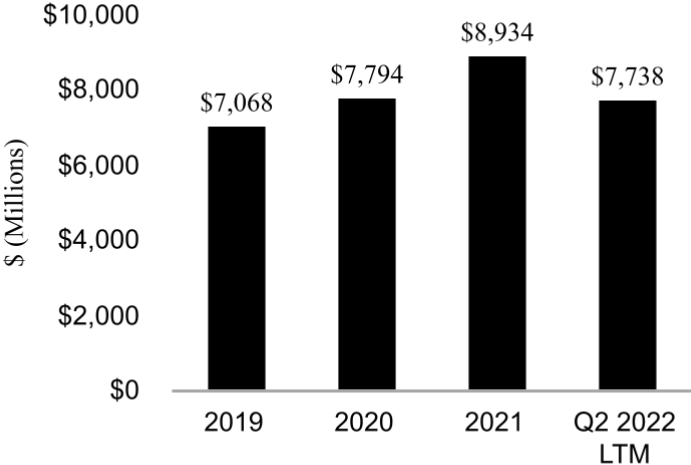
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in approximately 190 countries and territories

Q2 2022 LTM Revenue by Marketing Territory



Cummins - Joint Venture Sales Unconsolidated

Q2 2022 LTM Revenue



* Rest of world

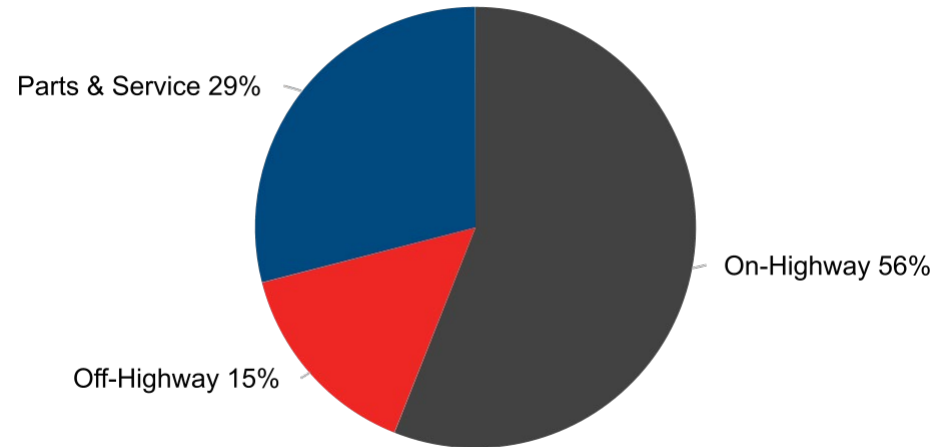
Engine Segment - Overview

- 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

Q2 2022 LTM Results

Sales:	\$10.5 billion
EBITDA ¹ :	\$1.5 billion
EBITDA% ¹ :	14.3%

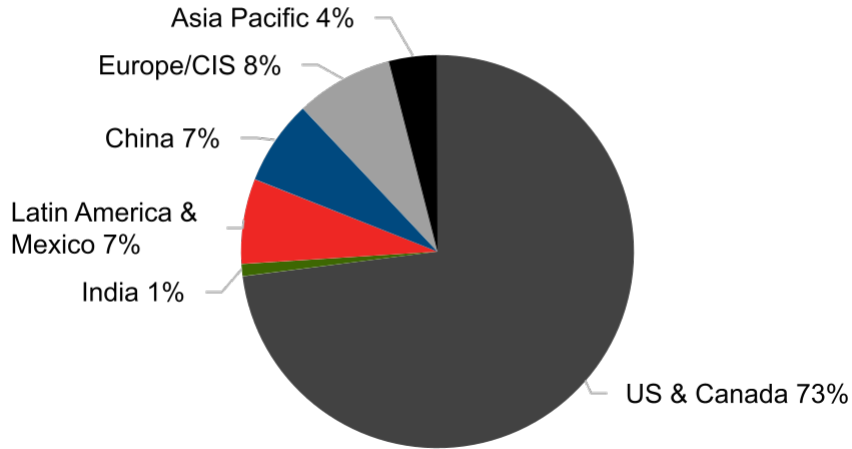
Q2 2022 LTM Revenue by Product



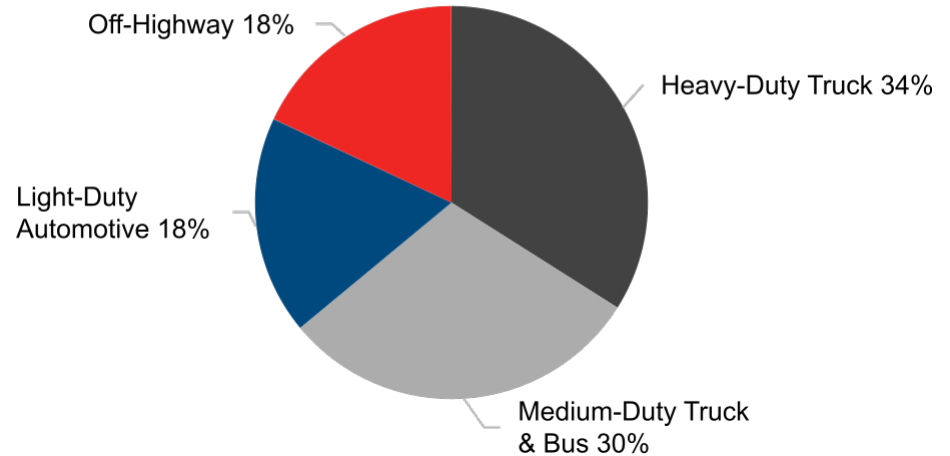
¹ Excluding \$33 million of net cost related to the indefinite suspension of operations in Russia

Engine Segment - Sales Mix

By Region



By Application



Q2 2022 LTM Revenue

\$10.5 billion

Engine Segment - Historical Performance



2022 Guidance

Sales Up 10%

EBITDA approx. 14.5%

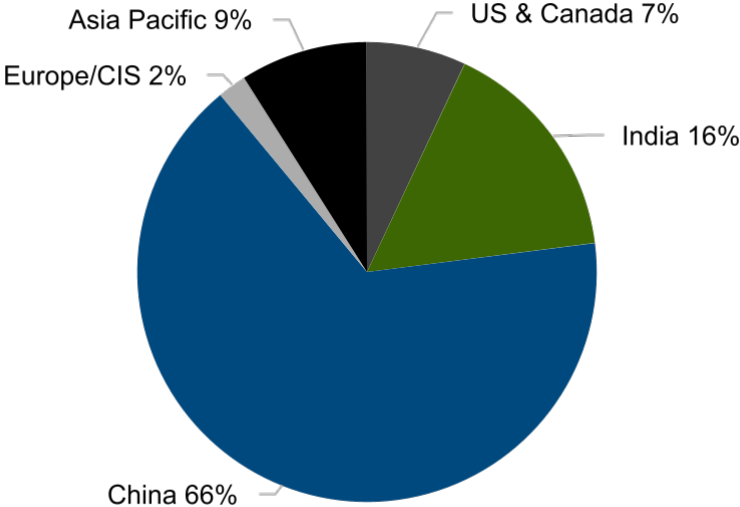
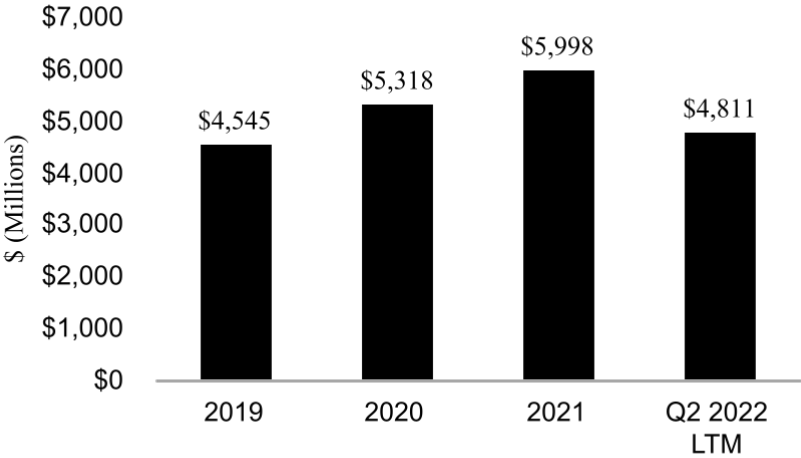
¹ 2019 EBITDA excludes \$18 million of restructuring charges

² Q2 2022 LTM EBITDA excludes \$33 million of net cost related of the indefinite suspension of operations in Russia

³ 2022 Guidance EBITDA excludes net cost related to the indefinite suspension of operations in Russia

Engine Segment - Joint Venture Sales Unconsolidated

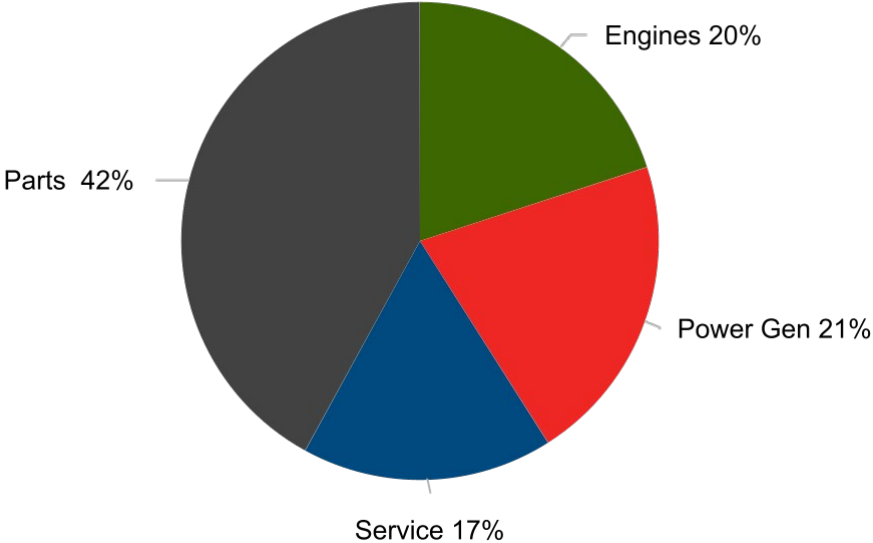
Q2 2022 LTM Revenue



Distribution Segment - Overview

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

Q2 2022 LTM Revenue by Product



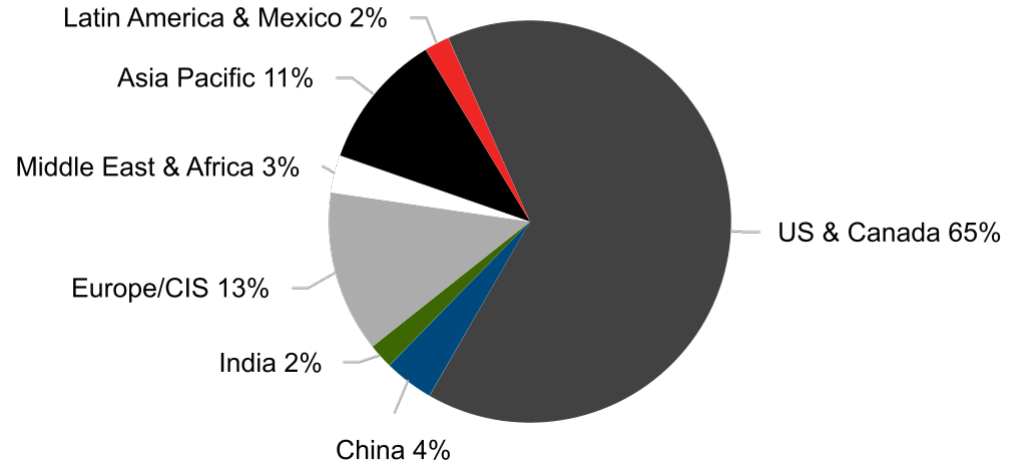
Q2 2022 LTM Results	
Sales:	\$8.4 billion
EBITDA ¹ :	\$832 million
EBITDA% ¹ :	9.9%

¹ Excluding \$55 million of net cost related to the indefinite suspension of operations in Russia

Distribution Segment - Sales Mix

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

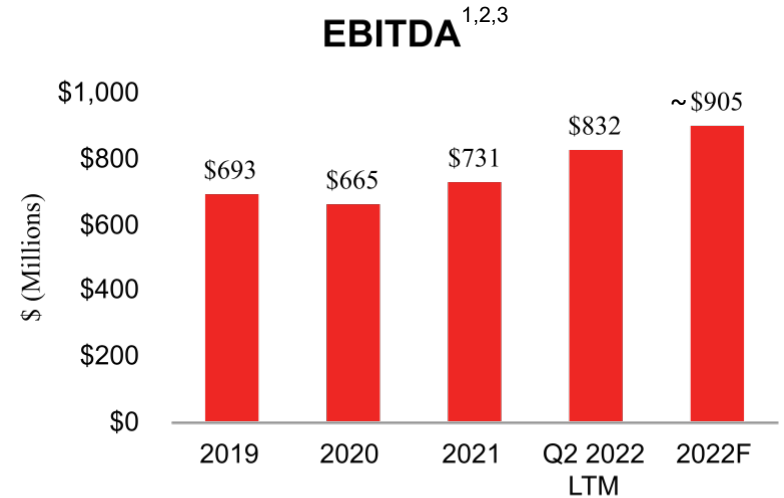
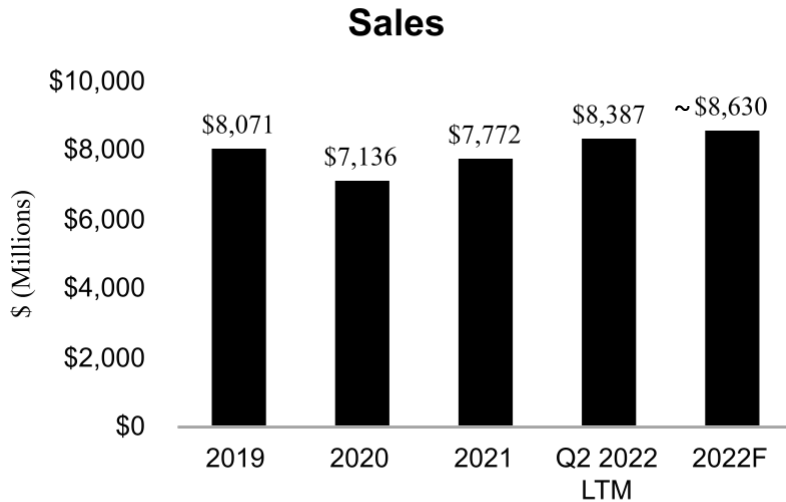
By Region



Q2 2022 LTM Revenue

\$8.4 billion

Distribution Segment - Historical Performance



2022 Guidance

Sales Up 11%

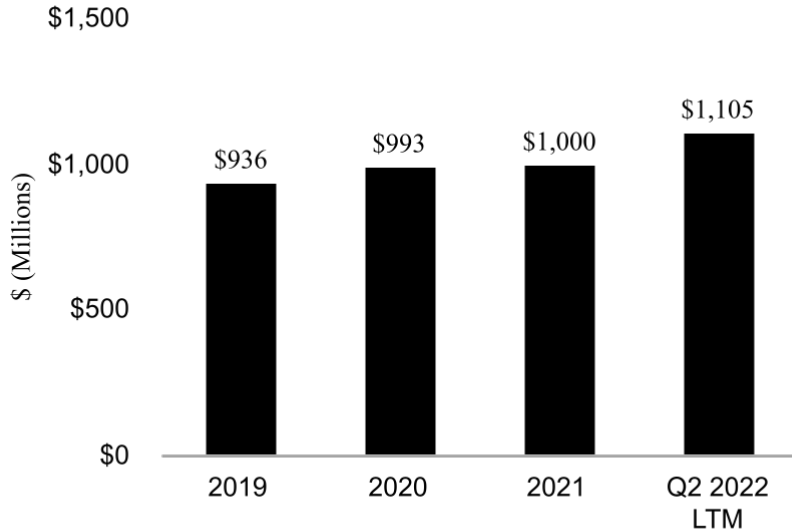
EBITDA approx. 10.5%

¹ 2019 EBITDA excludes \$37 million of restructuring charges

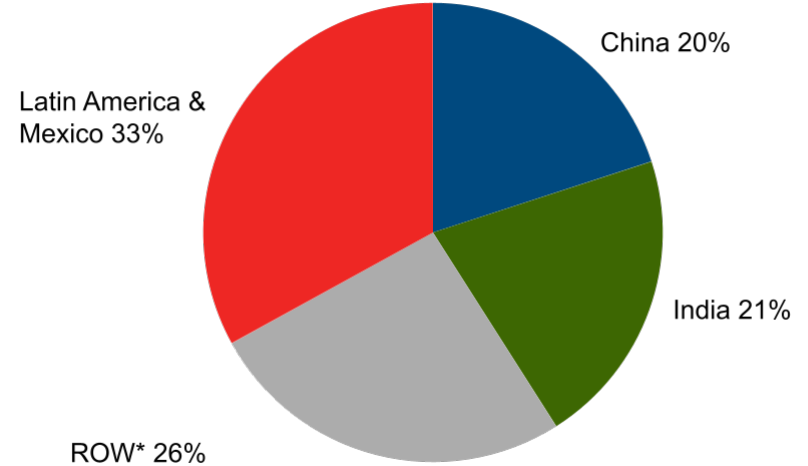
² Q2 2022 LTM EBITDA excludes \$55 million of net cost related of the indefinite suspension of operations in Russia

³ 2022 Guidance EBITDA excludes net cost related to the indefinite suspension of operations in Russia

Distribution Segment - Joint Venture Sales Unconsolidated



Q2 2022 LTM Revenue

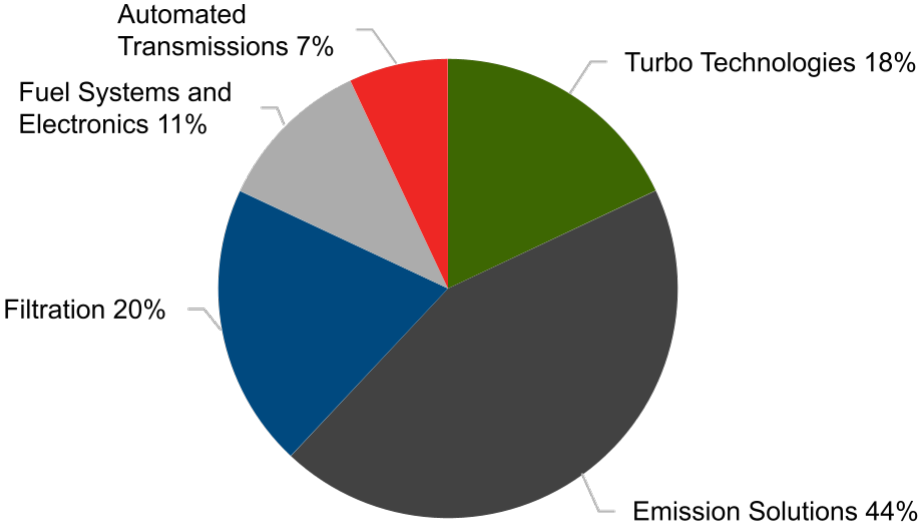


* Rest of World

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

Q2 2022 LTM Revenue by Business

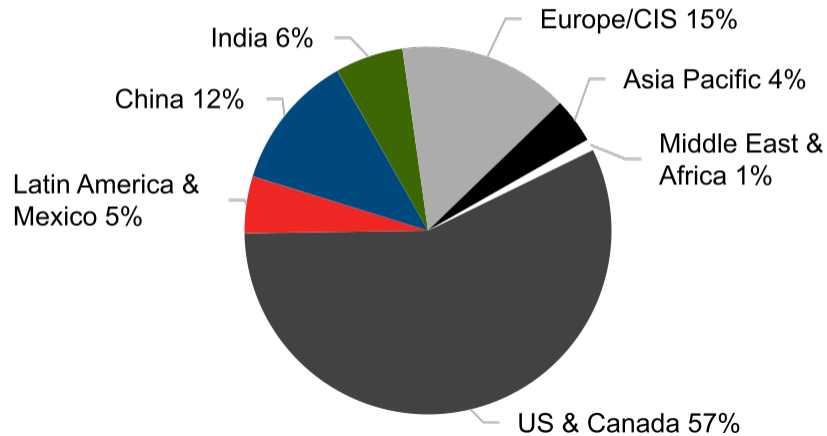


Q2 2022 LTM Results	
Sales:	\$7.5 billion
EBITDA ¹ :	\$1.1 billion
EBITDA% ¹ :	15.3%

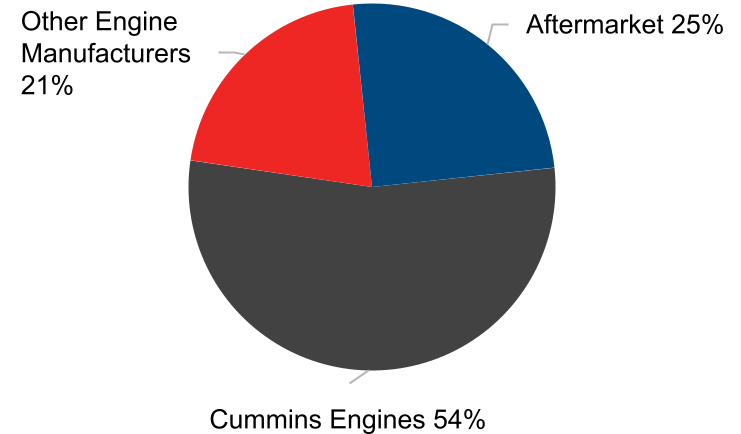
¹ Excluding \$4 million of net cost related to the indefinite suspension of operations in Russia and \$5 million of cost related to the separation of the Filtration business

Components Segment - Sales Mix

By Region



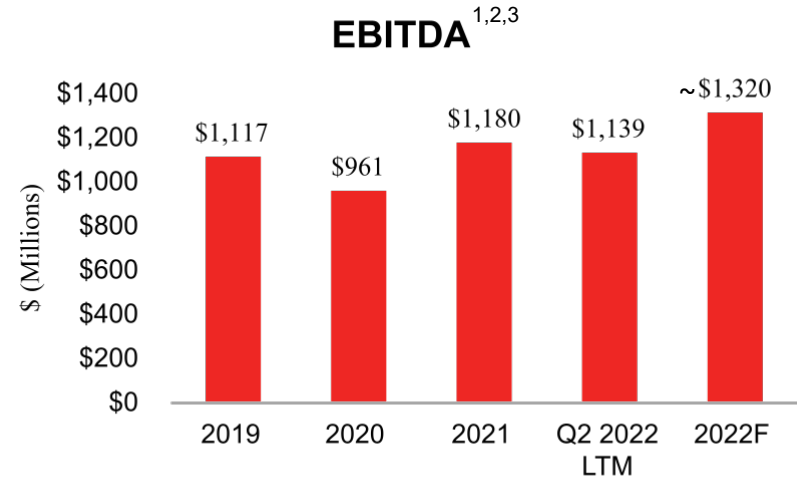
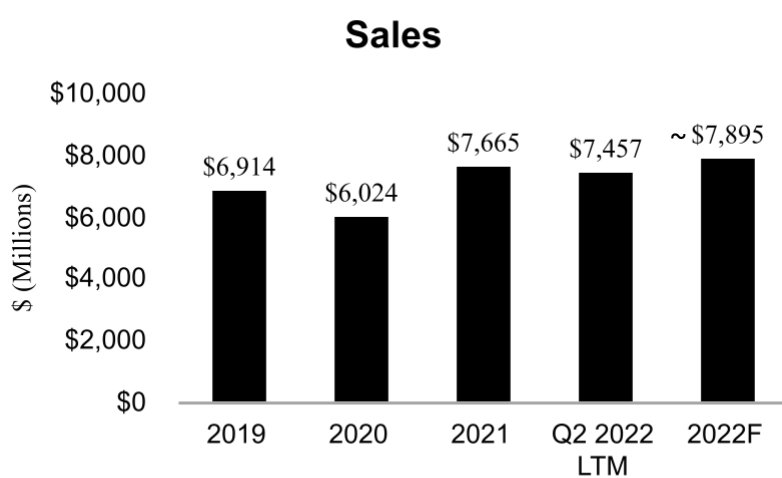
By Application



Q2 2022 LTM Revenue

\$7.5 billion

Components Segment - Historical Performance



2022 Guidance

Sales Up 3%

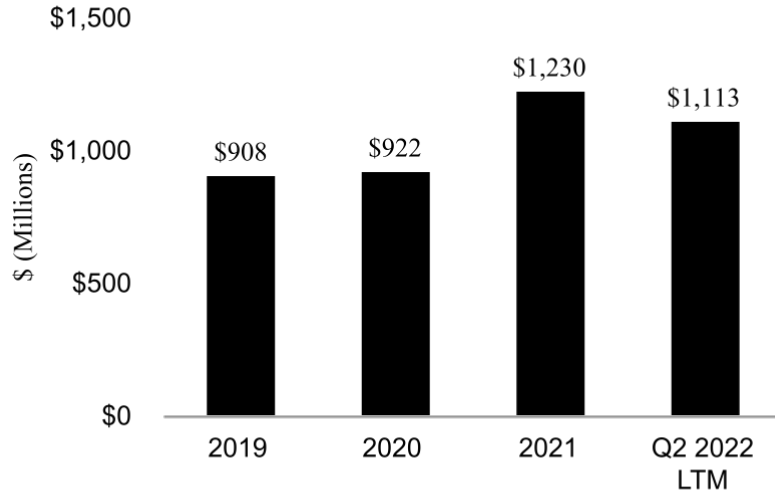
EBITDA approx. 16.75%

¹ 2019 EBITDA excludes \$20 million of restructuring charges

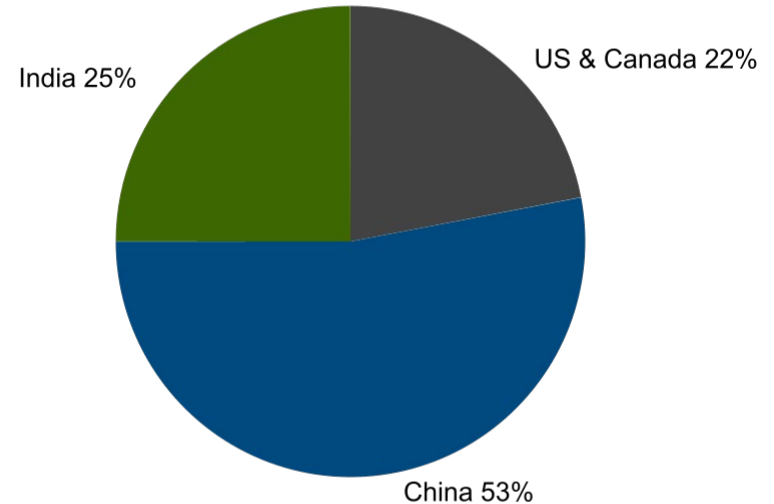
² Q2 2022 LTM EBITDA excludes \$4 million of net cost related to the indefinite suspension of operations in Russia and \$5 million of cost related to the separation of the Filtration business

³ 2022 Guidance EBITDA excludes net cost related to the indefinite suspension of operations in Russia as well as cost or benefit associated with the planned separation of the Filtration business

Components Segment - Joint Venture Sales Unconsolidated



Q2 2022 LTM Revenue



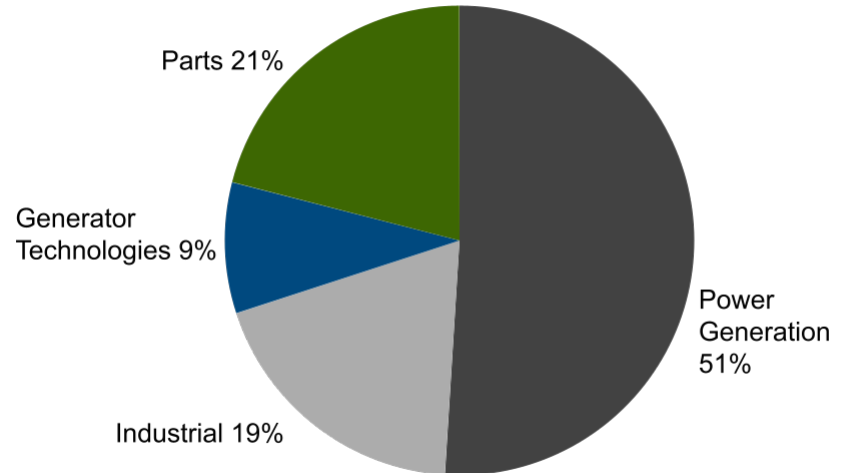
Power Systems Segment - Overview

- Global provider of power generation systems, components and services from 2kW to 3.5 Megawatts (MW)
- Leading supplier of alternators from 7.5kVA to 11,200kVA
- Leading market share in multiple geographies

Q2 2022 LTM Results

Sales:	\$4.6 billion
EBITDA ¹ :	\$468 million
EBITDA% ¹ :	10.1%

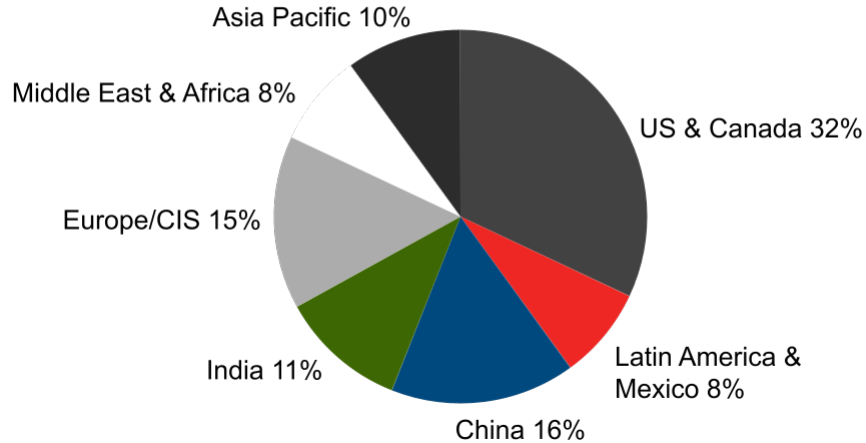
Q2 2022 LTM Revenue by Product



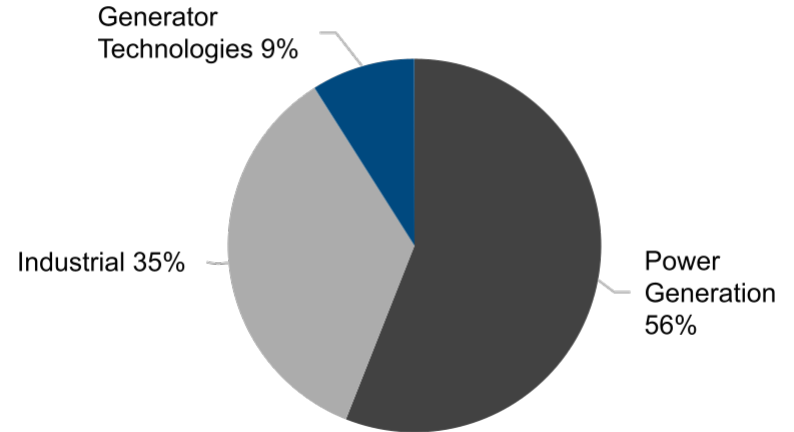
¹ Excluding \$19 million of net cost related to the indefinite suspension of operations in Russia

Power Systems Segment - Sales Mix

By Region



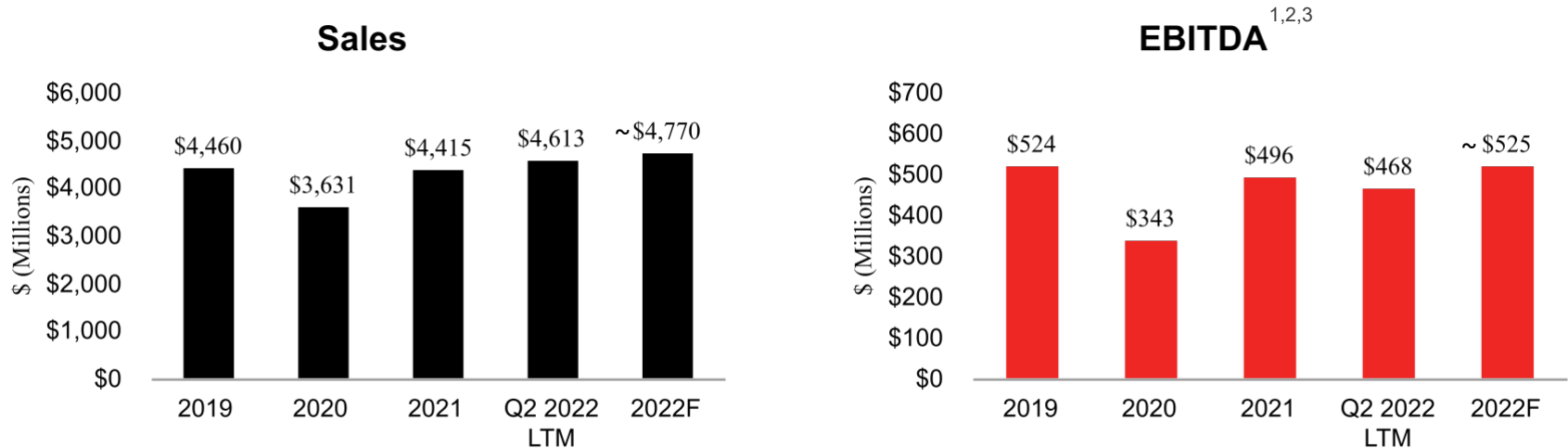
By Product Line



Q2 2022 LTM Revenue

\$4.6 billion

Power Systems Segment - Historical Performance



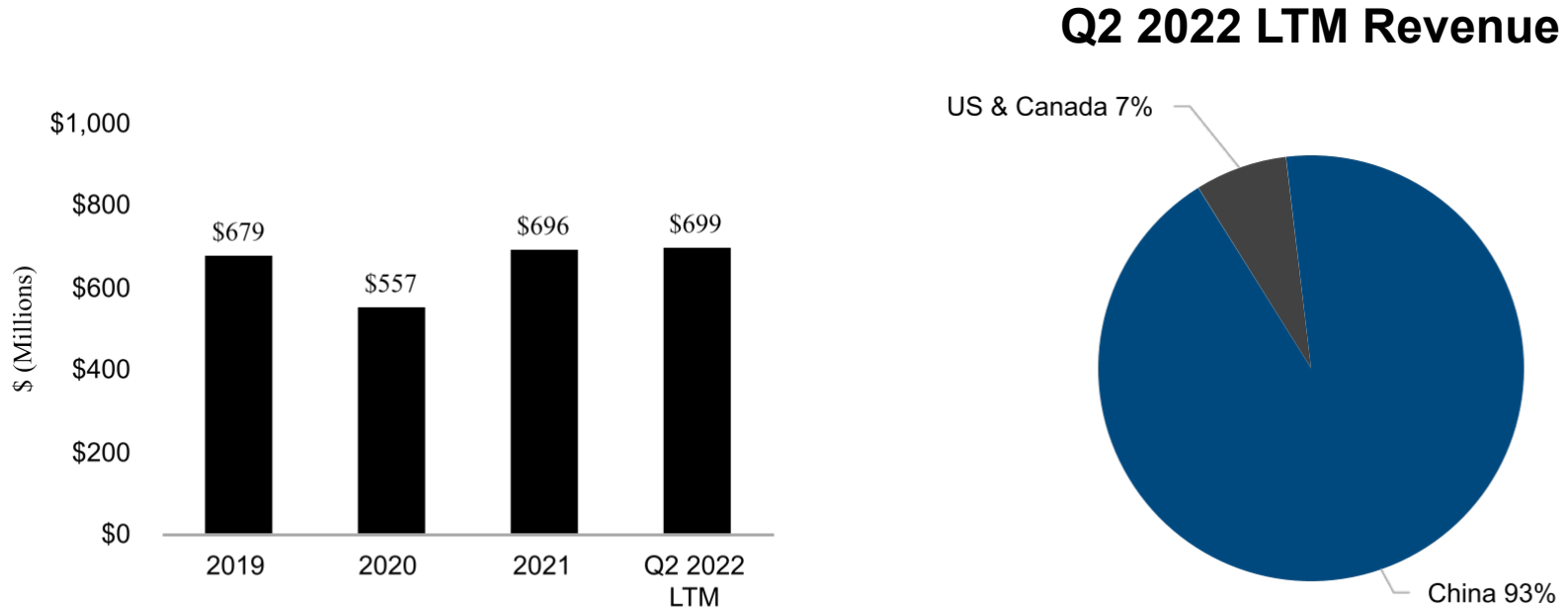
2022 Guidance	
Sales Up 8%	EBITDA approx. 11.0%

¹ 2019 EBITDA excludes \$12 million of restructuring charges

² Q2 2022 LTM EBITDA excludes \$19 million of net cost related of the indefinite suspension of operations in Russia

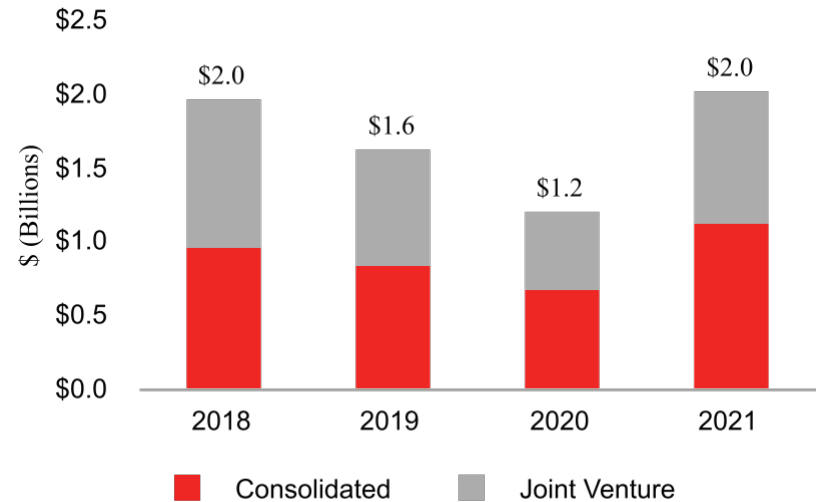
³ 2022 Guidance EBITDA excludes net cost related to the indefinite suspension of operations in Russia

Power Systems Segment - Joint Venture Sales Unconsolidated



Emerging Market Sales - India¹

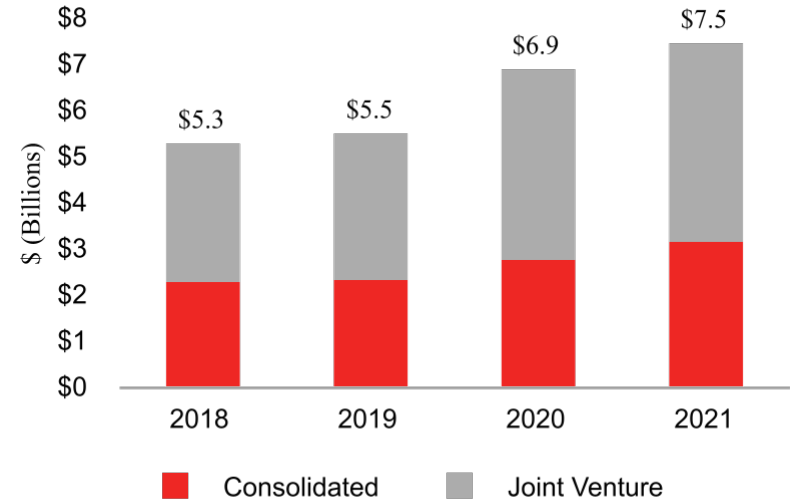
- Present in India for over 50 years
- Market leadership
- Strong OEM relationships
- Expanding our markets



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	
	30-Jun-22	04-Jul-21
Net income attributable to Cummins Inc.	\$ 702	\$ 600
Net income attributable to noncontrolling interests	5	12
Consolidated net income	707	612
Income tax expense	148	167
Income before taxes	855	779
Interest expense	34	29
EBIT	889	808
Depreciation and amortization	166	166
EBITDA	1,055	974
One-Time Items ¹	(18)	—
EBITDA excluding One-Time Items	1,037	974
Less: Non-segment EBITDA excluding One-Time Items	(40)	(9)
Total Segment EBITDA excluding One-Time Items	\$ 1,077	\$ 983

¹ One-Time Items include the benefit from adjusting the reserves related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

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	30-Jun-22	04-Jul-21
Net income attributable to Cummins Inc.	\$ 2,048	\$ 2,205
Net income attributable to noncontrolling interests	23	32
Consolidated net income	2,071	2,237
Income tax expense	551	646
Income before taxes	2,622	2,883
Interest expense	105	111
EBIT	2,727	2,994
Depreciation and amortization	650	673
EBITDA	3,377	3,667
One-Time Items ¹	157	—
EBITDA excluding One-Time Items	3,534	3,667
Less: Non-segment EBITDA excluding One-Time Items	(148)	(18)
Total Segment EBITDA excluding One-Time Items	\$ 3,682	\$ 3,685

¹ One-Time Items include the net cost related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

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	
	30-Jun-22	04-Jul-21
Accounts and notes receivable, net	\$ 4,156	\$ 4,132
Inventories	4,765	4,076
Accounts Payable - (principally trade)	(3,405)	(3,172)
Working capital measure	\$ 5,516	\$ 5,036
Annualized Working capital measure (% of Net Sales)	20.9 %	20.6 %

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			
	30-Jun-22	04-Jul-21	28-Jun-20
Total Assets	\$ 24,477	\$ 22,608	\$ 20,314
Less: Deferred debt costs	4	3	3
Less: Deferred tax assets	526	436	462
Less: Pension and other postretirement benefit adjustments excluded from net assets	966	151	81
Less: Liabilities deducted in arriving at net assets	9,802	9,356	7,798
Total net assets	13,179	12,662	11,970
Less: Cash, cash equivalents and marketable securities	2,998	2,919	2,104
Net assets for operating segments	\$ 10,181	\$ 9,743	\$ 9,866

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

	30-Jun-22	04-Jul-21	28-Jun-20
Total Equity	\$ 9,655	\$ 8,793	\$ 8,130
Less: Defined benefit postretirement plans	(324)	(690)	(716)
Equity used for return on invested capital calculation	9,979	9,483	8,846
Loans payable	165	54	109
Commercial paper	705	200	2,027
Current maturities of long-term debt	65	57	66
Long-term debt	3,490	3,620	1,639
Invested capital used for return on invested capital calculation	\$ 14,404	\$ 13,414	\$ 12,687

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	
	30-Jun-22	04-Jul-21
Net income attributable to Cummins Inc.	\$ 2,048	\$ 2,205
Net income attributable to noncontrolling interests	23	32
Consolidated net income	2,071	2,237
Income tax expense	551	646
Income before taxes	2,622	2,883
Interest expense	105	111
EBIT	2,727	2,994
One-Time Items ¹	157	—
EBIT excluding One-Time Items	2,884	2,994
Less: Tax effect on EBIT	594	671
Net operating profit after taxes used for return on invested capital calculation	\$ 2,290	\$ 2,323

¹ One-Time Items include the net cost related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

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

	30-Jun-22	04-Jul-21
Total Debt (A)	\$ 4,425	\$ 3,931
Total Equity (B)	9,655	8,793
Total Capital (C) = (A+B)	14,080	12,724
Total Cash, Cash Equivalents & Marketable Securities (D)	2,998	2,919
Net Debt (E) = (A-D)	\$ 1,427	\$ 1,012
Total Debt to Capital % (A/C)	31.4 %	30.9 %
Net Debt to Capital % (E/C)	10.1 %	8.0 %

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



Thank you for your interest

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