



# Fourth Quarter 2023 Earnings Teleconference

February 6, 2024

---

# CONTENTS

2023 Summary

Q4 2023 Summary

2024 Guidance

Q4 2023 Supplemental Information

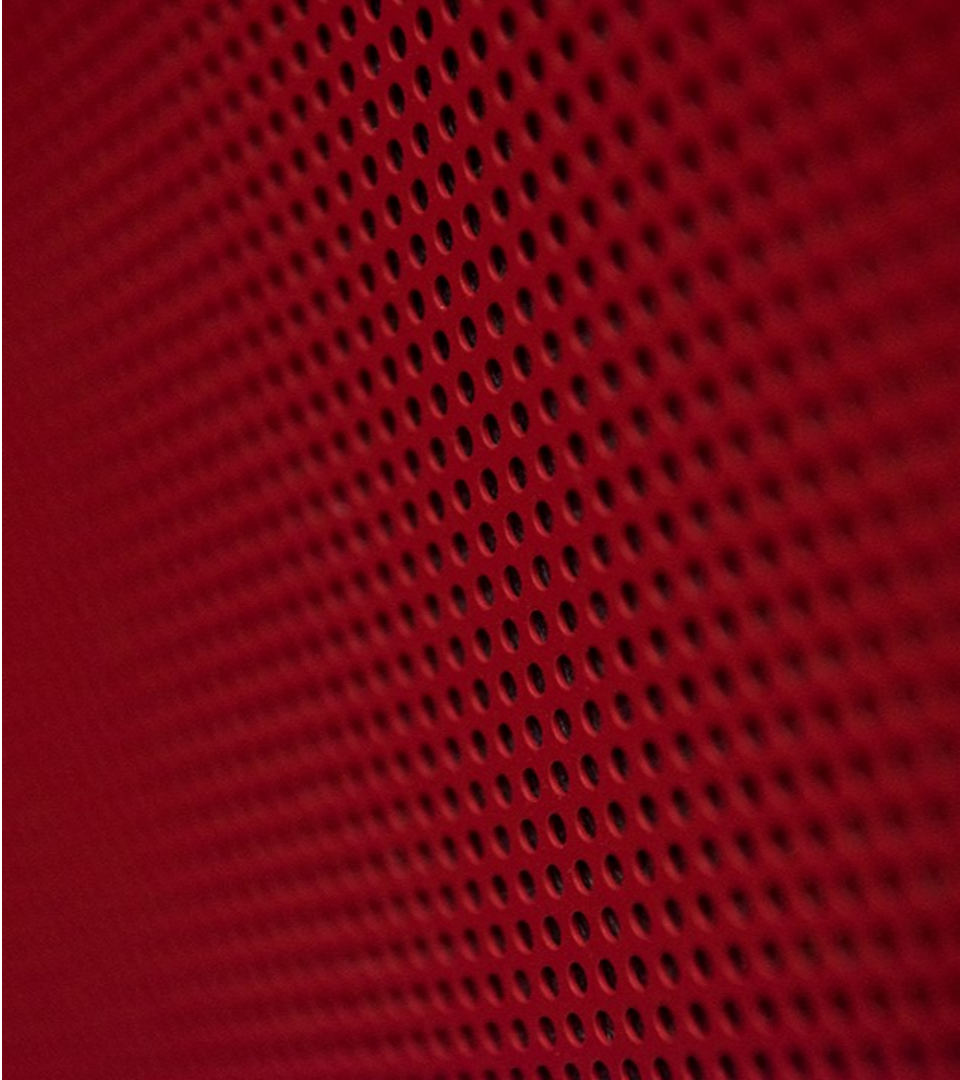
Appendix

---

# 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, EBITDA and agreement in principle to settle regulatory proceedings regarding our emissions certification and compliance process for pick-up truck application. 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 consequences resulting from entering into the Agreement in Principle, 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; changes in international, national and regional trade laws, regulations and policies; changes in taxation; global legal and ethical compliance costs and risks; evolving environmental and climate change legislation and regulatory initiatives; future bans or limitations on the use of diesel-powered products; failure to successfully integrate and / or failure to fully realize all of the anticipated benefits of the acquisition of Meritor, Inc.; raw material, transportation and labor price fluctuations and supply shortages; any adverse effects of the conflict between Russia and Ukraine and the global response (including government bans or restrictions on doing business in Russia); 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; uncertainties and risks related to timing and potential value to both Atmus Filtration Technologies Inc. (Atmus) and Cummins of the planned final separation of Atmus, including business, industry and market risks, as well as the risks involving the anticipated favorable tax treatment if there is a significant delay in the completion of the envisioned final separation; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions; increasing interest rates; challenging markets for talent and ability to attract, develop and retain key personnel; climate change, global warming, more stringent climate change regulations, accords, mitigation efforts, greenhouse gas regulations or other legislation designed to address climate change; 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; failure to meet environmental, social and governance (ESG) expectations or standards, or achieve our ESG 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 2022 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.

# **2023 Summary**



# 2023 Summary

- **Full year revenues of \$34.1 billion**
- **GAAP<sup>1</sup> Net Income of \$735 million and Diluted EPS of \$5.15**
  - **Net income of \$2.8 billion and Diluted EPS of \$19.69 excluding cost related to the agreement to settle with U.S. regulators, cost related to the separation of the Filtration business, and cost related to employee voluntary retirement and separation**
  - **Net income also includes noncontrolling interest as a result of the public offering of 19.5% of the Filtration business that will remain until its full separation**
- **EBITDA of \$3,017 million or 8.9 percent of sales**
  - **EBITDA of \$5,195 million or 15.3 percent of sales excluding \$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 Filtration business, and \$42 million of cost related to employee voluntary retirement and separation**
- **Full year operating cash flow of \$4.0 billion with \$921 million returned to shareholders through dividends.**

<sup>1</sup> Generally Accepted Accounting Principles

# Cummins Inc.

## Selected Financial Data - Full Year

<b>\$ MILLIONS</b>	<b>2023</b>	<b>2022</b>
Sales	34,065	28,074
Gross Margin (% of Sales) <sup>1</sup>	24.3%	24.0%
SAR (% of Sales) <sup>2</sup>	13.9%	13.8%
EBITDA <sup>3</sup>	5,195	3,991
EBITDA (% of Sales) <sup>3</sup>	15.3%	14.2%
Net Income attributable to Cummins Inc. <sup>4</sup>	2,810	2,317
Net Income (% of Sales) <sup>4</sup>	8.2%	8.3%
Diluted EPS <sup>5</sup>	\$19.69	\$16.29
Dividend Per Share	\$6.50	\$6.04
ROANA (LTM) <sup>6</sup>	29%	26%
ROIC (LTM) <sup>6</sup>	17%	16%

<sup>1</sup> 2023 Gross Margin excluding \$13 million of cost related to the separation of the Filtration business and \$15 million of cost related to employee voluntary retirement and separation; 2022 Gross Margin excluding \$17 million of net cost related to the indefinite suspension of operations in Russia, excluding \$3 million of cost related to the separation of the Filtration business, and including \$32 million of cost related to inventory valuation adjustments of Meritor

<sup>2</sup> 2023 SAR excluding \$87 million of cost related to the separation of the Filtration business and \$27 million of cost related to employee voluntary retirement and separation; 2022 SAR excluding \$78 million of cost related to the separation of the Filtration business and including \$83 million of cost related to the acquisition and integration of Meritor

<sup>3</sup> 2023 EBITDA excluding \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$100 million of cost related the separation of the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation; 2022 EBITDA excluding \$111 million of net cost related to the indefinite suspension of operations in Russia, \$81 million of cost related to the separation of the Filtration business, and including \$115 million of cost related to the acquisition, integration and inventory valuation adjustments of Meritor

<sup>4</sup> 2023 Net Income excluding \$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 Filtration business, and \$32 million of cost related to employee voluntary retirement and separation; 2022 Net Income excluding \$102M of net cost related to the indefinite suspension of operations in Russia, \$64 million of cost related to the separation of the Filtration business, and including \$96 million of cost related to the acquisition, integration and inventory valuation adjustments of Meritor

<sup>5</sup> 2023 Diluted EPS excluding \$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 Filtration business, and \$0.22 per share of cost related to employee voluntary retirement and separation; 2022 Diluted EPS excluding \$0.72 per share of cost related to the indefinite suspension of operations in Russia, \$0.45 per share of cost related to the separation of the Filtration business, and including \$0.67 of cost related to the acquisition, integration and inventory valuation adjustments of Meritor

<sup>6</sup> 2023 ROANA (LTM) and ROIC (LTM) calculations exclude the cost related to the agreement to settle with U.S. regulators, cost related to employee voluntary retirement and separation, and the cost related to the separation of the Filtration business; 2022 ROANA (LTM) and ROIC (LTM) calculations exclude the cost related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

# 2023 Net Sales and EBITDA by Segment

\$ MILLIONS	Components	Engine	Distribution	Power Systems	Accelera	Intersegment Eliminations	Total
<b>Year ended December 31, 2023</b>							
Net Sales	13,409	11,684	10,249	5,673	354	(7,304)	34,065
<i>Sales growth vs 2022</i>	38%	7%	15%	13%	79%	8%	21%
EBITDA <sup>1</sup>	1,927	1,642	1,209	836	(443)	24	5,195
Segment EBITDA % <sup>1</sup>	14.4%	14.1%	11.8%	14.7%	NM <sup>3</sup>		15.3%
<b>Year ended December 31, 2022</b>							
Net Sales	9,736	10,945	8,929	5,033	198	(6,767)	28,074
EBITDA <sup>2</sup>	1,378	1,568	943	615	(334)	(179)	3,991
Segment EBITDA % <sup>2</sup>	14.2%	14.3%	10.6%	12.2%	NM <sup>3</sup>		14.2%

<sup>1</sup> Excluding cost related to the separation of the Filtration business: Components = \$78 million; Intersegment Eliminations = \$22 million

Excluding cost related to employee voluntary retirement and separation: Engine = \$12 million; Components = \$9 million; Intersegment Eliminations = \$21 million

Excluding cost related to the agreement to settle with U.S. regulators: Intersegment Eliminations = \$2.036 billion

<sup>2</sup> Excluding net cost related to the indefinite suspension of operations in Russia: Engine = \$33 million, Distribution = \$55 million, Components = \$4 million, Power Systems = \$19 million

Excluding cost related to the separation of the Filtration business: Components = \$28 million; Intersegment Eliminations = \$53 million

Including net cost from the Meritor business which includes acquisition and integration costs: Components = \$70 million, Intersegment Eliminations = \$45 million

<sup>3</sup> "NM" - not meaningful information

# 2023 EBITDA Detail

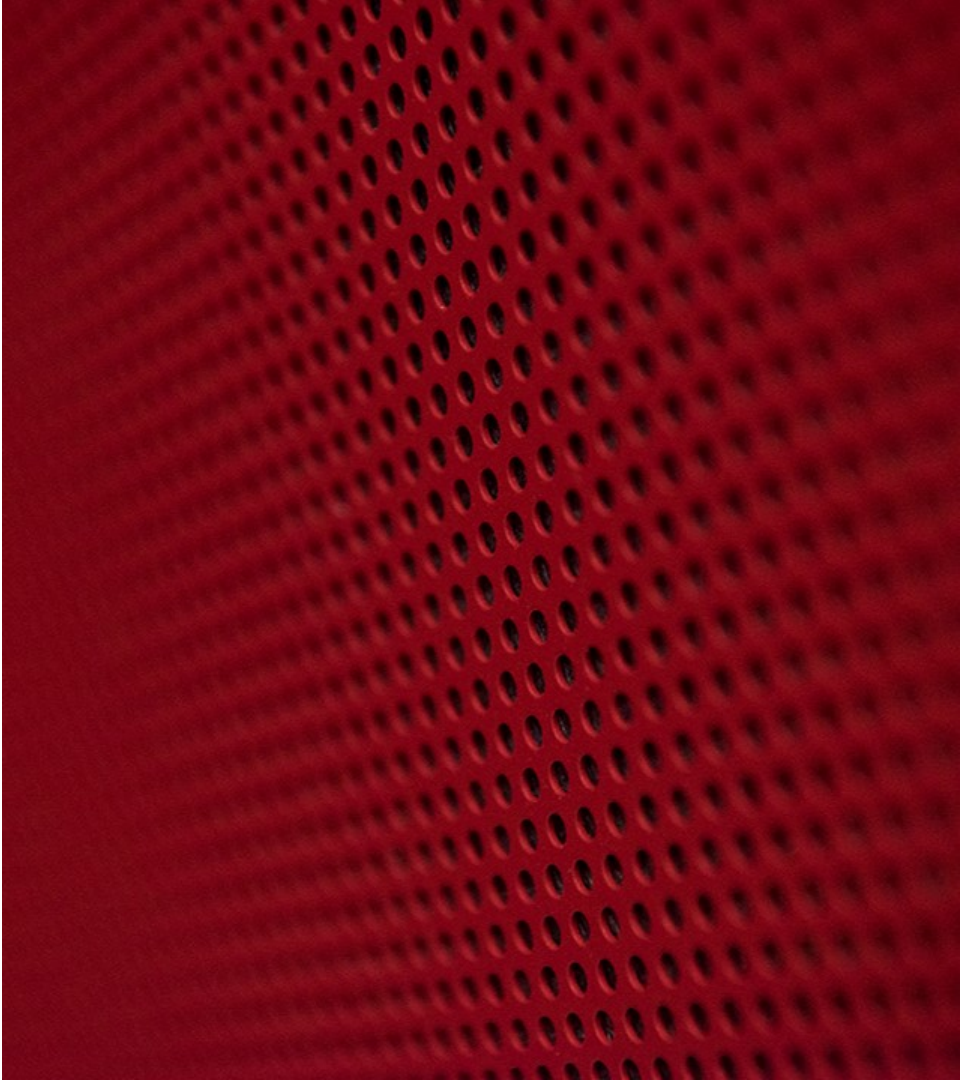
\$ MILLIONS	CMI	Components Segment	Engine Segment	Distribution Segment	Power Systems Segment	Accelera Segment	Eliminations
<b>Reported EBITDA</b>	<b>3,017</b>	<b>1,840</b>	<b>1,630</b>	<b>1,209</b>	<b>836</b>	<b>(443)</b>	<b>(2,055)</b>
Reported EBITDA included costs related to the agreement to settle with U.S. regulators	(2,036)						(2,036)
Reported EBITDA included costs related to the separation of the Filtration business	(100)	(78)					(22)
Reported EBITDA included costs related to employee voluntary retirement and separation	(42)	(9)	(12)				(21)



# 2023 EPS Detail

	EPS	
<b>Reported EPS</b>	<b>\$</b>	<b>5.15</b>
Reported EPS included costs related to the agreement to settle with U.S. regulators	\$	(13.78)
Reported EPS included costs related to the separation of the Filtration business	\$	(0.54)
Reported EPS included costs related to employee voluntary retirement and separation	\$	(0.22)

# **Q4 2023 Summary**



# Q4 2023 Summary

- **Fourth quarter revenues of \$8.5 billion**
- **GAAP<sup>1</sup> Net Loss of \$1,431 million and Diluted EPS of \$(10.01)**
  - **Net income of \$592 million and Diluted EPS of \$4.14 excluding the cost related to the agreement to settle with U.S. regulators, the cost related to the separation of the Filtration business, and cost related to employee voluntary retirement and separation**
  - **Net income also includes noncontrolling interest as a result of the public offering of 19.5% of the Filtration business that will remain until its full separation**
- **EBITDA of \$(878) million or negative 10.3 percent of sales**
  - **EBITDA of \$1,233 million or 14.4 percent of sales excluding \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$33 million of cost related to the separation of the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation**

<sup>1</sup> Generally Accepted Accounting Principles

# Cummins Inc.

## Selected Financial Data - Quarter

\$ MILLIONS	Q4 2023	Q4 2022
Sales	8,543	7,770
Gross Margin (% of Sales) <sup>1</sup>	23.7%	23.4%
SAR (% of Sales) <sup>2</sup>	14.2%	13.6%
EBITDA <sup>3</sup>	1,233	1,124
EBITDA (% of Sales) <sup>3</sup>	14.4%	14.5%
Net Income attributable to Cummins Inc. <sup>4</sup>	592	646
Net Income (% of Sales) <sup>4</sup>	6.9%	8.3%
Diluted EPS <sup>5</sup>	\$4.14	\$4.54
Dividend Per Share	\$1.68	\$1.57
ROANA (LTM) <sup>6</sup>	29%	26%
ROIC (LTM) <sup>6</sup>	17%	16%

<sup>1</sup> Gross Margin: Q4 2023 excluding \$5 million of cost related to the separation of the Filtration business, \$15 million of cost related to employee voluntary retirement and separation, Q4 2022 excluding \$1 million of cost related to the separation of the Filtration business

<sup>2</sup> SAR: Q4 2023 excluding \$28 million of cost related to the separation of the Filtration business, and \$27 million of cost related to employee voluntary retirement and separation, Q4 2022 excluding \$18 million of cost related to the separation of the Filtration business, and including \$27 million of cost related to the acquisition and integration of Meritor

<sup>3</sup> EBITDA: Q4 2023 excluding \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$33 million of cost related to the separation of the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation, Q4 2022 excluding \$19 million of cost related to the separation of the Filtration business and including \$27 million of cost related to the acquisition and integration of Meritor

<sup>4</sup> Net Income: Q4 2023 excluding \$1.966 billion of cost related to the agreement to settle with U.S. regulators, \$25 million of cost related to the separation of the Filtration business, and \$32 million of cost related to employee voluntary retirement and separation, Q4 2022 excluding \$15 million of cost related to the separation of the Filtration business, and including \$22 million of cost related to the acquisition and integration of Meritor

<sup>5</sup> Diluted EPS: Q4 2023 excluding \$13.76 per share of cost related to settle with U.S. regulators, \$0.17 per share of cost related to the separation of the Filtration business, and \$0.22 per share of cost related to employee voluntary retirement and separation, Q4 2022 excluding \$0.11 per share of cost related to the separation of the Filtration business, and including \$0.15 of cost related to the acquisition and integration of Meritor

<sup>6</sup> ROANA (LTM) and ROIC (LTM): Q4 2023 calculations exclude the cost related to the agreement to settle with U.S. regulators, the cost related to the separation of the Filtration business, and the cost related to employee voluntary separation, Q4 2022 calculations exclude the cost related to the indefinite suspension of operations in Russia and the cost related to the separation of the Filtration business

# Q4 2023 Net Sales and EBITDA by Segment

\$ MILLIONS	Components	Engine	Distribution	Power Systems	Accelera	Intersegment Eliminations	Total
<b>Three months ended December 31, 2023</b>							
Net Sales	3,191	2,779	2,713	1,429	81	(1,650)	8,543
<i>Sales growth vs 2022</i>	3%	5%	17%	8%	8%	(2)%	10%
EBITDA <sup>1</sup>	443	365	269	182	(121)	95	1,233
Segment EBITDA % <sup>1</sup>	13.9%	13.1%	9.9%	12.7%	NM <sup>3</sup>		14.4%
<b>Three months ended December 31, 2022</b>							
Net Sales	3,095	2,638	2,320	1,321	75	(1,679)	7,770
EBITDA <sup>2</sup>	390	362	256	185	(95)	26	1,124
Segment EBITDA % <sup>2</sup>	12.6%	13.7%	11.0%	14.0%	NM <sup>3</sup>		14.5%

<sup>1</sup> Excluding \$2.036 billion of cost related to the agreement to settle with U.S regulators: Intersegment Eliminations = \$2.036 billion

Excluding \$33 million of cost related to the separation of the Filtration business: Components = \$28 million, Intersegment Eliminations = \$5 million

Excluding \$42 million of cost related to employee voluntary retirement and separation: Engine = \$12 million, Components = \$9 million, Intersegment Eliminations = \$21 million

<sup>2</sup> Excluding \$19 million of cost related to the separation of the Filtration business: Components = \$13 million, Intersegment Eliminations = \$6 million

Including \$27 million of cost related to the acquisition and integration of Meritor: Components = \$18 million, Intersegment Eliminations = \$9 million

<sup>3</sup> "NM" - not meaningful information

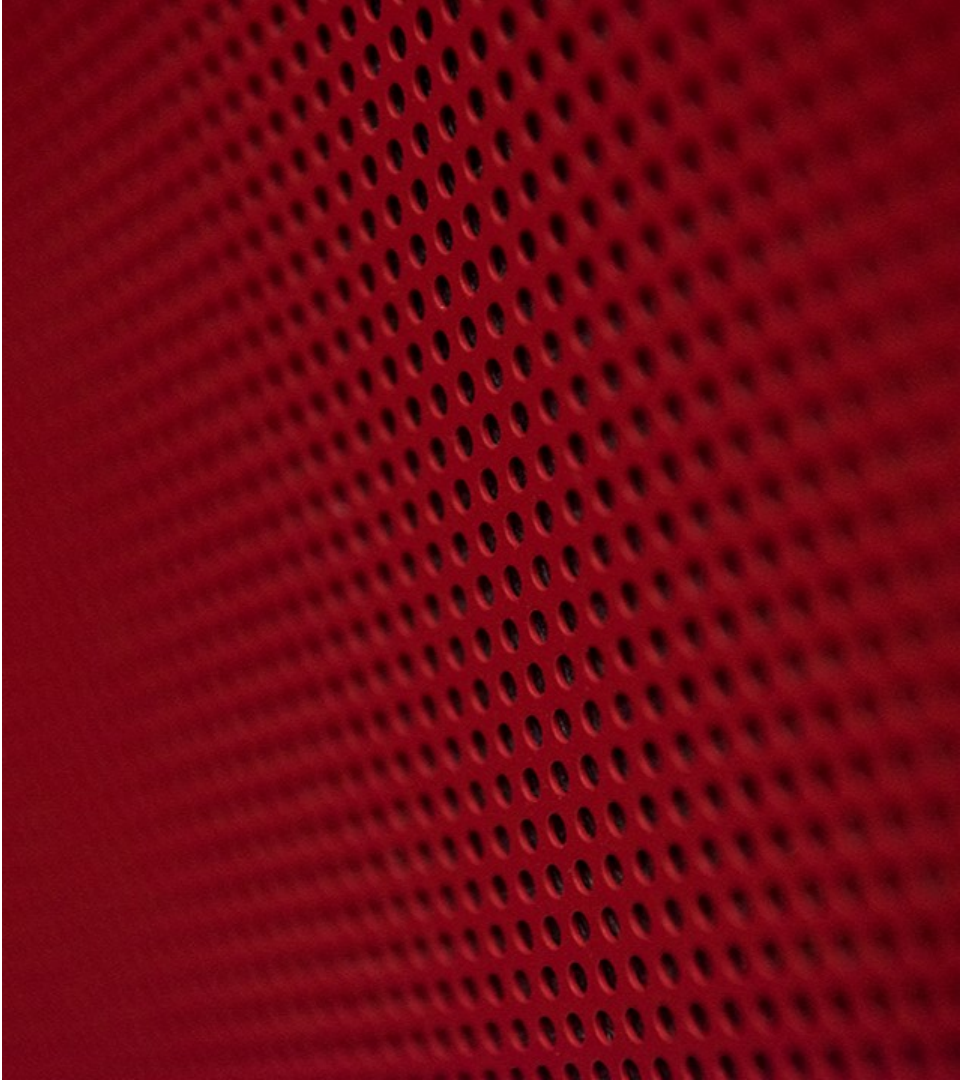
# Q4 2023 EBITDA Detail

\$ MILLIONS	CMI	Components Segment	Engine Segment	Distribution Segment	Power Systems Segment	Accelera Segment	Eliminations
<b>Reported EBITDA</b>	<b>(878)</b>	<b>406</b>	<b>353</b>	<b>269</b>	<b>182</b>	<b>(121)</b>	<b>(1,967)</b>
Reported EBITDA included costs related to the agreement to settle with U.S. regulators	(2,036)						(2,036)
Reported EBITDA included costs related to the separation of the Filtration business	(33)	(28)					(5)
Reported EBITDA included costs related to employee voluntary retirement and separation	(42)	(9)	(12)				(21)

# Q4 2023 EPS Detail

	EPS
<b>Reported EPS</b>	\$ (10.01)
Reported EPS included costs related to the agreement to settle with U.S. regulators	\$ (13.76)
Reported EPS included costs related to the separation of the Filtration business	\$ (0.17)
Reported EPS included costs related to employee voluntary retirement and separation	\$ (0.22)

# 2024 Guidance





# Guidance for 2024 Consolidated Results

ITEM	FULL YEAR GUIDANCE
Consolidated Revenue	Down 2% to 5%
Earnings from JVs	Down 5% to 15%
EBITDA Margin	14.4% to 15.4%
Depreciation & Amortization	\$1,020 to \$1,070 M
Effective Tax Rate <sup>1</sup>	24.0%
Capital Expenditures	\$1.2 to \$1.3 B
Global Pension Funding	\$67 M
Interest Expense	\$360 M

<sup>1</sup> Excluding discrete income tax items

# Guidance for 2024 Segment Results

ITEM	COMPONENTS	ENGINE	DISTRIBUTION	POWER SYSTEMS	ACCELERA
Consolidated Revenue Growth	Down 2% to 7%	Down 2% to 7%	Down 3% to Up 2%	Down 3% to Up 2%	\$450M to \$500M
2024 EBITDA Margins (% of Revenue)	13.9% to 14.9%	12.5% to 13.5%	11.4% to 12.4%	15.2% to 16.2%	(\$430M) to (\$400M)
2023 EBITDA Margins (% of Revenue) <sup>1</sup>	14.4%	14.1%	11.8%	14.7%	(443)

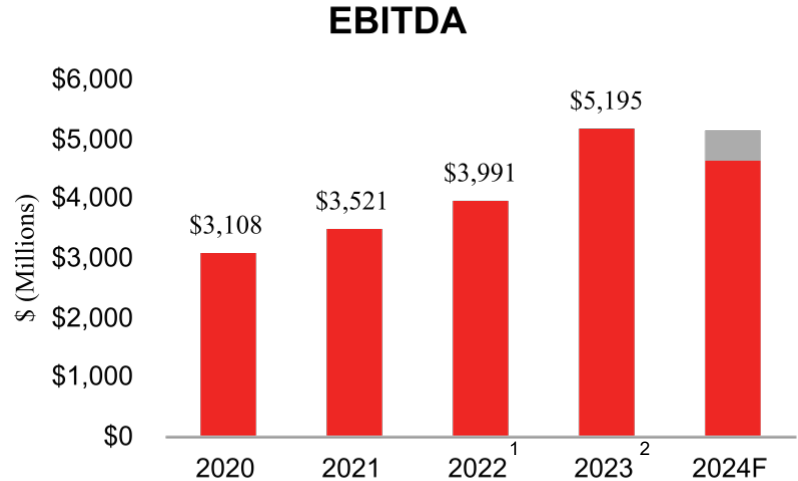
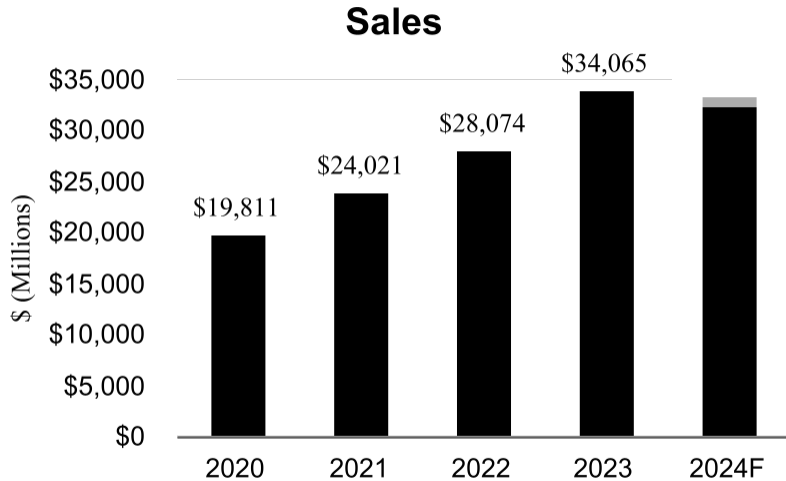
<sup>1</sup>Excluding cost related to the separation of the Filtration business: Components = \$78 million

Excluding cost related to employee voluntary retirement and separation: Engine = \$12 million, Components = \$9 million

# Key On-Highway Engine Markets - 2024

KEY MARKET	2024 Forecast	Market Size Vs. 2023
<b>Heavy Duty Truck - North America</b> Class 8, Group 2 - Production	245K - 265K units	Down 10% to 15%
<b>Medium Duty Truck - North America</b> Class 6-7, and Class 8 Group 1 - Production	140K - 150K units	Down 5% to Flat
<b>Heavy &amp; Medium Truck - China</b> Sales	1,000K - 1,150K units	Down 5% to Up 10%
<b>Heavy &amp; Medium Truck - India</b> Sales	425K - 445K units	Flat to up 5%

# Cummins Inc.



## 2024 Guidance

Sales Down 2% to 5%    EBITDA 14.4% to 15.4%

<sup>1</sup> 2022 EBITDA excludes \$111 million of net cost related to the indefinite suspension of operations in Russia, \$81 million of cost related to the separation of the Filtration business, and including \$115 million of Meritor acquisition and integration costs

<sup>2</sup> 2023 EBITDA excludes \$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 Filtration business, and \$42 million of cost related to employee voluntary retirement and separation

A vertical red bar on the left side of the slide, featuring a fine, circular perforated texture that resembles a speaker grille or a mesh screen. The texture is more pronounced in the center and fades slightly towards the edges.

# **Q4 2023 Supplemental Information**

# Components Segment Selected Financial Data

- Sales increased 3% driven by pricing actions and strong demand in the global truck market.
- The increase in EBITDA margin is primarily due to pricing realization and improved Meritor profitability, offset by higher compensation costs.
- Meritor Q4 sales of \$1,124 million and EBITDA of \$120 million.

\$ MILLIONS	Q4 2023	Q4 2022	CHANGE
Sales	3,191	3,095	3%
EBITDA <sup>1</sup>	443	390	14%
EBITDA <sup>1</sup> (% of Sales)	13.9%	12.6%	

<sup>1</sup> EBITDA: Q4 2023 excludes \$28 million in cost related to the separation of the Filtration business and \$9 million in cost related to employee voluntary retirement and separation, Q4 2022 excludes \$13 million in cost related to the separation of the Filtration business and includes \$18 million of cost related to the acquisition and integration of Meritor

# Engine Segment Selected Financial Data

- Sales increased 5% driven by pricing actions and strong demand in the global truck market.
- EBITDA margin decreased as a result of lower aftermarket demand and higher compensation costs.

<b>\$ MILLIONS</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>CHANGE</b>
Sales	2,779	2,638	5%
EBITDA <sup>1</sup>	365	362	1%
EBITDA <sup>1</sup> (% of Sales)	13.1%	13.7%	

<sup>1</sup> EBITDA: Q4 2023 excludes \$12 million of cost related to employee voluntary retirement and separation

# Engine Segment - Sales by Market

- On-highway revenue increase driven by strong demand in North American truck market and reduced supply chain constraints for Light-Duty Automotive versus Q4 2022.
- Off-highway revenues decreased due to lower construction demand in China.

\$ MILLIONS	Q4 2023	Q4 2022	CHANGE
Heavy-Duty Truck	1,052	966	9%
Medium-Duty Truck & Bus	894	869	3%
Light-Duty Automotive	423	318	33%
<b>On-Highway</b>	<b>2,369</b>	<b>2,153</b>	<b>10%</b>
<b>Off-Highway</b>	<b>410</b>	<b>485</b>	<b>(15)%</b>
<b>Total Sales</b>	<b>2,779</b>	<b>2,638</b>	<b>5%</b>



# Distribution Segment Selected Financial Data

- Sales increased 17% driven by strong demand for power generation products.
- EBITDA margin decreased primarily as a result of higher compensation costs.

\$ MILLIONS	Q4 2023	Q4 2022	CHANGE
Sales	2,713	2,320	17%
EBITDA	269	256	5%
EBITDA (% of Sales)	9.9%	11.0%	

# Power Systems Segment Selected Financial Data

- Sales increased 8% due to stronger global demand for power generation products, partly offset by lower industrial revenues.
- EBITDA margin decreased as a result of lower aftermarket demand and higher compensation costs.

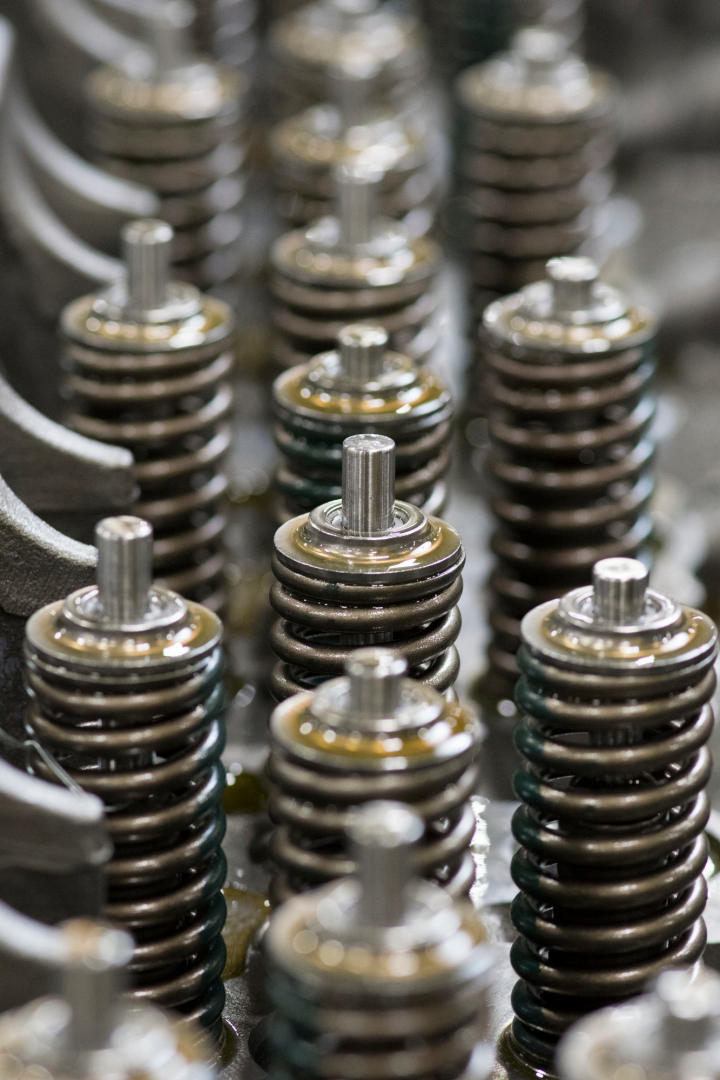
\$ MILLIONS	Q4 2023	Q4 2022	CHANGE
Sales	1,429	1,321	8%
EBITDA	182	185	(2)%
EBITDA (% of Sales)	12.7%	14.0%	

# Accelera Segment Selected Financial Data

- Sales increased due to higher demand for battery electric systems and the addition of the Siemens Commercial Vehicle business.
- EBITDA losses were \$121 million as we continue to invest in the products, infrastructure, and capabilities to support strong future growth.

\$ MILLIONS	Q4 2023	Q4 2022	CHANGE
Sales	81	75	8%
EBITDA	(121)	(95)	(27)%
EBITDA (% of Sales)	NM <sup>1</sup>	NM <sup>1</sup>	

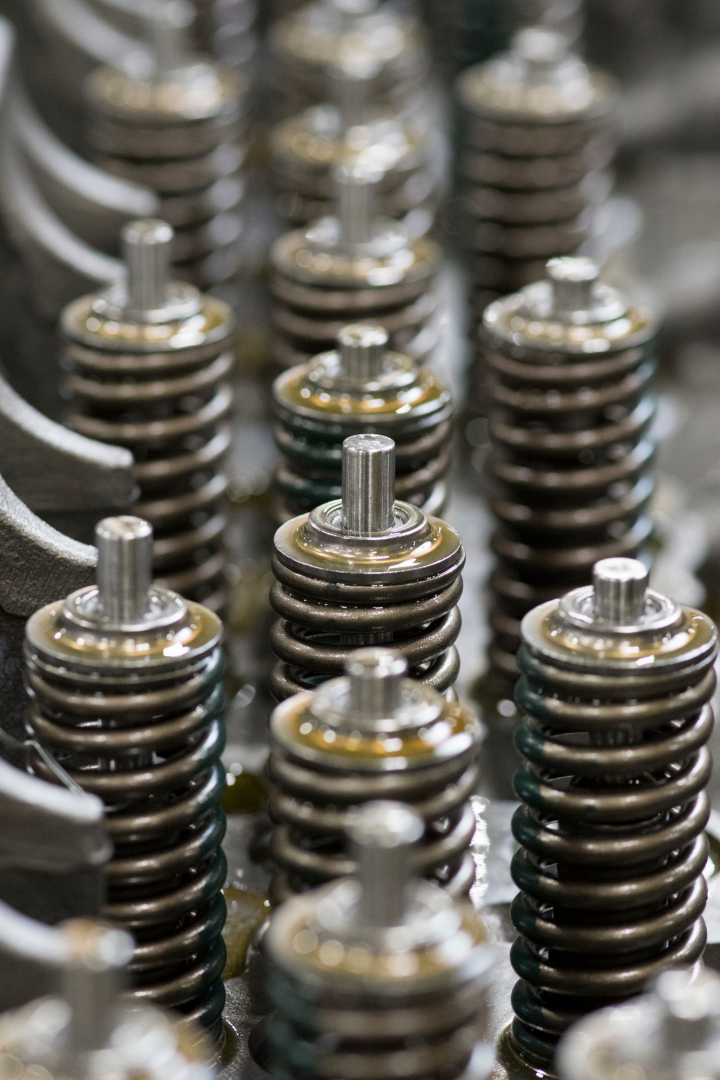
<sup>1</sup>"NM" - not meaningful information



## Joint Venture Income - Full Year

<b>\$ MILLIONS</b>	<b>2023</b>	<b>2022</b>
Components	97	71
Engine <sup>1</sup>	251	191
Distribution	97	77
Power Systems	53	43
Accelera	(15)	(2)
<b>Total JV Income</b>	<b>483</b>	<b>380</b>

<sup>1</sup> 2022 JV Income excludes \$28 million of impairment and \$3 million of royalty charges due to the indefinite suspension of operations in Russia



## Joint Venture Income - Quarter

<b>\$ MILLIONS</b>	<b>Q4 2023</b>	<b>Q4 2022</b>
Components	26	17
Engine	53	33
Distribution	27	20
Power Systems	11	12
Accelera	(4)	6
<b>Total JV Income</b>	<b>113</b>	<b>88</b>



## Cash Flow - Quarter

\$ MILLIONS	Q4 2023	Q4 2022
Operating Cash Flow	1,459	817
Capital Expenditures	519	463
Working Capital Measure	7,000	6,553
Working Capital Measure (% of Net Sales)	20.5%	21.1%
Total Debt to Capital %	40.3%	44.1%
Net Debt to Capital %	23.8%	29.6%

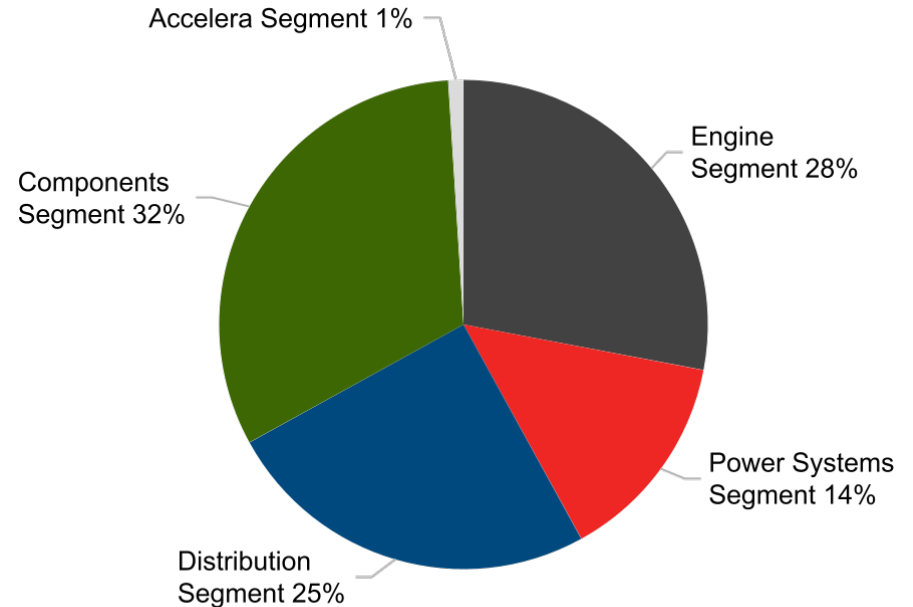
# Appendix



# Cummins Inc.

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

## 2023 Revenue by Segment



### 2023 Results

Sales:	\$34.1 billion
EBITDA <sup>1</sup> :	\$5.2 billion
EBITDA% <sup>1</sup> :	15.3%

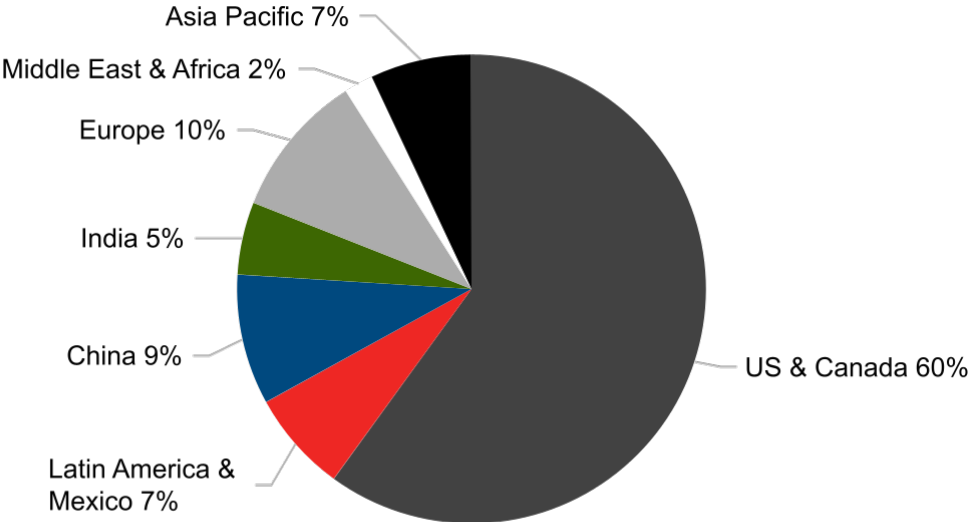
<sup>1</sup> Excluding \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$100 million of cost related to the separation of the Filtration business and \$42 million of cost related to employee voluntary retirement and separation



# Cummins Inc.

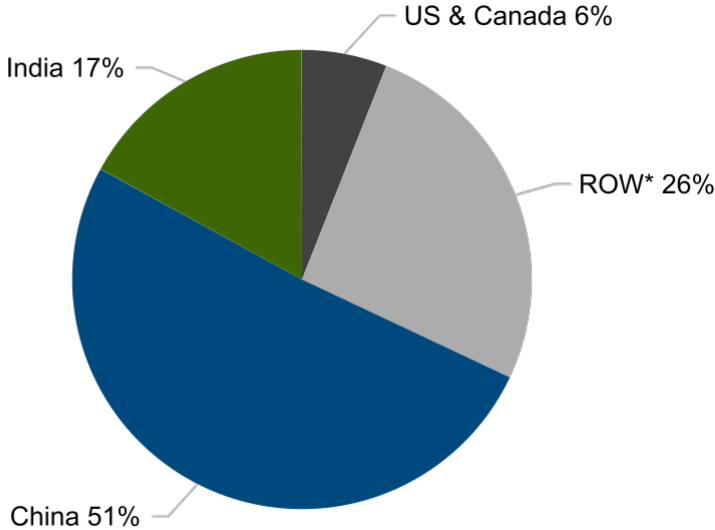
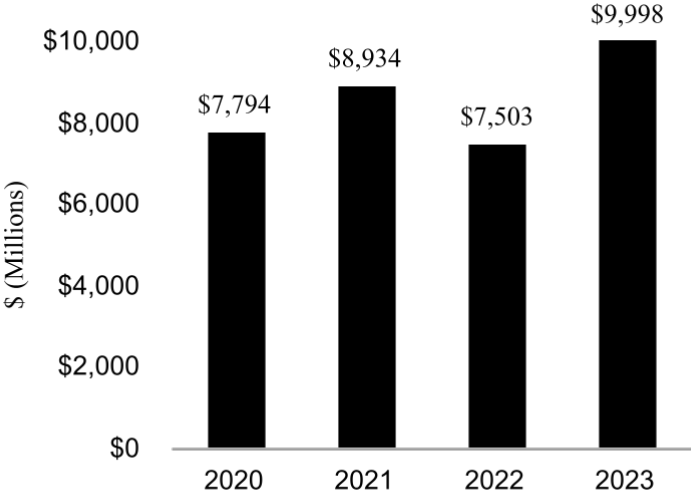
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in approximately 190 countries and territories

### 2023 Revenue by Marketing Territory



# Cummins - Joint Venture Sales Unconsolidated

## 2023 Revenue



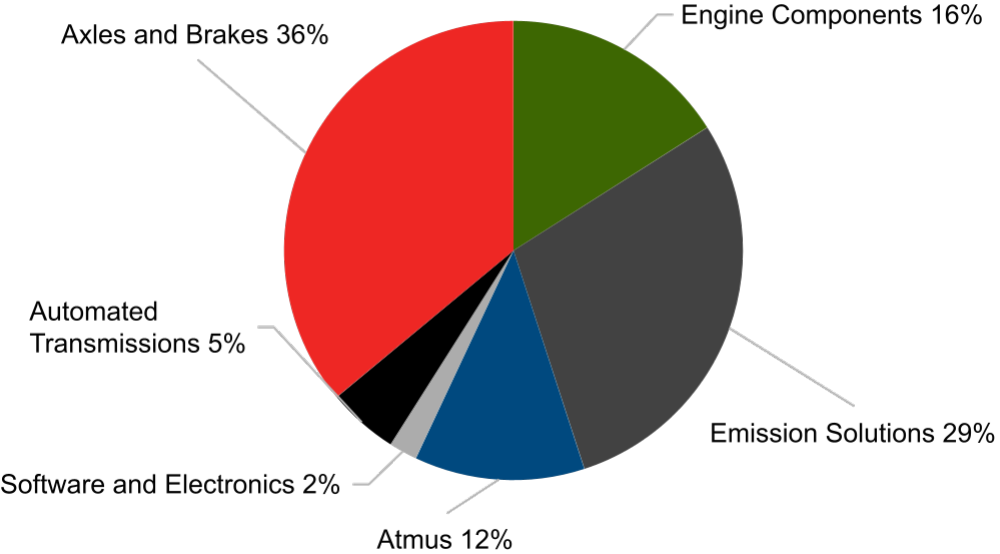
\* Rest of world

# 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
- World's leading supplier of filtration, coolant and chemical products

2023 Results	
Sales:	\$13.4 billion
EBITDA <sup>1</sup> :	\$1.9 billion
EBITDA% <sup>1</sup> :	14.4%

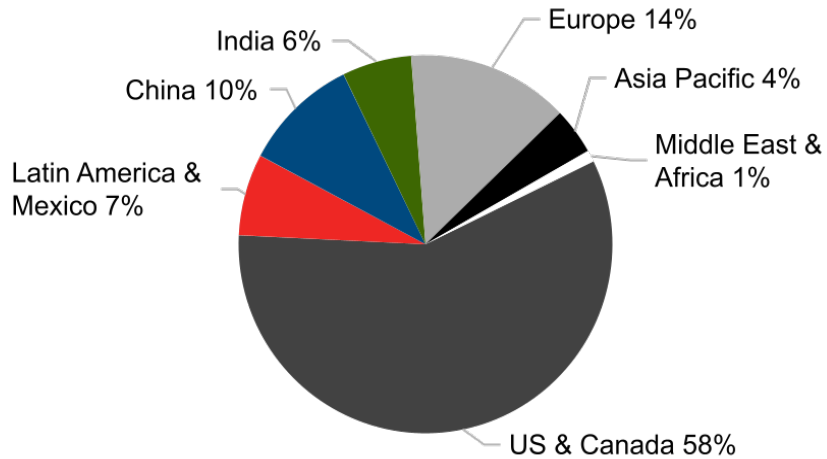
## 2023 Revenue by Business



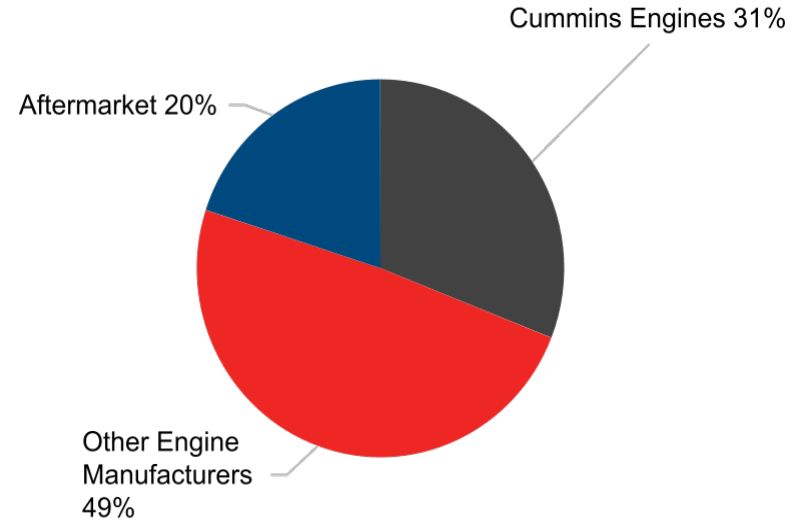
<sup>1</sup> Excluding \$78 million of cost related to the separation of the Filtration business and \$9 million of cost related to employee voluntary retirement and separation

# Components Segment - Sales Mix

## By Region



## By Application



---

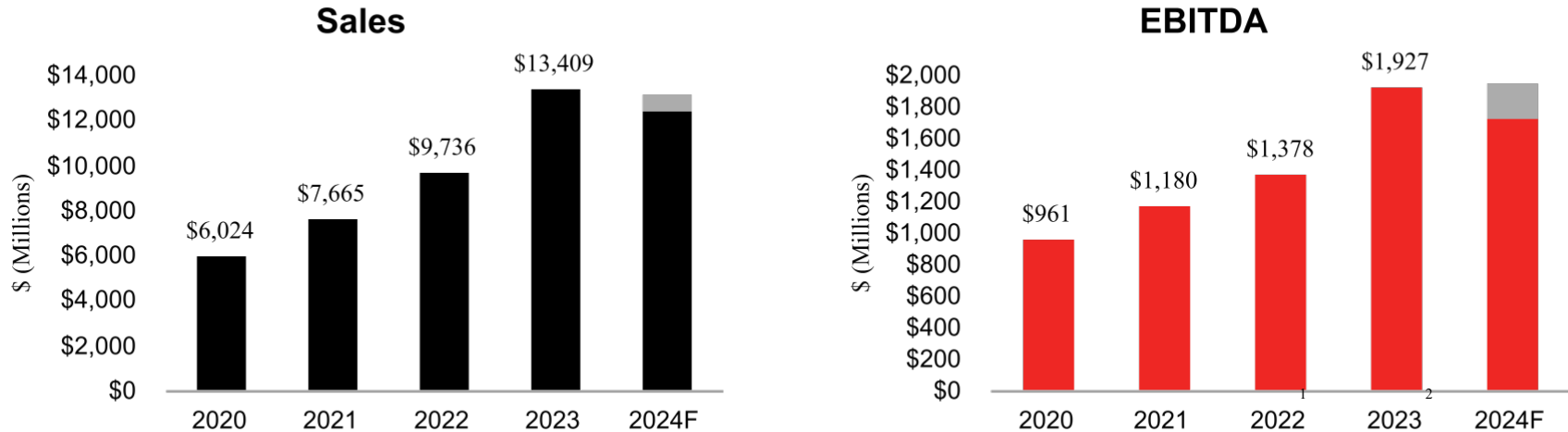
**2023 Revenue**

---

**\$13.4 billion**

---

# Components Segment - Historical Performance



## 2024 Guidance

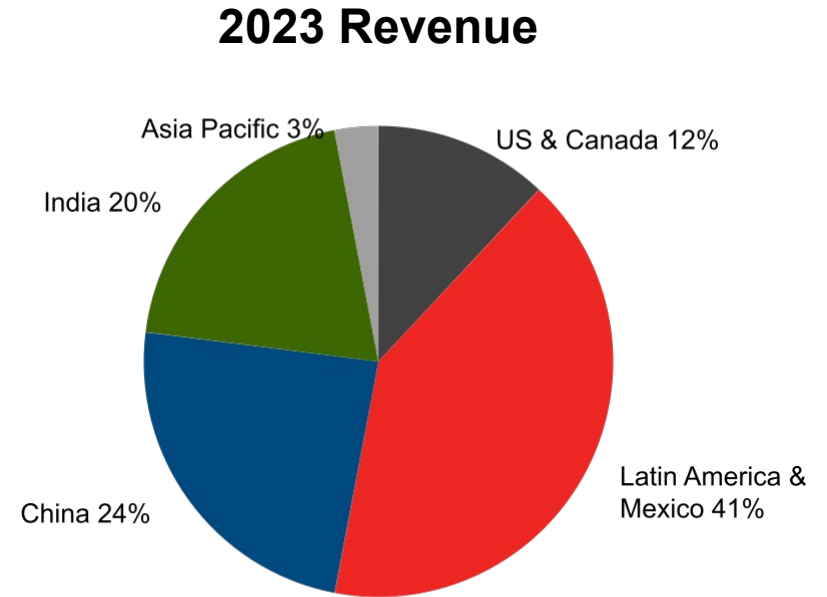
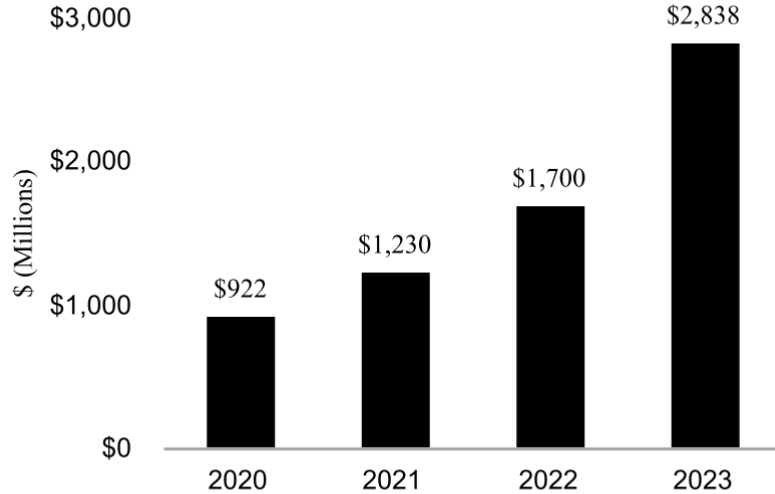
Sales Down 2% to 7%

EBITDA 13.9% to 14.9%

<sup>1</sup> 2022 EBITDA excludes \$28 million of cost related to the separation of the Filtration business, \$4 million of net cost related to the indefinite suspension of operations in Russia, and including \$70 million of net cost from the Meritor business which includes acquisition and integration costs

<sup>2</sup> 2023 EBITDA excludes \$78 million of cost related to the separation of the Filtration business and \$9 million of cost related to employee voluntary retirement and separation

# Components Segment - Joint Venture Sales Unconsolidated



# 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

---

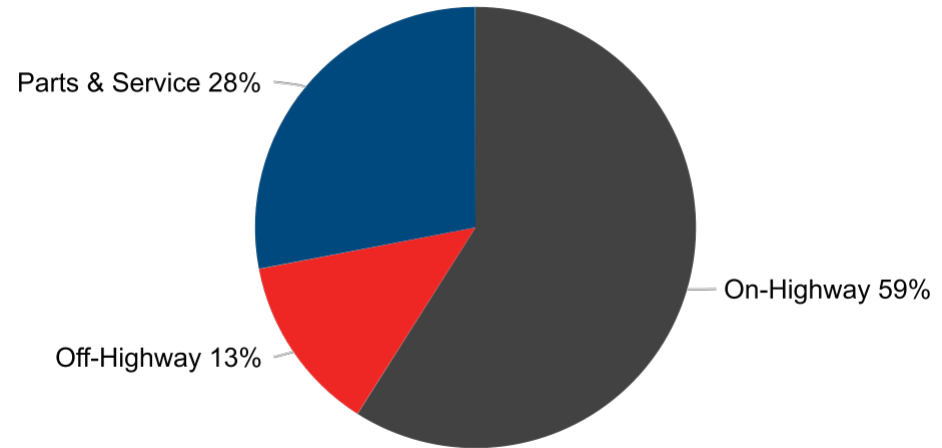
## 2023 Results

---

Sales:	\$11.7 billion
EBITDA <sup>1</sup> :	\$1.6 billion
EBITDA% <sup>1</sup> :	14.1%

---

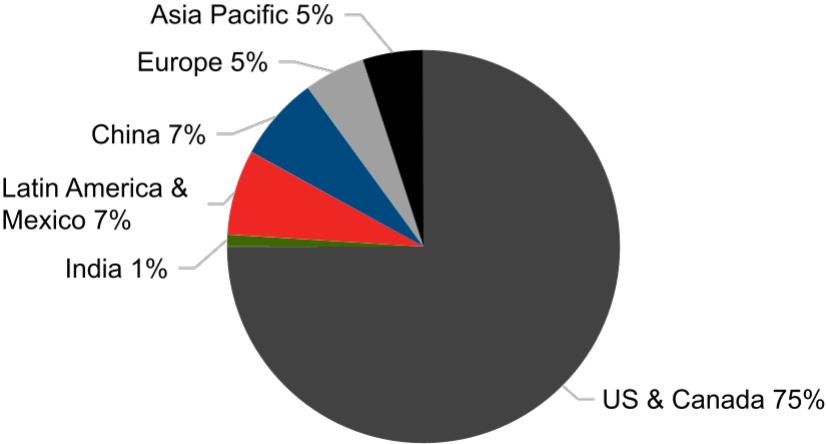
## 2023 Revenue by Product



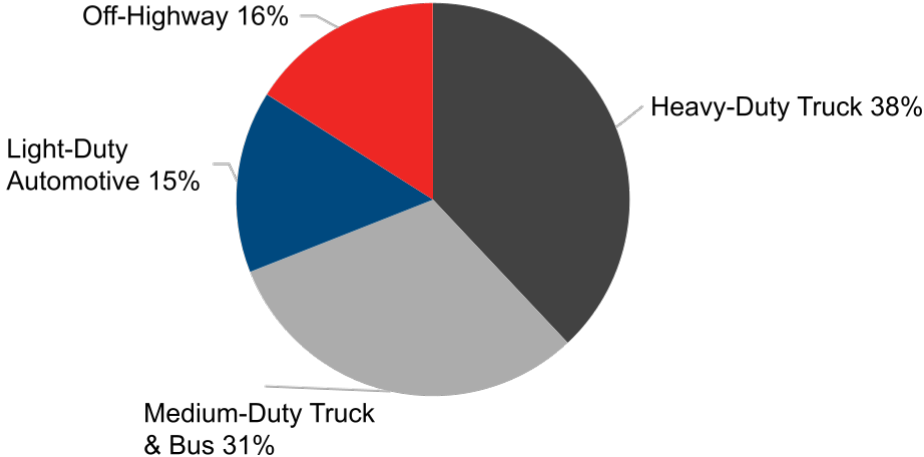
<sup>1</sup> Excluding \$12 million of cost related to employee voluntary retirement and separation

# Engine Segment - Sales Mix

By Region



By Application

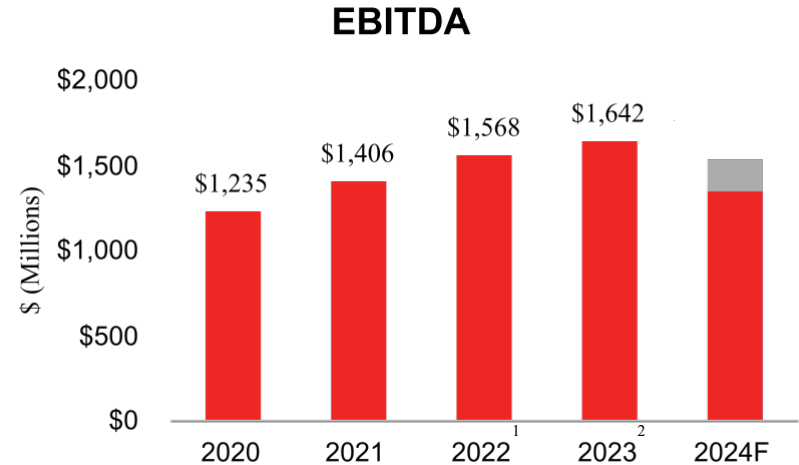
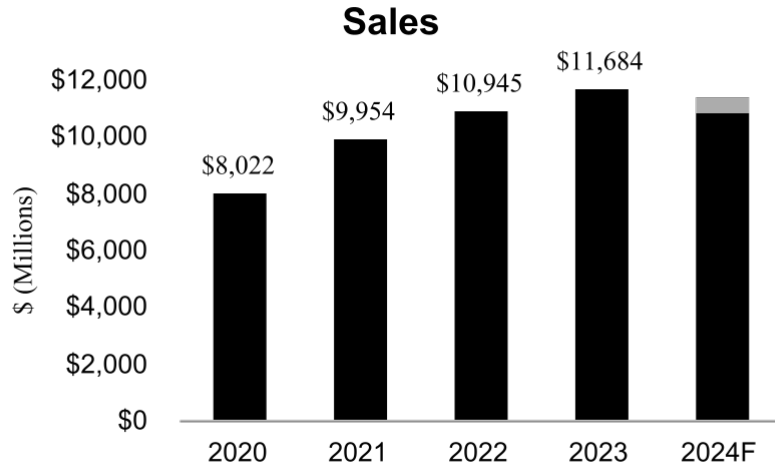


**2023 Revenue**

**\$11.7 billion**



# Engine Segment - Historical Performance



## 2024 Guidance

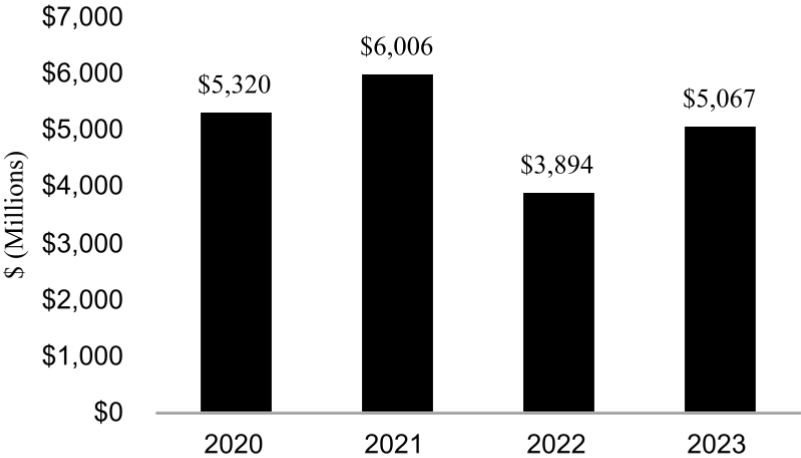
Sales Down 2% to 7%

EBITDA 12.5% to 13.5%

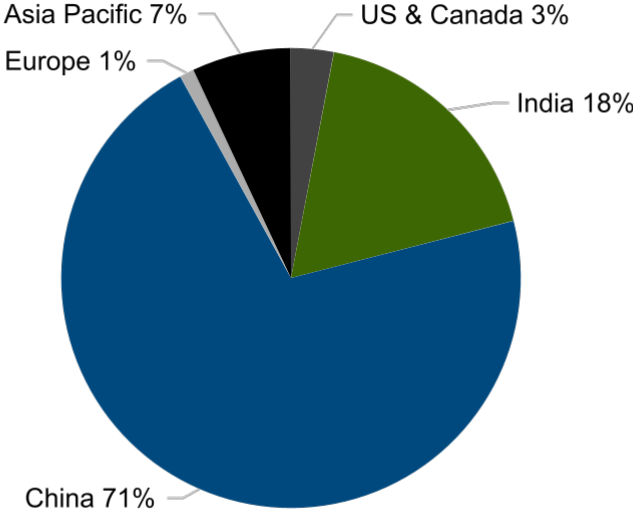
<sup>1</sup> 2022 EBITDA excluding \$33 million of net cost related to the indefinite suspension of operations in Russia

<sup>2</sup> 2023 EBITDA excluding \$12 million of cost related to employee voluntary retirement and separation

# Engine Segment - Joint Venture Sales Unconsolidated



## 2023 Revenue



# Distribution Segment - Overview

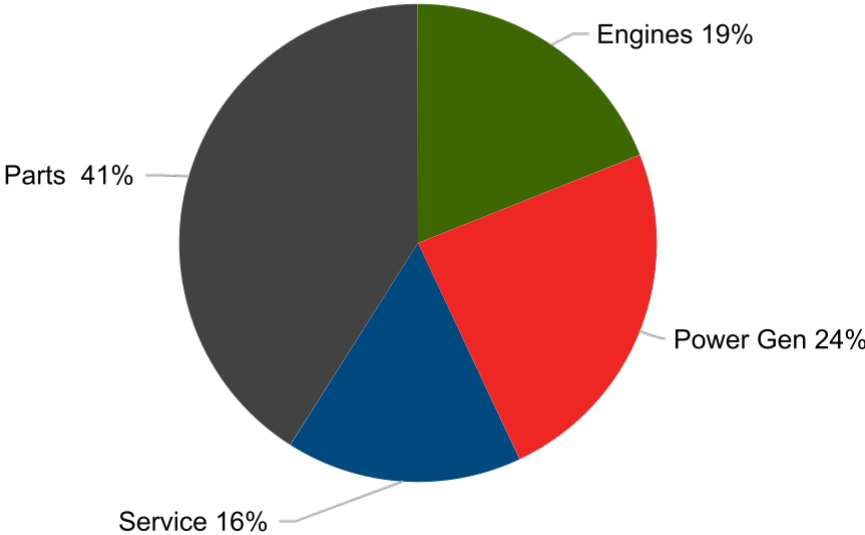
- Provide aftermarket support and increase solution-based revenue
- Increasing network capabilities in emerging markets to capture profitable growth

---

2023 Results	
Sales:	\$10.2 billion
EBITDA:	\$1.2 billion
EBITDA%:	11.8%

---

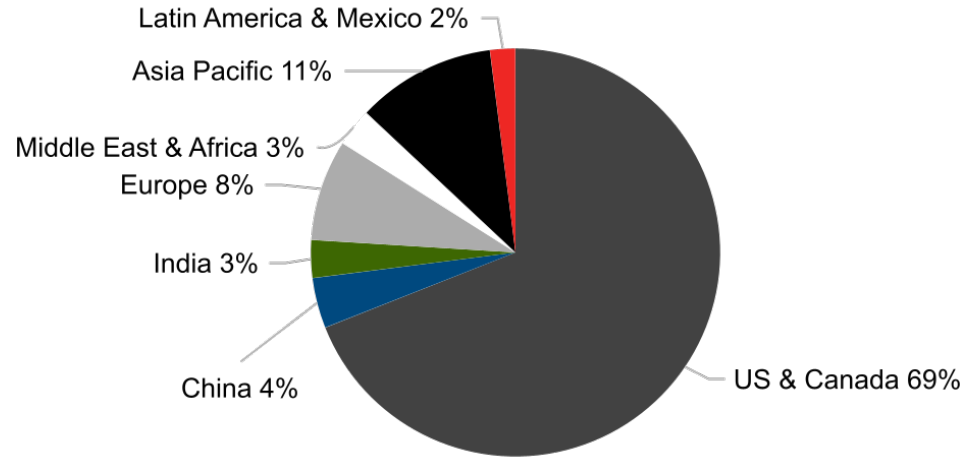
## 2023 Revenue by Product



# Distribution Segment - Sales Mix

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

By Region



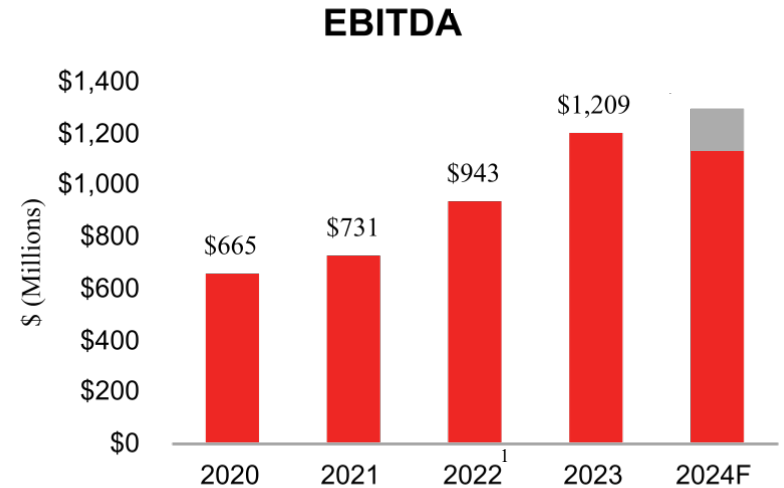
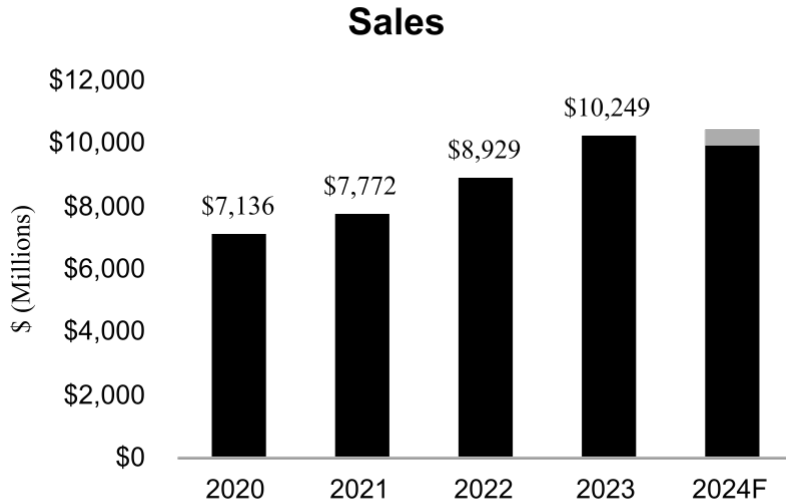
---

**2023 Revenue**

**\$10.2 billion**

---

# Distribution Segment - Historical Performance

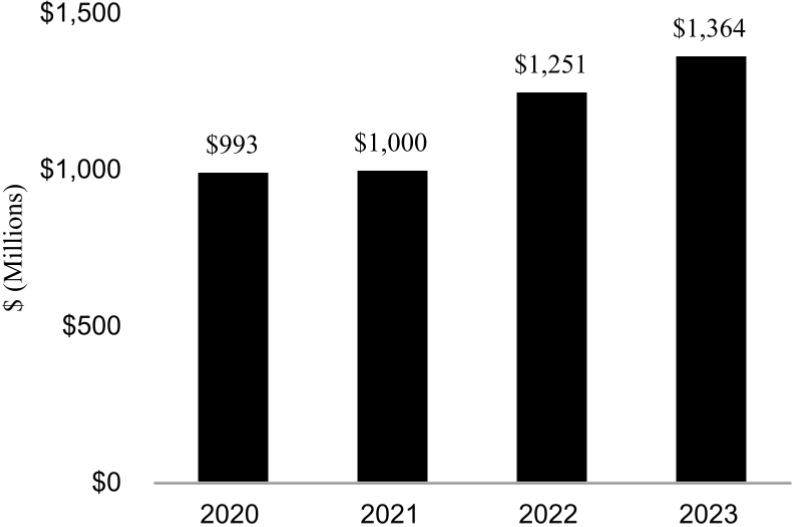


## 2024 Guidance

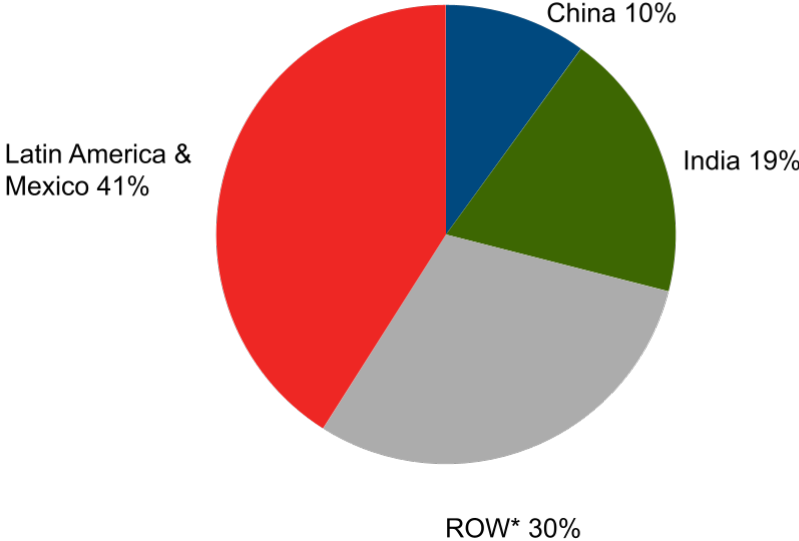
Sales Down 3% to Up 2% EBITDA 11.4% to 12.4%

<sup>1</sup> 2022 EBITDA excludes \$55 million of cost related to the indefinite suspension of operations in Russia.

# Distribution Segment - Joint Venture Sales Unconsolidated



### 2023 Revenue



\* Rest of World

# 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

---

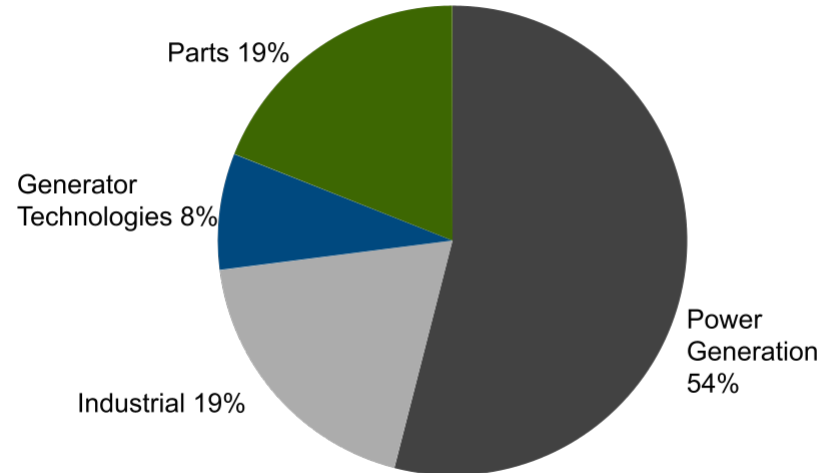
## 2023 Results

---

Sales:	\$5.7 billion
EBITDA:	\$836 million
EBITDA%:	14.7%

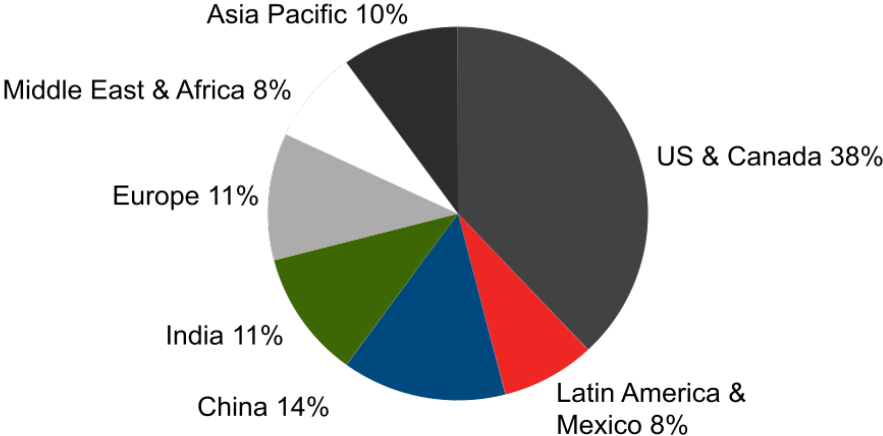
---

## 2023 Revenue by Product

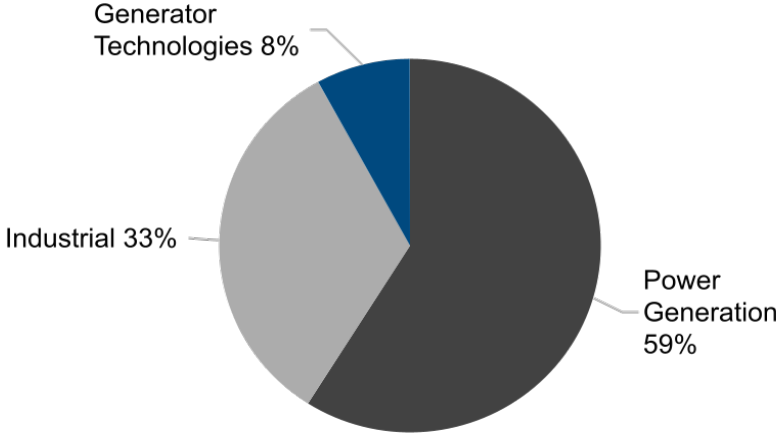


# Power Systems Segment - Sales Mix

By Region



By Product Line



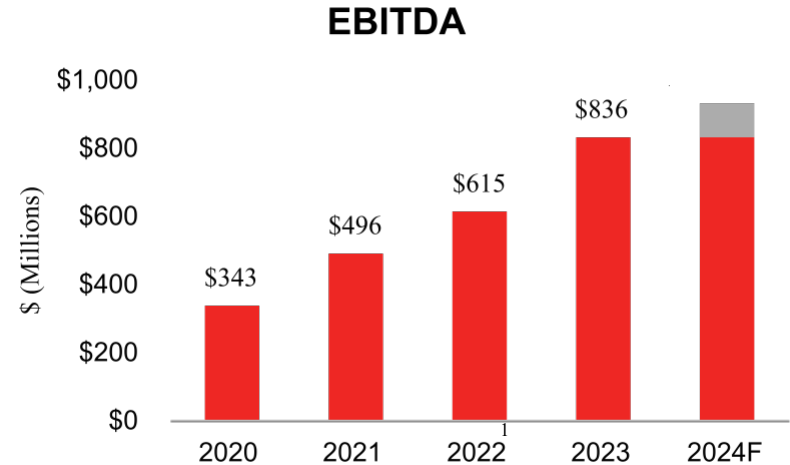
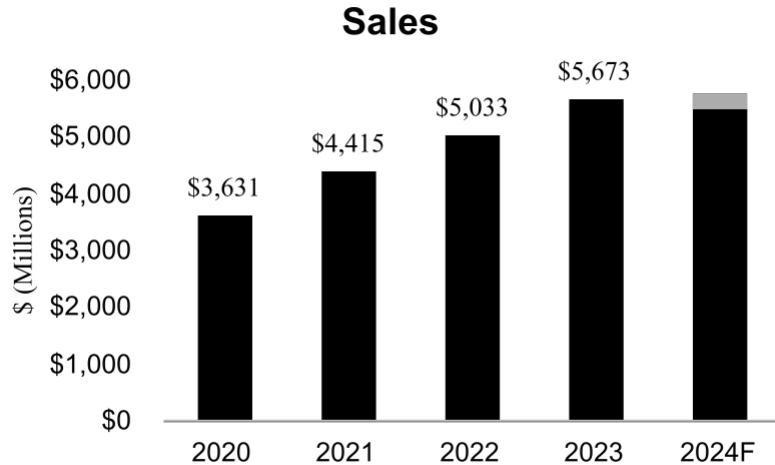
---

**2023 Revenue** **\$5.7 billion**

---



# Power Systems Segment - Historical Performance



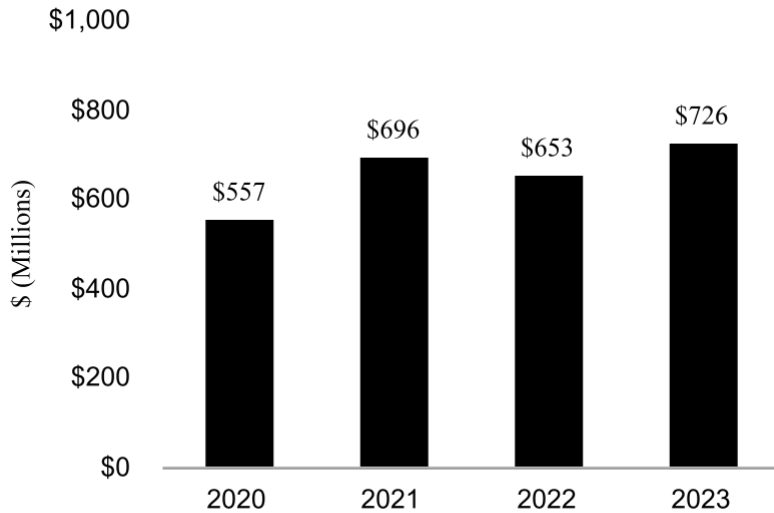
## 2024 Guidance

Sales Down 3% to Up 2%

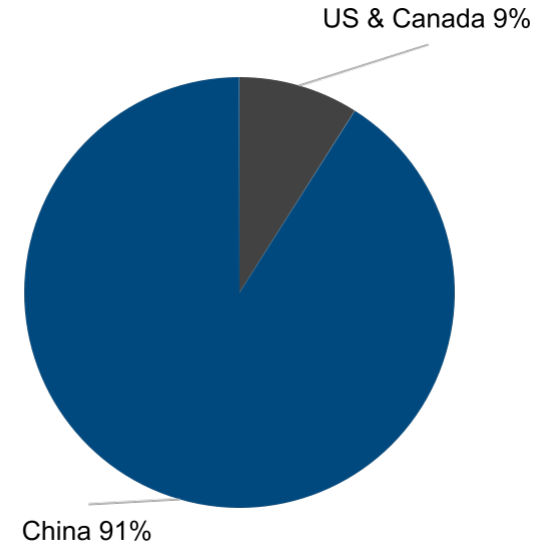
EBITDA 15.2% to 16.2%

<sup>1</sup> 2022 EBITDA excludes \$19 million of net cost related to the indefinite suspension of operations in Russia.

# Power Systems Segment - Joint Venture Sales Unconsolidated

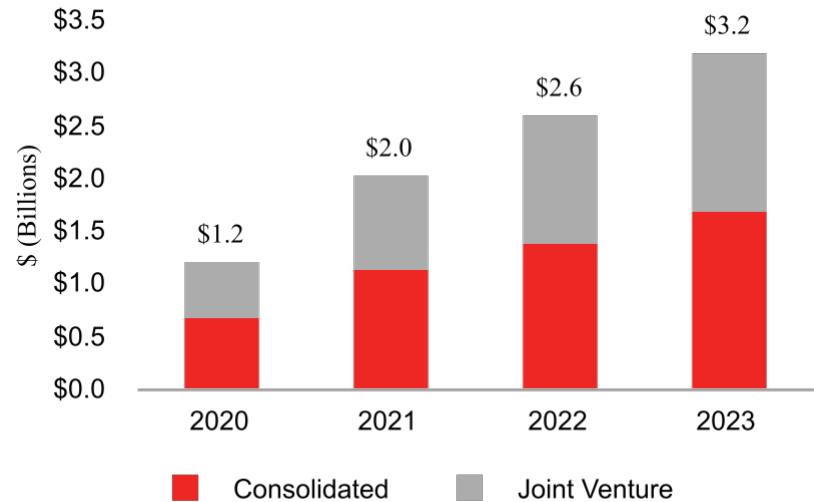


## 2023 Revenue



# Emerging Market Sales - India<sup>1</sup>

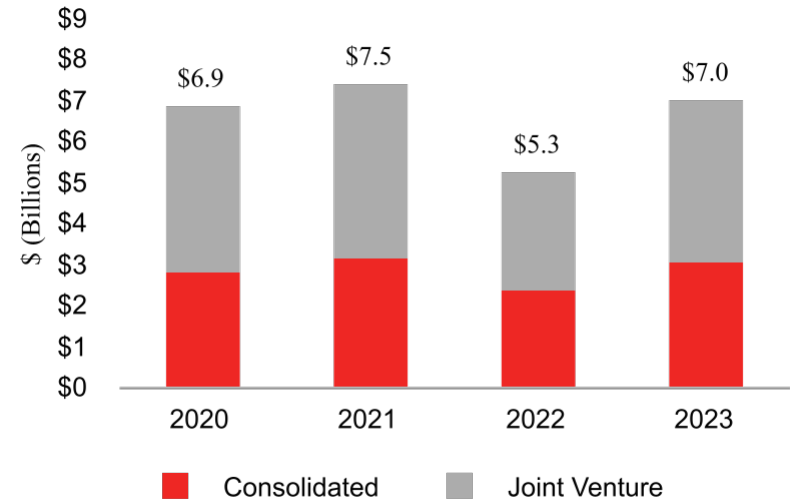
- Present in India for over 50 years
- Market leadership
- Strong OEM relationships
- Expanding our markets



<sup>1</sup> Consolidated & JV sales with eliminations

# Emerging Market Sales - China<sup>1</sup>

- 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



<sup>1</sup> Consolidated & JV sales with eliminations

# Non-GAAP Reconciliation - EBITDA

In Millions	Three Months Ended	
	31-Dec-23	31-Dec-22
Net (loss) income attributable to Cummins Inc.	\$ (1,431)	\$ 631
Net (loss) income attributable to noncontrolling interests	38	13
Consolidated net income	(1,393)	644
Income tax expense	163	134
Income before taxes	(1,230)	778
Interest expense	92	87
EBIT	(1,138)	865
Depreciation and amortization	260	240
EBITDA <sup>1</sup>	(878)	1,105
One-Time Items <sup>2</sup>	2,111	19
EBITDA excluding One-Time Items	1,233	1,124

<sup>1</sup>Q4 2022 EBITDA includes \$27 million of cost related to the acquisition and integration of Meritor

<sup>2</sup>Q4 2023 one-time items include \$2.036 billion of cost related to the agreement to settle with U.S. regulators, \$33 million of cost related to the separation of the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation, Q4 2022 one-time items include \$19 million of 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)

Last Twelve Months Ended

In Millions

	31-Dec-23	31-Dec-22
Net income attributable to Cummins Inc.	\$ 735	\$ 2,151
Net income attributable to noncontrolling interests	105	32
Consolidated net income	840	2,183
Income tax expense	786	636
Income before taxes	1,626	2,819
Interest expense	375	199
EBIT	2,001	3,018
Depreciation and amortization	1,016	781
EBITDA <sup>1</sup>	3,017	3,799
One-Time Items <sup>2</sup>	2,178	192
EBITDA excluding One-Time Items	5,195	3,991

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

<sup>2</sup>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 the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation, 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 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	
	31-Dec-23	31-Dec-22
Accounts and notes receivable, net	\$ 5,583	\$ 5,202
Inventories	5,677	5,603
Accounts Payable - (principally trade)	(4,260)	(4,252)
Working capital measure	\$ 7,000	\$ 6,553
Annualized Working capital measure (% of Net Sales)	20.5 %	21.1 %

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 - Working Capital

In Millions	Years Ended	
	31-Dec-23	31-Dec-22
Accounts and notes receivable, net	\$ 5,583	\$ 5,202
Inventories	5,677	5,603
Accounts Payable - (principally trade)	(4,260)	(4,252)
Working capital measure	\$ 7,000	\$ 6,553
Working capital measure (% of Net Sales)	20.5 %	23.3 %

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



# Non-GAAP Reconciliation - Net Assets

	In Millions	
	31-Dec-23	31-Dec-22
Total Assets	\$ 32,005	\$ 30,299
Less: Deferred debt costs	4	4
Less: Deferred tax assets	1,082	625
Less: Pension and other postretirement benefit adjustments excluded from net assets	307	832
Less: Liabilities deducted in arriving at net assets	14,531	11,270
Total net assets	16,081	17,568
Less: Cash, cash equivalents and marketable securities	2,741	2,573
Net assets for operating segments	\$ 13,340	\$ 14,995

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

	31-Dec-23	31-Dec-22
Total Equity	\$ 9,904	\$ 9,967
Less: Defined benefit postretirement plans	(848)	(427)
Equity used for return on invested capital calculation	10,752	10,394
Loans payable	280	210
Commercial paper	1,496	2,574
Current maturities of long-term debt	118	573
Long-term debt	4,802	4,498
Invested capital used for return on invested capital calculation	\$ 17,448	\$ 18,249

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-Dec-23	31-Dec-22
Net income attributable to Cummins Inc.	\$ 735	\$ 2,151
Net income attributable to noncontrolling interests	105	32
Consolidated net income	840	2,183
Income tax expense	786	636
Income before taxes	1,626	2,819
Interest expense	375	199
EBIT <sup>1</sup>	2,001	3,018
One-Time Items <sup>2</sup>	2,178	192
EBIT excluding One-Time Items	4,179	3,210
Less: Tax effect on EBIT	978	706
Net operating profit after taxes used for return on invested capital calculation	\$ 3,201	\$ 2,504

<sup>1</sup>Q4 2022 LTM EBIT includes \$115 million of cost related to the acquisition, integration and inventory valuation adjustments of Meritor

<sup>2</sup>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 the Filtration business, and \$42 million of cost related to employee voluntary retirement and separation, 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 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

	31-Dec-23	31-Dec-22
Total Debt (A)	\$ 6,696	\$ 7,855
Total Equity (B)	9,904	9,967
Total Capital (C) = (A+B)	16,600	17,822
Total Cash, Cash Equivalents & Marketable Securities (D)	2,741	2,573
Net Debt (E) = (A-D)	\$ 3,955	\$ 5,282
Total Debt to Capital % (A/C)	40.3 %	44.1 %
Net Debt to Capital % (E/C)	23.8 %	29.6 %

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



**Thank you for your interest**

For additional information: Chris Clulow – Vice President of Investor Relations  
(812) 377-3121 | [Investor.Relations@cummins.com](mailto:Investor.Relations@cummins.com)  
[www.investor.cummins.com](http://www.investor.cummins.com)