November 5, 2026

# Cummins Reports Strong Third Quarter 2026 Results

- **Third-quarter revenues of $9.4 billion; GAAP[1] Net Income of $1,140 million, or 12.1% of sales**
- **EBITDA[2] in the third quarter was a record 18.9% of sales; Diluted EPS of $8.25**
- **The company expects full-year revenue growth of approximately 10% and EBITDA of approximately 18.2%**
- **The company returned $661 million to shareholders in the third quarter in the form of cash dividends and share repurchases**

COLUMBUS, Ind.--(BUSINESS WIRE)-- Cummins Inc. (NYSE: CMI) today reported results for the third quarter of 2026.

“We delivered record EBITDA and earnings per share in the third quarter, led by continued strength in our Power Systems business,” said Jennifer Rumsey, Chair and CEO of Cummins. “Global demand for power generation equipment remains exceptionally strong, driven by data center buildout. While the U.S. medium- and heavy-duty truck markets strengthened, customer orders in the pickup truck market have weakened. I’m proud of our employees’ focus on execution and confident our market-leading positions and broad portfolio will enable us to continue to deliver for customers, improve our financial performance cycle-over-cycle and return cash to shareholders.”

Third-quarter 2026 revenues of $9.4 billion increased 13% from the same quarter in 2025. Sales in North America grew 15% while international revenues, led by growth in China, increased 11%.

Net income attributable to Cummins in the third quarter was $1.14 billion, or $8.25 per diluted share, compared with $536 million, or $3.86 per diluted share, in 2025. Third-quarter 2025 results included $240 million, or $1.73 per diluted share, of Accelera non-cash charges. Third-quarter 2026 diluted EPS included $0.54 per share of favorable discrete tax items.

EBITDA in the third quarter was a record $1.8 billion, or 18.9% of sales, compared to $1.2 billion, or 14.3% of sales, a year ago. EBITDA for the third quarter of 2025 included costs noted above.

**2026 Outlook:**

Based on its current forecast, Cummins expects revenue growth of approximately 10% compared to our prior guidance of 10% to 13%. EBITDA margins are expected to be approximately 18.2%, consistent with our prior guidance range of 18% to 18.5%, and excluding charges related to the sale of the low-pressure fuel cell business in the first quarter.

Cummins plans to continue generating strong operating cash flow and returns for shareholders and is committed to our goal of returning 50% of operating cash flow back to shareholders.

"We have adjusted our full-year revenue and profitability guidance primarily due to continued weaker than expected pickup truck demand in North America, which impacted our third quarter and is expected to persist through the end of this year," said Rumsey. "Global power generation and North America heavy duty truck demand remain strong, and we expect fourth quarter revenues to step up from third quarter levels and set a new record."

**Third Quarter 2026 Highlights:**

- In July, Cummins increased its quarterly common stock cash dividend from $2.00 to $2.20 per share. The company has increased the quarterly dividend to shareholders for 17 consecutive years.

- In August, Cummins announced that its Power Generation business had been selected to supply battery energy storage systems (BESS) for a large U.S. data center project, supporting utility-defined requirements for managing AI-driven load fluctuations, mitigating load oscillations and enhancing ride-through performance. This announcement marks a significant milestone for Cummins' BESS business as this project will be the company's largest BESS deployment to date. It also reflects Cummins' continued role in supporting the data center market with reliable, sustainable power solutions.

- Cummins made important progress preparing for the launch of its upcoming HELM™ engine platforms. During the quarter, it completed the 2026 Forever Rising Tour, giving more than 500 customers and dealers the opportunity to experience its 2027 X15 engine, alongside the X10 and natural gas X15N engines.

- Cummins was named as a World's Top Disability Inclusive Business® for the sixth consecutive year, earning a top score of 100 on the Disability Index®.

[1] Generally Accepted Accounting Principles in the U.S.

[2] Earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests

**Third quarter 2026 detail (all comparisons to same period in 2025):**

**Engine Segment**

- Sales: $3.1 billion, up 20%
- Segment EBITDA: $422 million, or 13.5% of sales, compared to $261 million, or 10.0%

of sales
- Revenues in North America increased 21% and international sales increased 18% due to stronger North American truck demand and construction demand in China.

**Components Segment**

- Sales: $2.9 billion, up 23%
- Segment EBITDA: $408 million, or 14.3% of sales, compared to $292 million, or 12.5% of sales
- Revenues in North America increased 35% and international sales increased 8% primarily due to stronger truck demand in the United States.

**Distribution Segment**

- Sales: $3.3 billion, up 4%
- Segment EBITDA: $461 million, or 13.9% of sales, compared to $492 million, or 15.5% of sales
- Revenues in North America increased 5% and international sales increased 4%, driven by increased demand for power generation products, particularly for data center applications.

**Power Systems Segment**

- Sales: $2.3 billion, up 15%
- Segment EBITDA: $582 million, or 25.4% of sales, compared to $457 million, or 22.9% of sales
- Revenues in North America increased 20% and international sales increased 11% driven primarily by increased power generation demand, particularly for data center markets in the United States, China and Asia Pacific.

**Accelera Segment**

- Sales: $103 million, down 15%
- Segment EBITDA loss: $56 million
- Revenues decreased primarily due to reduction in electrolyzer sales following the strategic review of this business. The company remains committed to pacing and focusing its zero-emissions investments on the most promising paths in order to ensure long-term success, while reducing the rate of ongoing EBITDA losses.

**About Cummins Inc.**

Cummins Inc., a global power leader, is committed to powering a more prosperous world. Since 1919, we have delivered innovative solutions that move people, goods and economies forward. Our five business segments—Engine, Components, Distribution, Power Systems and Accelera™ by Cummins—offer a broad portfolio, including advanced diesel, electric and hybrid powertrains; integrated power generation systems; critical components such as aftertreatment, turbochargers, fuel systems, controls, transmissions, axles and brakes; and zero-emissions technologies like battery and electric powertrain systems. With a global footprint, deep technical expertise and an extensive service network, we deliver dependable, cutting-edge solutions tailored to our customers' needs, supporting them through the energy

transition with our Destination Zero strategy. We create value for customers, investors and employees and strengthen communities through our corporate responsibility global priorities: education, equity and environment. Headquartered in Columbus, Indiana, Cummins employs approximately 67,400 people worldwide and earned $2.8 billion on $33.7 billion in sales in 2025. Learn more at www.cummins.com.

**Forward-looking disclosure statement**

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 consequences resulting from entering into agreements with the U.S. Environmental Protection Agency, California Air Resources Board, the Environmental and Natural Resources Division of the U.S. Department of Justice and the California Attorney General's Office to resolve certain regulatory civil claims regarding our emissions certification and compliance process for certain engines primarily used in pick-up truck applications in the U.S., which became final and effective in April 2024, including required additional mitigation projects, adverse reputational impacts and potential resulting legal actions; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emission standards around the world; evolving environmental and climate change legislation and regulatory initiatives; any adverse consequences from changes in tariffs and other trade disruptions; changes in international, national and regional trade laws, regulations and policies; emissions deregulation; changes in taxation; global legal and ethical compliance costs and risks; future bans or limitations on the use of diesel-powered products; raw material, transportation and labor price fluctuations and supply shortages; aligning our capacity and production with our demand; the actions of, and income from, joint ventures and other investees that we do not directly control; large truck manufacturers' and original equipment manufacturers' customers discontinuing outsourcing their engine supply needs or experiencing financial distress, or change in control; product recalls; variability in material and commodity costs; the development of new technologies that reduce demand for our current products and services or not successfully developing new technologies and products to effectively address the energy transition; lower than expected acceptance of new or existing products or services; product liability claims; our sales mix of products; climate change, global warming, more stringent climate change regulations, accords, mitigation efforts, greenhouse gas regulations or other legislation designed to address climate change; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions, divestitures or exiting the production of certain product lines or product categories and related uncertainties of such decisions; increasing interest rates; challenging markets for talent and ability to attract, develop and retain key personnel; exposure to potential security breaches or other disruptions to our information technology environment and data security; the use of artificial intelligence in our business and in our products, services and features, and challenges with properly managing its use; political, economic and other risks from operations among, between and within numerous countries including political, economic and social uncertainty and the evolving globalization of our business; competitor activity; increasing competition, including increased global

competition among our customers in emerging markets; failure to meet sustainability expectations or standards, or achieve our sustainability goals; labor relations or work stoppages; foreign currency exchange rate changes; the performance of our pension plan assets and volatility of discount rates; the price and availability of energy; continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and other risks detailed from time to time in our SEC filings, including particularly in the Risk Factors section of our 2025 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 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 https://www.sec.gov or at https://www.cummins.com in the Investor Relations section of our website.

***Presentation of Non-GAAP Financial Information***

*EBITDA is a non-GAAP measure used in this release and is defined and reconciled to what management believes to be the most comparable GAAP measure in a schedule attached to this release, except for forward-looking measures of EBITDA where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of the non-cash items that are excluded from the non-GAAP outlook measure. Cummins presents this information as it believes it is useful to understanding the Company's operating performance, and because EBITDA is a measure used internally to assess the performance of the operating units.*

***Webcast information***

*Cummins management will host a teleconference to discuss these results today at 10 a.m. EDT. This teleconference will be webcast and available on the Investor Relations section of the Cummins website at www.cummins.com. Participants wishing to view the visuals available with the audio are encouraged to sign-in a few minutes prior to the start of the teleconference.*

**CUMMINS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME**
**(Unaudited) (a)**

| In millions, except per share amounts | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **NET SALES** | **$ 9,438** | $ 8,317 | **$ 27,293** | $ 25,134 |
| Cost of sales | **6,823** | 6,188 | **19,970** | 18,569 |
| **GROSS MARGIN** | **2,615** | 2,129 | **7,323** | 6,565 |
| **OPERATING EXPENSES AND INCOME** | | | | |
| Selling, general and administrative expenses | **868** | 789 | **2,606** | 2,339 |
| Research, development and engineering expenses | **400** | 345 | **1,143** | 1,046 |
| Equity, royalty and interest income from investees | **127** | 104 | **429** | 353 |
| Other operating expense, net | **30** | 247 | **331** | 321 |
| **OPERATING INCOME** | **1,444** | 852 | **3,672** | 3,212 |
| Interest expense | **81** | 83 | **237** | 247 |
| Other income, net | **57** | 61 | **212** | 207 |
| **INCOME BEFORE INCOME TAXES** | **1,420** | 830 | **3,647** | 3,172 |
| Income tax expense | **251** | 271 | **830** | 835 |
| **CONSOLIDATED NET INCOME** | **1,169** | 559 | **2,817** | 2,337 |
| Less: Net income attributable to noncontrolling interests | **29** | 23 | **91** | 87 |
| **NET INCOME ATTRIBUTABLE TO CUMMINS INC.** | **$ 1,140** | $ 536 | **$ 2,726** | $ 2,250 |
| | | | | |
| **EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.** | | | | |
| Basic | **$ 8.29** | $ 3.88 | **$ 19.77** | $ 16.33 |
| Diluted | **$ 8.25** | $ 3.86 | **$ 19.70** | $ 16.23 |
| | | | | |
| **WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING** | | | | |
| Basic | **137.5** | 138.0 | **137.9** | 137.8 |
| Diluted | **138.1** | 138.8 | **138.4** | 138.6 |

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America.

**CUMMINS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited) (a)**

| In millions, except par value | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 3,571** | $ 2,845 |
| Marketable securities | **614** | 764 |
| Total cash, cash equivalents and marketable securities | **4,185** | 3,609 |
| Accounts and notes receivable, net | **6,638** | 5,818 |
| Inventories | **6,811** | 5,822 |
| Prepaid expenses and other current assets | **1,741** | 1,676 |
| Total current assets | **19,375** | 16,925 |
| Long-term assets | | |
| Property, plant and equipment, net | **7,114** | 6,958 |
| Investments and advances related to equity method investees | **2,384** | 2,133 |
| Goodwill | **2,221** | 2,224 |
| Other intangible assets, net | **2,012** | 2,167 |
| Pension assets | **1,011** | 1,033 |
| Other assets | **2,469** | 2,552 |
| Total assets | **$ 36,586** | $ 33,992 |
| **LIABILITIES** | | |
| Current liabilities | | |
| Accounts payable (principally trade) | **$ 4,879** | $ 3,800 |
| Loans payable | **383** | 313 |
| Commercial paper | **348** | 353 |
| Current maturities of long-term debt | **154** | 94 |
| Accrued compensation, benefits and retirement costs | **965** | 825 |
| Current portion of accrued product warranty | **664** | 693 |
| Current portion of deferred revenue | **1,690** | 1,606 |
| Other accrued expenses | **2,049** | 1,926 |
| Total current liabilities | **11,132** | 9,610 |
| Long-term liabilities | | |
| Long-term debt | **6,634** | 6,792 |
| Deferred revenue | **1,167** | 1,054 |
| Other liabilities | **3,307** | 3,128 |
| Total liabilities | **$ 22,240** | $ 20,584 |
| **EQUITY** | | |
| Cummins Inc. shareholders' equity | | |
| Common stock, $2.50 par value, 500 shares authorized, 222.5 and 222.5 shares issued | **$ 2,649** | $ 2,673 |
| Retained earnings | **24,488** | 22,616 |
| Treasury stock, at cost, 85.5 and 84.4 shares | **(11,451)** | (10,662) |
| Accumulated other comprehensive loss | **(2,355)** | (2,278) |
| Total Cummins Inc. shareholders' equity | **13,331** | 12,349 |
| Noncontrolling interests | **1,015** | 1,059 |
| Total equity | **$ 14,346** | $ 13,408 |
| Total liabilities and equity | **$ 36,586** | $ 33,992 |

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America.

**CUMMINS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited) (a)**

| In millions | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Consolidated net income | **$ 1,169** | $ 559 | **$ 2,817** | $ 2,337 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities | | | | |
| Depreciation and amortization | **288** | 277 | **851** | 825 |
| Deferred income taxes | **33** | 206 | **48** | 68 |
| Equity in income of investees, net of dividends | **(31)** | 50 | **(147)** | (38) |
| Pension and OPEB expense | **19** | 21 | **56** | 60 |
| Pension contributions and OPEB payments | **(13)** | (12) | **(41)** | (38) |
| Changes in current assets and liabilities, net of acquisitions and divestitures | | | | |
| Accounts and notes receivable | **(113)** | 177 | **(851)** | (466) |
| Inventories | **(418)** | (10) | **(1,030)** | (446) |
| Other current assets | **(116)** | 26 | **(153)** | (146) |
| Accounts payable | **227** | (295) | **1,087** | (147) |
| Accrued expenses | **317** | 43 | **467** | (201) |
| Other, net | **43** | 263 | **109** | 279 |
| Net cash provided by operating activities | **1,405** | 1,305 | **3,213** | 2,087 |
| | | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditures | **(303)** | (298) | **(741)** | (691) |
| Investments in marketable securities—acquisitions | **(266)** | (350) | **(899)** | (1,133) |
| Investments in marketable securities—liquidations | **390** | 495 | **1,031** | 1,131 |
| Other, net | **(55)** | (78) | **(54)** | (153) |
| Net cash used in investing activities | **(234)** | (231) | **(663)** | (846) |
| | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from borrowings | **134** | 86 | **454** | 2,232 |
| Net payments of commercial paper | **—** | — | **(5)** | (906) |
| Payments on borrowings and finance lease obligations | **(196)** | (617) | **(444)** | (827) |
| Dividend payments on common stock | **(302)** | (276) | **(854)** | (778) |
| Repurchases of common stock | **(359)** | — | **(827)** | — |
| Payments for purchase of redeemable noncontrolling interests | **—** | — | **—** | (55) |
| Other, net | **(69)** | (20) | **(157)** | (69) |
| Net cash used in financing activities | **(792)** | (827) | **(1,833)** | (403) |
| **EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS** | **13** | — | **9** | 57 |
| Net increase in cash and cash equivalents | **392** | 247 | **726** | 895 |
| Cash and cash equivalents at beginning of period | **3,179** | 2,319 | **2,845** | 1,671 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **$ 3,571** | $ 2,566 | **$ 3,571** | $ 2,566 |

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America.

**CUMMINS INC. AND SUBSIDIARIES**
**SEGMENT INFORMATION**
**(Unaudited)**

| In millions | Engine | Components | Distribution | Power Systems | Accelera | Total Segments | Intersegment Eliminations [1] | Total |
|---|---|---|---|---|---|---|---|---|
| **Three months ended September 30, 2026** | | | | | | | | |
| External sales | **$ 2,389** | **$ 2,397** | **$ 3,307** | **$ 1,250** | **$ 95** | **$ 9,438** | **$ —** | **$ 9,438** |
| Intersegment sales | **741** | **459** | **3** | **1,039** | **8** | **2,250** | **(2,250)** | **—** |
| Total sales | **3,130** | **2,856** | **3,310** | **2,289** | **103** | **11,688** | **(2,250)** | **9,438** |
| Research, development and engineering expenses | **186** | **85** | **16** | **85** | **28** | **400** | **—** | **400** |
| Equity, royalty and interest income (loss) from investees | **58** | **9** | **29** | **35** | **(4)** | **127** | **—** | **127** |
| EBITDA [2] | **422** | **408** | **461** | **582** | **(56)** | **1,817** | **(31)** | **1,786** |
| Depreciation and amortization [3] | **79** | **125** | **37** | **36** | **8** | **285** | **—** | **285** |
| | | | | | | | | |
| EBITDA as a percentage of segment sales | **13.5%** | **14.3%** | **13.9%** | **25.4%** | **NM** | **15.5%** | | **18.9%** |
| | | | | | | | | |
| **Three months ended September 30, 2025** | | | | | | | | |
| External sales | $ 1,922 | $ 1,986 | $ 3,170 | $ 1,126 | $ 113 | $ 8,317 | $ — | $ 8,317 |
| Intersegment sales | 683 | 343 | 2 | 870 | 8 | 1,906 | (1,906) | — |
| Total sales | 2,605 | 2,329 | 3,172 | 1,996 | 121 | 10,223 | (1,906) | 8,317 |
| Research, development and engineering expenses | 159 | 70 | 14 | 62 | 40 | 345 | — | 345 |
| Equity, royalty and interest income (loss) from investees | 54 | 7 | 23 | 26 | (6) | 104 | — | 104 |
| EBITDA [2] | 261 | 292 | 492 | 457 | (336) [4] | 1,166 | 21 | 1,187 |
| Depreciation and amortization [3] | 71 | 122 | 32 | 36 | 13 | 274 | — | 274 |
| | | | | | | | | |
| EBITDA as a percentage of segment sales | 10.0% | 12.5% | 15.5% | 22.9% | NM | 11.4% | | 14.3% |

| In millions | Engine | Components | Distribution | Power Systems | Accelera | Total Segments | Intersegment Eliminations (1) | Total |
|---|---|---|---|---|---|---|---|---|
| **Nine months ended September 30, 2026** | | | | | | | | |
| External sales | **$ 6,704** | **$ 6,966** | **$ 9,736** | **$ 3,560** | **$ 327** | **$ 27,293** | **$ —** | **$27,293** |
| Intersegment sales | **2,182** | **1,311** | **16** | **2,940** | **22** | **6,471** | **(6,471)** | **—** |
| Total sales | **8,886** | **8,277** | **9,752** | **6,500** | **349** | **33,764** | **(6,471)** | **27,293** |
| Research, development and engineering expenses | **531** | **254** | **46** | **230** | **82** | **1,143** | **—** | **1,143** |
| Equity, royalty and interest income (loss) from investees | **217** | **29** | **91** | **105** | **(13)** | **429** | **—** | **429** |
| EBITDA (2) | **1,087** | **1,126** | **1,356** | **1,711** | **(402)** (5) | **4,878** | **(149)** | **4,729** |
| Depreciation and amortization (3) | **228** | **379** | **106** | **107** | **25** | **845** | **—** | **845** |
| | | | | | | | | |
| EBITDA as a percentage of total sales | **12.2%** | **13.6%** | **13.9%** | **26.3%** | **NM** | **14.4%** | | **17.3%** |
| | | | | | | | | |
| **Nine months ended September 30, 2025** | | | | | | | | |
| External sales | $ 6,124 | $ 6,551 | $ 9,106 | $ 3,052 | $ 301 | $ 25,134 | $ — | $25,134 |
| Intersegment sales | 2,151 | 1,153 | 14 | 2,482 | 28 | 5,828 | (5,828) | — |
| Total sales | 8,275 | 7,704 | 9,120 | 5,534 | 329 | 30,962 | (5,828) | 25,134 |
| Research, development and engineering expenses | 465 | 222 | 42 | 188 | 129 | 1,046 | — | 1,046 |
| Equity, royalty and interest income (loss) from investees | 187 | 24 | 77 | 82 | (17) | 353 | — | 353 |
| EBITDA (2) | 1,119 | 1,071 | 1,313 | 1,276 | (522) (4) | 4,257 | (23) | 4,234 |
| Depreciation and amortization (3) | 206 | 371 | 96 | 104 | 38 | 815 | — | 815 |
| | | | | | | | | |
| EBITDA as a percentage of total sales | 13.5% | 13.9% | 14.4% | 23.1% | NM | 13.7% | | 16.8% |

"NM" - not meaningful information

(1) Included intersegment sales, intersegment profit in inventory and unallocated corporate expenses. There were no significant unallocated corporate expenses for the three and nine months ended September 30, 2026 and 2025.

(2) EBITDA is defined as earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests. We believe EBITDA is a useful measure of our operating performance as it assists investors and debt holders in comparing our performance on a consistent basis without regard to financing methods, capital structure, income taxes or depreciation and amortization methods, which can vary significantly depending upon many factors.

(3) Depreciation and amortization, as shown on a segment basis, excludes the amortization of debt discount and deferred costs included in the *Condensed Consolidated Statements of Net Income* as interest expense. A portion of depreciation expense is included in research, development and engineering expenses.

(4) Included a $210 million goodwill impairment charge and a $30 million inventory write-down for the three and nine months ended September 30, 2025.

(5) In the first quarter of 2026, we sold our low pressure fuel cell business to a customer, cancelled future commitments and resolved certain claims against us with that customer resulting in a net payment by us of $175 million. These transactions resulted in a net charge of $199 million which is reflected in other operating expense, net in our *Condensed Consolidated Statements of Net Income*.

**CUMMINS INC. AND SUBSIDIARIES**
**SELECT FOOTNOTE DATA**
**(Unaudited)**

**EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEES**

Equity, royalty and interest income from investees included in our *Condensed Consolidated Statements of Net Income* for the reporting periods was as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| **In millions** | **2026** | **2025** | **2026** | **2025** |
| **Manufacturing entities** | | | | |
| Chongqing Cummins Engine Company, Ltd. | **$ 28** | $ 23 | **$ 86** | $ 68 |
| Dongfeng Cummins Engine Company, Ltd. | **16** | 13 | **66** | 52 |
| Beijing Foton Cummins Engine Co., Ltd. | **15** | 17 | **58** | 47 |
| Tata Cummins, Ltd. | **10** | 6 | **30** | 23 |
| All other manufacturers | **15** | 6 | **50** | 27 |
| **Distribution entities** | | | | |
| Komatsu Cummins Chile, Ltda. | **13** | 12 | **45** | 41 |
| All other distributors | **10** | 5 | **24** | 17 |
| Cummins share of net income | **107** | 82 | **359** | 275 |
| **Royalty and interest income** | **20** | 22 | **70** | 78 |
| Equity, royalty and interest income from investees | **$ 127** | $ 104 | **$ 429** | $ 353 |

## INCOME TAXES

Our effective tax rate for 2026 is expected to approximate 23.0 percent, excluding all discrete items and the unfavorable tax impact of the $199 million loss on the sale of our low pressure fuel cell business and settlement of current and future customer obligations for which no tax benefit was recognized.

Our effective tax rates for the three and nine months ended September 30, 2026, were 17.7 percent and 22.8 percent, respectively. Our effective tax rates for the three and nine months ended September 30, 2025, were 32.7 percent and 26.3 percent, respectively.

The three months ended September 30, 2026, contained net favorable discrete items of $75 million, or $0.54 per diluted share, primarily due to $38 million of favorable adjustments for uncertain tax positions and $37 million of favorable return to provision adjustments

The nine months ended September 30, 2026, included an unfavorable tax impact due to the $199 million loss on the sale of our low pressure fuel cell business and settlement of current and future customer obligations for which no tax benefit was recognized. Discrete tax items were a net favorable $53 million, or $0.38 per diluted share, primarily due to $32 million of favorable adjustments for uncertain tax positions, $14 million of favorable return to provision adjustments and $7 million of other favorable discrete tax items.

The three months ended September 30, 2025, contained net unfavorable discrete tax items of $4 million, or $0.03 per diluted share, primarily due to $32 million of unfavorable return to provision adjustments and net $1 million of other unfavorable tax items, partially offset by $25 million of favorable adjustments for uncertain tax positions and $4 million of favorable adjustments for share-based compensation.

The nine months ended September 30, 2025, contained net favorable discrete tax items of $6 million, or $0.04 per diluted share, primarily due to $30 million of favorable adjustments for uncertain tax positions and $12 million of favorable adjustments for share-based compensation, partially offset by $32 million of unfavorable return to provision adjustments and net $4 million of other unfavorable tax items.

**Reconciliation of Non GAAP measures - Earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests (EBITDA)**

We believe EBITDA is a useful measure of our operating performance as it assists investors and debt holders in comparing our performance on a consistent basis without regard to financing methods, capital structure, income taxes or depreciation and amortization methods, which can vary significantly depending upon many factors. We believe EBITDA excluding special items, as noted in the table below, is a useful measure of our operating performance. This statement excludes forward looking measures of EBITDA where a reconciliation to the corresponding accounting principles generally accepted in the United States (GAAP) measures is not available due to the variability, complexity and limited visibility of non-cash items that are excluded from the non-GAAP outlook measure.

EBITDA is not in accordance with, or an alternative for, GAAP and may not be consistent with measures used by other companies. It should be considered supplemental data; however, the amounts included in the EBITDA calculation are derived from amounts included in our *Condensed Consolidated Statements of Net Income.* Below is a reconciliation of net income attributable to Cummins Inc. to EBITDA for each of the applicable periods:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| **In millions** | **2026** | **2025** | **2026** | **2025** |
| Net income attributable to Cummins Inc. | **$ 1,140** | $ 536 | **$ 2,726** | $ 2,250 |
| *Net income attributable to Cummins Inc., as a percentage of net sales* | ***12.1%*** | *6.4%* | ***10.0%*** | *9.0%* |
| Add: | | | | |
| Net income attributable to noncontrolling interests | **29** | 23 | **91** | 87 |
| Consolidated net income | **1,169** | 559 | **2,817** | 2,337 |
| Add: | | | | |
| Interest expense | **81** | 83 | **237** | 247 |
| Income tax expense | **251** | 271 | **830** | 835 |
| Depreciation and amortization | **285** | 274 | **845** | 815 |
| EBITDA | **$ 1,786** | $ 1,187 | **$ 4,729** | $ 4,234 |
| *EBITDA, as a percentage of net sales* | ***18.9%*** | *14.3%* | ***17.3%*** | *16.8%* |
| Special items: | | | | |
| Accelera goodwill impairment | **—** | 210 | **—** | 210 |
| Accelera inventory write-down | **—** | 30 | **—** | 30 |
| Loss on sale of business and settlement of current and future customer obligations | **—** | — | **199** | — |
| EBITDA, excluding special items | **$ 1,786** | $ 1,427 | **$ 4,928** | $ 4,474 |
| *EBITDA, excluding special items, as a percentage of net sales* | ***18.9%*** | *17.2%* | ***18.1%*** | *17.8%* |

**CUMMINS INC. AND SUBSIDIARIES**
**SEGMENT SALES DATA**
**(Unaudited)**

**Engine Segment Sales by Market and Unit Shipments by Engine Classification**

Sales for our Engine segment by market were as follows:

**2026**

| **In millions** | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Heavy-duty truck | $ 799 | $ 968 | **$ 1,016** | $ — | $ 2,783 |
| Medium-duty truck and bus | 871 | 1,030 | **1,045** | — | 2,946 |
| Light-duty automotive | 448 | 491 | **500** | — | 1,439 |
| Off-highway | 554 | 595 | **569** | — | 1,718 |
| Total sales | $ 2,672 | $ 3,084 | **$ 3,130** | $ — | $ 8,886 |

**2025**

| **In millions** | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Heavy-duty truck | $ 921 | $ 976 | $ 772 | $ 820 | $ 3,489 |
| Medium-duty truck and bus | 986 | 950 | 784 | 893 | 3,613 |
| Light-duty automotive | 421 | 486 | 583 | 440 | 1,930 |
| Off-highway | 443 | 487 | 466 | 447 | 1,843 |
| Total sales | $ 2,771 | $ 2,899 | $ 2,605 | $ 2,600 | $ 10,875 |

Total engine shipments by engine classification, including on and off-highway units, were as follows:

**2026**

| **Units** [1] | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Heavy-duty | 24,700 | 30,100 | **33,200** | — | 88,000 |
| Medium-duty | 79,100 | 86,100 | **85,700** | — | 250,900 |
| Light-duty | 40,500 | 45,000 | **44,800** | — | 130,300 |
| Total units | 144,300 | 161,200 | **163,700** | — | 469,200 |

**2025**

| **Units** [1] | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Heavy-duty | 26,700 | 29,600 | 22,400 | 23,200 | 101,900 |
| Medium-duty | 75,200 | 73,400 | 63,100 | 68,800 | 280,500 |
| Light-duty | 39,100 | 44,000 | 49,600 | 39,100 | 171,800 |
| Total units | 141,000 | 147,000 | 135,100 | 131,100 | 554,200 |

[1] Unit shipments exclude aftermarket parts.

**Components Segment Sales by Business**

Sales for our Components segment by business were as follows:

**2026**

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Drivetrain and braking systems | $ 919 | $ 1,122 | **$ 1,109** | $ — | $ 3,150 |
| Emission solutions | 915 | 988 | **956** | — | 2,859 |
| Components and software | 608 | 657 | **646** | — | 1,911 |
| Automated transmissions | 88 | 124 | **145** | — | 357 |
| Total sales | $ 2,530 | $ 2,891 | **$ 2,856** | $ — | $ 8,277 |

**2025**

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Drivetrain and braking systems | $ 1,056 | $ 1,095 | $ 917 | $ 918 | $ 3,986 |
| Emission solutions | 902 | 900 | 788 | 867 | 3,457 |
| Components and software | 595 | 587 | 537 | 564 | 2,283 |
| Automated transmissions | 117 | 123 | 87 | 96 | 423 |
| Total sales | $ 2,670 | $ 2,705 | $ 2,329 | $ 2,445 | $ 10,149 |

**Distribution Segment Sales by Product Line**

Sales for our Distribution segment by product line were as follows:

**2026**

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Power generation | $ 1,275 | $ 1,378 | **$ 1,328** | $ — | $ 3,981 |
| Parts | 1,064 | 1,080 | **1,049** | — | 3,193 |
| Service | 433 | 472 | **483** | — | 1,388 |
| Engines | 344 | 396 | **450** | — | 1,190 |
| Total sales | $ 3,116 | $ 3,326 | **$ 3,310** | $ — | $ 9,752 |

**2025**

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Power generation | $ 1,090 | $ 1,200 | $ 1,247 | $ 1,395 | $ 4,932 |
| Parts | 1,031 | 1,015 | 1,013 | 1,024 | 4,083 |
| Service | 416 | 439 | 495 | 448 | 1,798 |
| Engines | 370 | 387 | 417 | 418 | 1,592 |
| Total sales | $ 2,907 | $ 3,041 | $ 3,172 | $ 3,285 | $ 12,405 |

**Power Systems Segment Sales by Product Line**

Sales for our Power Systems segment by product line were as follows:

**2026**

| **In millions** | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Power generation | $ 1,283 | $ 1,536 | **$ 1,557** | $ — | $ 4,376 |
| Industrial | 506 | 538 | **518** | — | 1,562 |
| Generator technologies | 167 | 181 | **214** | — | 562 |
| Total sales | $ 1,956 | $ 2,255 | **$ 2,289** | $ — | $ 6,500 |

**2025**

| **In millions** | **Q1** | **Q2** | **Q3** | **Q4** | **YTD** |
|---|---|---|---|---|---|
| Power generation | $ 1,001 | $ 1,205 | $ 1,280 | $ 1,245 | $ 4,731 |
| Industrial | 498 | 506 | 531 | 528 | 2,063 |
| Generator technologies | 150 | 178 | 185 | 156 | 669 |
| Total sales | $ 1,649 | $ 1,889 | $ 1,996 | $ 1,929 | $ 7,463 |

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