



First Quarter 2018 Earnings Teleconference

May 1, 2018

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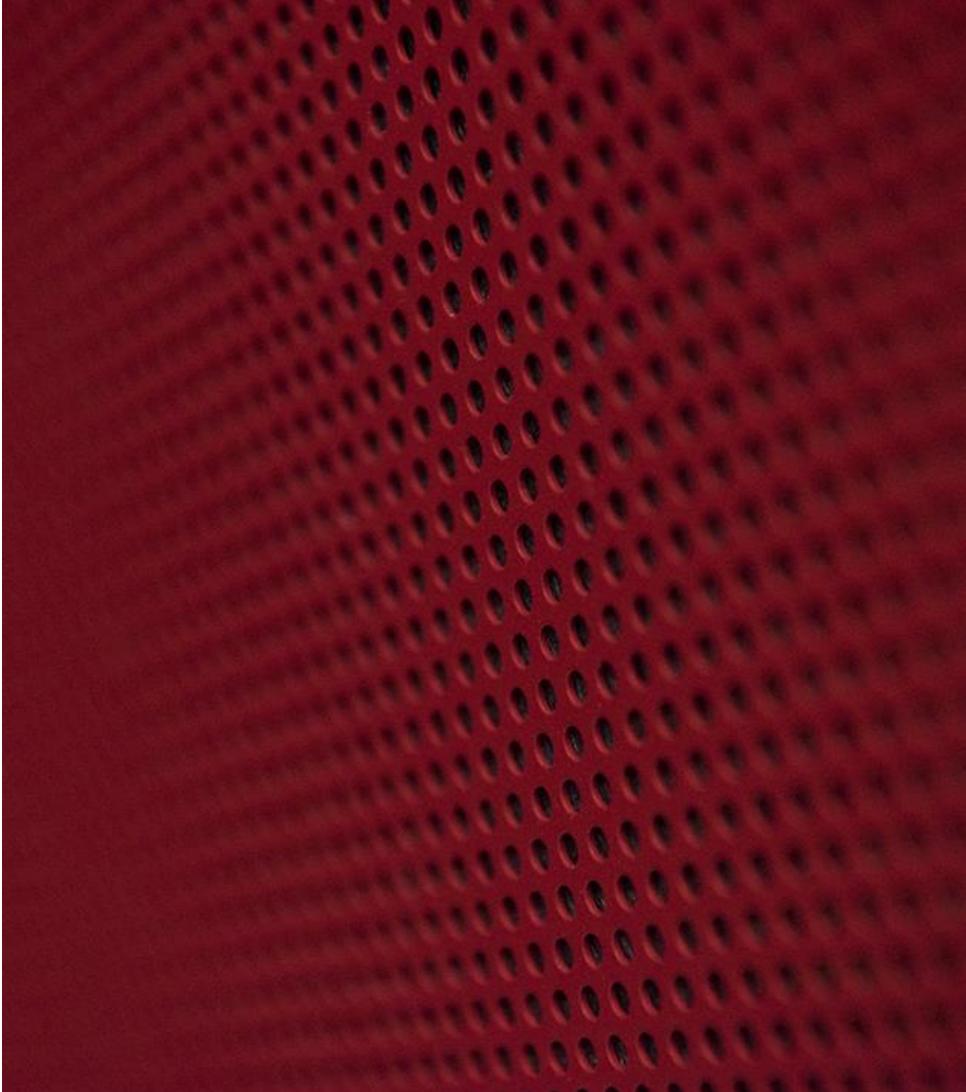
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Disclosure Regarding Forward-Looking Statements

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 percentage for the full year of 2018. 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: the adoption and implementation of global emission standards; the price and availability of energy; the pace of infrastructure development; increasing global competition among our customers; general economic, business and financing conditions; governmental action; changes in our customers' business strategies; competitor pricing activity; expense volatility; labor relations; and (i) a sustained slowdown or significant downturn in our markets; (ii) our truck manufacturing and OEM customers discontinuing outsourcing their engine needs; (iii) the development of new technologies; (iv) the discovery of any significant additional problems with our engine platforms or aftertreatment systems in North America; (v) performance or safety-related recalls; (vi) lower than anticipated market acceptance of our new or existing products or services; (vii) a slowdown in infrastructure development and/or depressed commodity prices; (viii) unpredictability in the adoption, implementation and enforcement of increasingly stringent emissions standards around the world; (ix) our reliance on significant earnings from investees that we do not directly control; (x) the adoption and impact of new tax legislation; (xi) potential security breaches or other disruptions to our information technology systems and data security; (xii) financial distress or a change-in-control of one of our large truck OEM customers; (xiii) our pursuit of strategic acquisitions and divestitures; and (xiv) other risks detailed from time to time in our Securities and Exchange Commission filings, including particularly in the Risk Factors section of our 2017 Annual Report on Form 10-K. 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 Securities and Exchange Commission, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

Q1 2018 Summary



Q1 2018 Summary

- **First quarter revenues of \$5.6 billion and EBITDA of 12.6 percent of sales**
- **GAAP¹ Net Income of \$325 million and Diluted EPS of \$1.96**
- **Full year revenues expected to increase 10 to 14 percent**
- **EBITDA is expected to be in the range of 15.4 to 15.8 percent of sales**
- **First quarter Diluted EPS negatively impacted by \$0.87 reflecting a product campaign cost of \$187 million²**
- **First quarter Diluted EPS negatively impacted by \$0.47 as a result of discrete tax charges of \$78 million**

¹Generally Accepted Accounting Principles

²Of the \$187 million product campaign cost, \$94 million was recorded in the Components Segment and \$93 million in the Engine Segment.

Cummins Inc.

Selected Financial Data - Quarter

\$ MILLIONS	Q1 2018	Q1 2017
Sales	5,570	4,589
Gross Margin (% of sales) ¹	21.5%	24.7%
SAR (% of sales) ¹	14.1%	15.4%
EBITDA	700	705
EBITDA (% of sales)	12.6%	15.4%
GAAP Net Income Attributable to Cummins Inc. ²	403	396
GAAP Net Income (% of sales)	7.2%	8.6%
Diluted EPS ²	\$2.43	\$2.36
Dividend Per Share	\$1.08	\$1.025
ROANA (LTM) ³	31%	29%
ROIC (LTM) ³	17%	16%

¹On January 1, 2018, we adopted the new pension and other postretirement benefit costs accounting standard and revised our first quarter of 2017 Condensed Consolidated Statements of Income by lowering cost of sales by \$4 million, increasing selling, general and administrative expenses by \$10 million and increasing non-operating other income, net by \$6 million.

²Q1 2018 GAAP Net Income and Diluted EPS exclude \$78 million of discrete tax charges primarily related to the Tax Cuts and Jobs Act.

³Q1 2018 ROANA (LTM) and ROIC (LTM) calculations exclude the discrete tax charges primarily related to the Tax Cuts and Jobs Act.

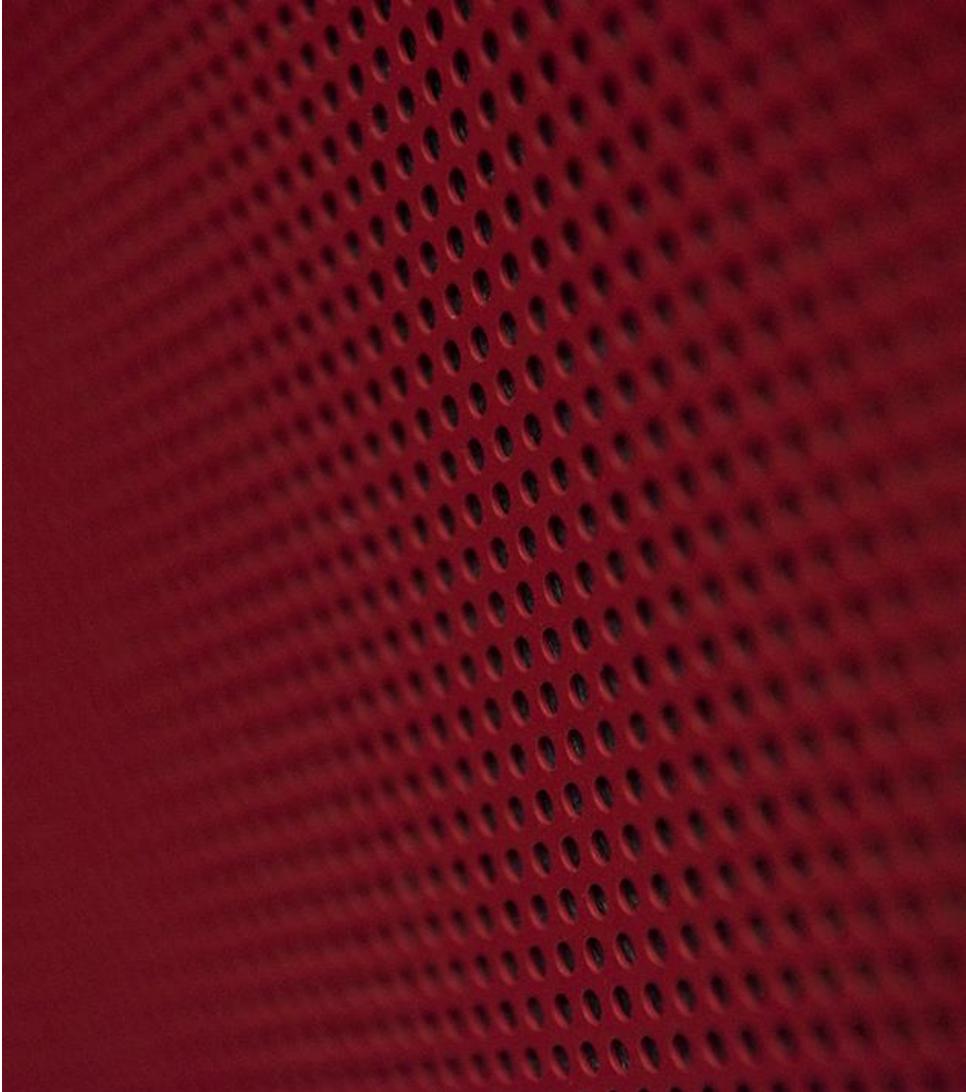
Q1 2018 Income Statement by Segment

\$M	Engine	Distribution	Components	Power Systems	Electrified Power ¹	Intersegment Eliminations	Total
Three months ended April 1, 2018							
Net Sales	2,446	1,853	1,753	1,074	2	(1,558)	5,570
<i>Sales growth vs Q1'17</i>	21%	13%	30%	22%		19%	21%
EBITDA	286	123	227	142	(10)	(68)	700
Segment EBITDA %	11.7%	6.6%	12.9%	13.2%	NM ²		12.6%
Three months ended April 2, 2017							
Net Sales	2,023	1,645	1,344	882	—	(1,305)	4,589
EBITDA	273	130	216	85	—	1	705
Segment EBITDA %	13.5%	7.9%	16.1%	9.6%			15.4%

¹We formed the Electrified Power Segment effective January 1, 2018.

²"NM" - not meaningful information

2018 Guidance



Guidance for 2018 Consolidated Results

ITEM	FULL YEAR GUIDANCE
Consolidated Revenue	Up 10 to 14%
Earnings from JVs ¹	Down 10%
EBITDA Margin	15.4% to 15.8%
Depreciation and Amortization	\$630 to \$650 million
Effective Tax Rate ²	23.0%
Capital Expenditures	\$730 to \$760 million
Global Pension Funding	\$38 million
Interest Expense	\$85 million

¹ 2018 guidance for JV earnings is relative to 2017 JV earnings excluding the \$39 million tax charges related to the Tax Cuts and Jobs Act.

²Excluding discrete income tax items

Guidance for 2018 Segment Results

ITEM	ENGINE	DISTRIBUTION	COMPONENTS*	POWER SYSTEMS	ELECTRIFIED POWER
Consolidated Revenue Growth	Up 10 to 14%	Up 6 to 10%	Up 18 to 22%	Up 7 to 11%	\$5M to \$10M
2018 EBITDA Margins (% of Revenue)	13.5 to 14.0%	7.75 to 8.25%	15.25 to 15.75%	13.0 to 13.5%	(\$80M) to (\$60M)
2017 EBITDA Margins ¹ (% of Revenue)	13.0%	7.1%	15.8%	10.1%	N/A

¹2017 EBITDA excludes the impact of recent tax legislation that reduced Engine Segment EBITDA by \$23 million, Components Segment EBITDA by \$12 million, and Distribution Segment EBITDA by \$4 million.

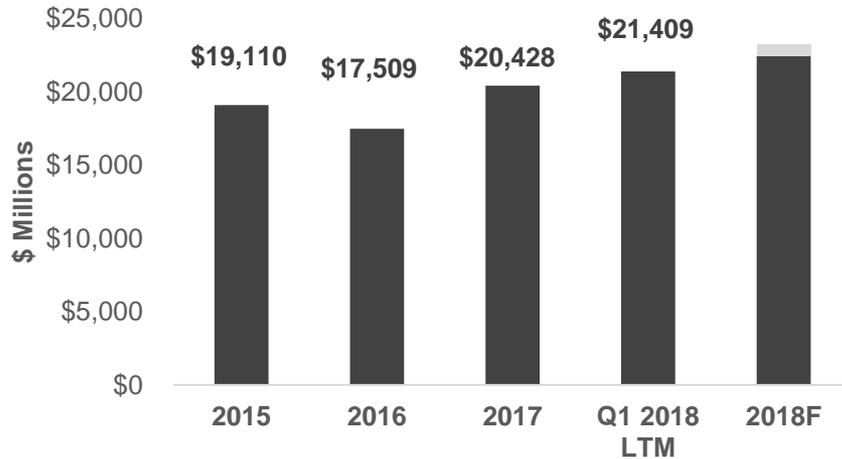
*Components 2018 revenue and EBITDA margin guidance includes Eaton Cummins Joint Venture revenue of \$460 million and net EBITDA loss of \$30 million.

Key On-Highway Engine Markets - 2018

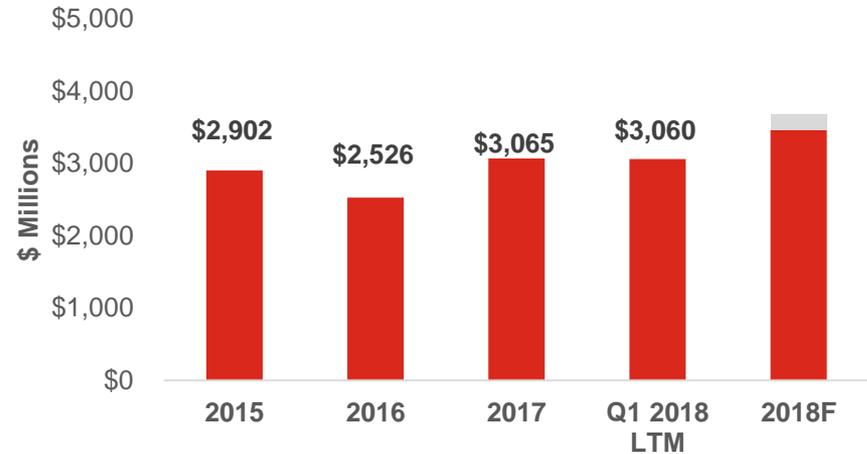
KEY MARKET	2017 Actual	2018 Forecast	CHANGE Market Size
Heavy Duty Truck - NAFTA Class 8, Group 2 - Production	221K units	286K units	Up 29%
Medium Duty Truck - NAFTA Class 6-7, and Class 8 Group 1 - Production	118K units	124K units	Up 5%
Heavy & Medium Truck - China Sales	1,346K units	1,210K units	Down 10%
Heavy & Medium Truck - India Production	327K units	406K units	Up 24%
Heavy & Medium Truck - Brazil Production	83K units	90K units	Up 8%

Cummins Inc.

Sales



EBITDA¹

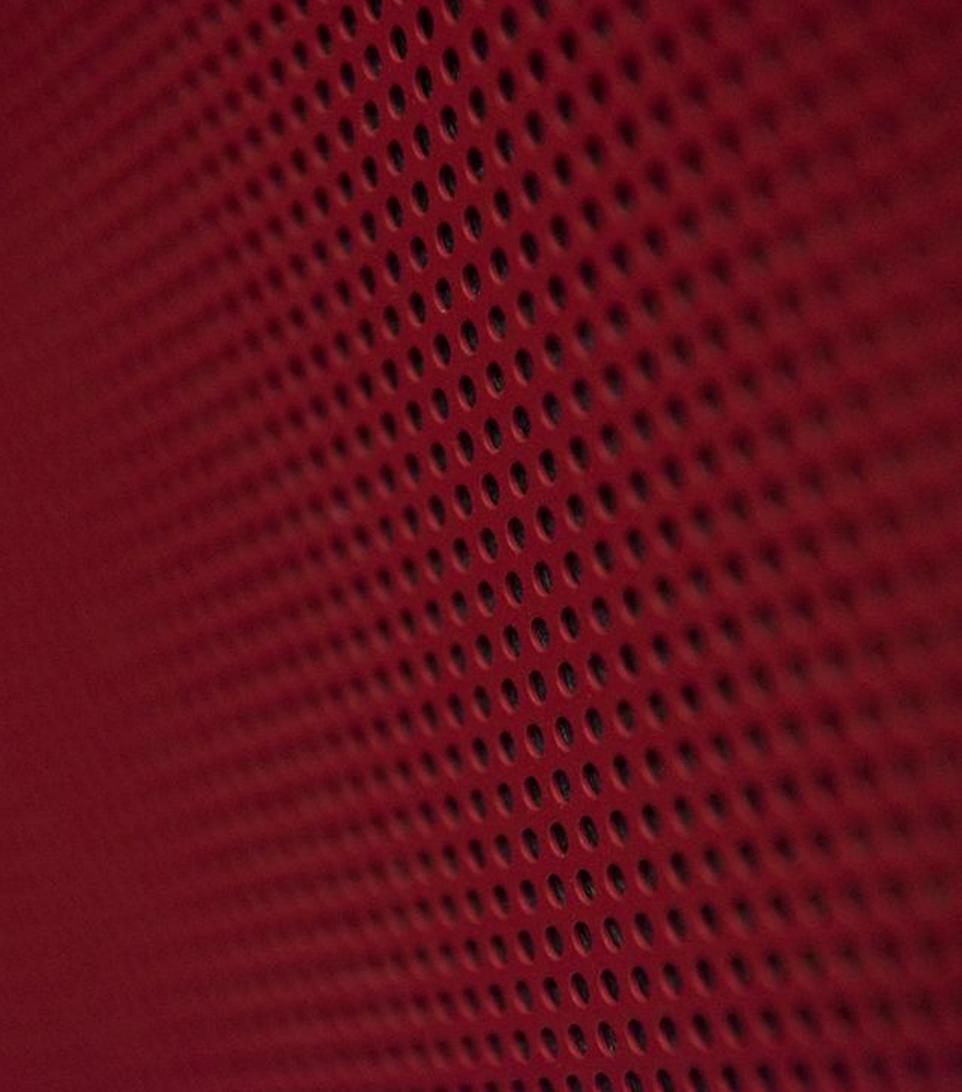


2018 GUIDANCE

Sales Up 10 to 14%

EBITDA 15.4 to 15.8%

¹2015 EBITDA excludes \$211 million of impairment of light-duty diesel assets and \$90 million of restructuring actions and other charges. Q4 2017 EBITDA excludes \$39 million of tax charges related to the Tax Cuts and Jobs Act.



Q1 2018 Supplemental Information

Engine Segment Selected Financial Data

- Sales increased due to a 20% increase in on-highway revenues and a 23% increase in off-highway revenues.
- EBITDA margin as a percent of sales decreased primarily due to a \$93 million charge for a product campaign, which more than offset higher volumes and favorable pricing.

\$ MILLIONS	Q1 2018	Q1 2017	CHANGE
Sales	2,446	2,023	+21%
EBITDA	286	273	+5%
EBITDA (% of sales)	11.7%	13.5%	

Engine Segment – Sales by Market

- On-highway revenues increased primarily due to higher industry production and market share gains in the medium and heavy-duty truck markets in North America.
- Off-highway revenues increased as a result of strong demand for construction equipment, led by North America and China.

\$ MILLIONS	Q1 2018	Q1 2017	CHANGE
Heavy-Duty Truck	815	620	+31%
Medium-Duty Truck & Bus	692	544	+27%
Light-Duty Automotive	402	423	-5%
On-Highway	1,909	1,587	+20%
Off-Highway	537	436	+23%

Distribution Segment

Selected Financial Data

- Sales increased primarily due to stronger demand in North America, Europe and China for engines and parts & services.
- EBITDA declined primarily due to lower earnings in the Middle East and Africa as a result of weak markets and currency volatility.

\$ MILLIONS	Q1 2018	Q1 2017	CHANGE
Sales	1,853	1,645	+13%
EBITDA	123	130	-5%
EBITDA (% of sales)	6.6%	7.9%	

Components Segment Selected Financial Data

- North America sales increased 35% due to higher truck production and the inclusion of Eaton Cummins Automated Transmission Joint Venture revenues. International sales increased 25% primarily due to additional content in India driven by the implementation of Bharat Stage IV emission regulations in April 2017.
- EBITDA margin as a percent of sales declined due to a \$94 million charge for a product campaign, which more than offset increased volumes and the benefits of material cost reduction programs.

\$ MILLIONS	Q1 2018	Q1 2017	CHANGE
Sales	1,753	1,344	+30%
EBITDA	227	216	+5%
EBITDA (% of sales)	12.9%	16.1%	

Power Systems Segment Selected Financial Data

- Industrial revenue increased 51% primarily due to increased demand in global mining and North American oil & gas markets. Power generation sales increased 9% due to stronger demand in Asia and North America.
- EBITDA margin increased primarily due to higher volumes, the benefit of cost reduction initiatives and higher joint venture earnings.

\$ MILLIONS	Q1 2018	Q1 2017	CHANGE
Sales	1,074	882	+22%
EBITDA	142	85	+67%
EBITDA (% of sales)	13.2%	9.6%	

Electrified Power Segment¹

Selected Financial Data

- EBITDA losses were \$10 million for the quarter driven by investment in new products. Investment in the new segment will continue to ramp up throughout the year.

\$ MILLIONS	Q1 2018
Sales	2
EBITDA	(10)
EBITDA (% of sales)	NM ²

¹We formed the Electrified Power Segment effective January 1, 2018.

²"NM" - not meaningful information

Joint Venture Income - Quarter

\$ MILLIONS	Q1 2018	Q1 2017
Engine	67	72
Distribution	13	11
Components	16	13
Power Systems	19	12
Electrified Power	--	--
Total JV Income	115	108

Cash Flow - Quarter

\$ MILLIONS	Q1 2018	Q1 2017
Operating Cash Flow	(117)	379
Capital Expenditures	72	81
Working Capital Measure	4,402	3,973
Working Capital Measure (% of Net Sales)	19.8%	21.6%
Debt to Capital %	21.5%	20.6%

Appendix



Cummins Inc.

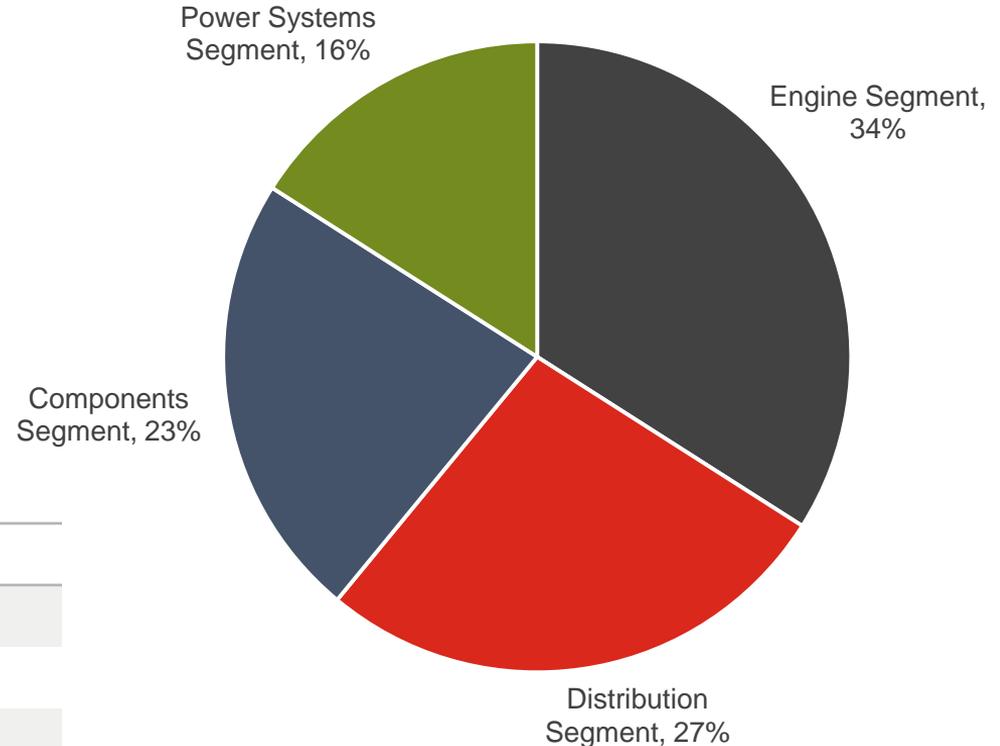
- Strong product portfolio and global partners
- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership

Q1 2018 LTM RESULTS

Sales:	\$21.4 billion
EBITDA ¹ :	\$3.1 billion
EBITDA%:	14.3%

¹Q4 2017 EBITDA excludes \$39 million of tax charges related to the Tax Cuts and Jobs Act.

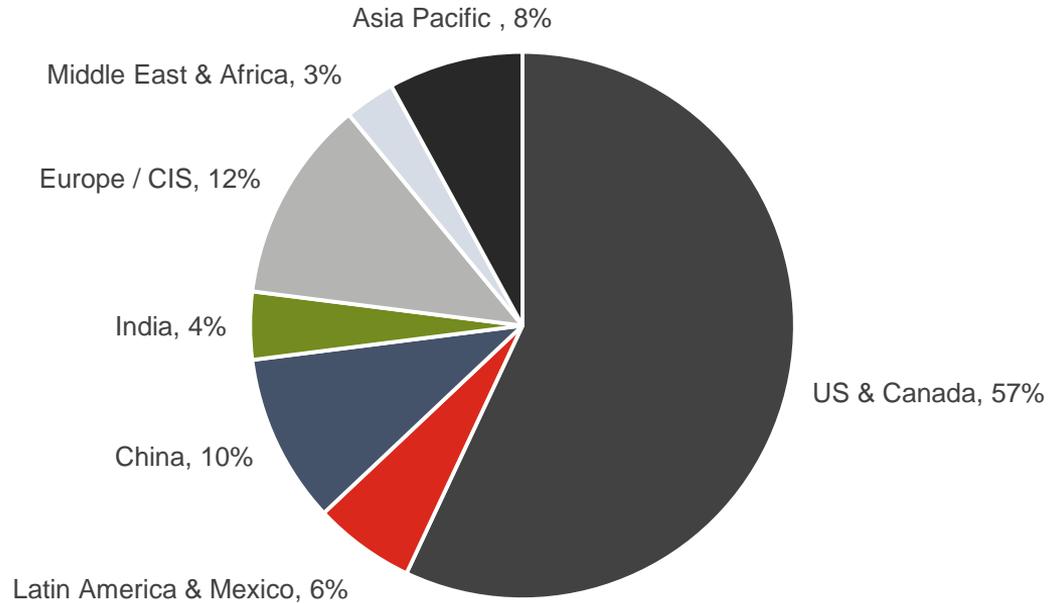
Q1 2018 LTM Revenue by Segment



Cummins Inc.

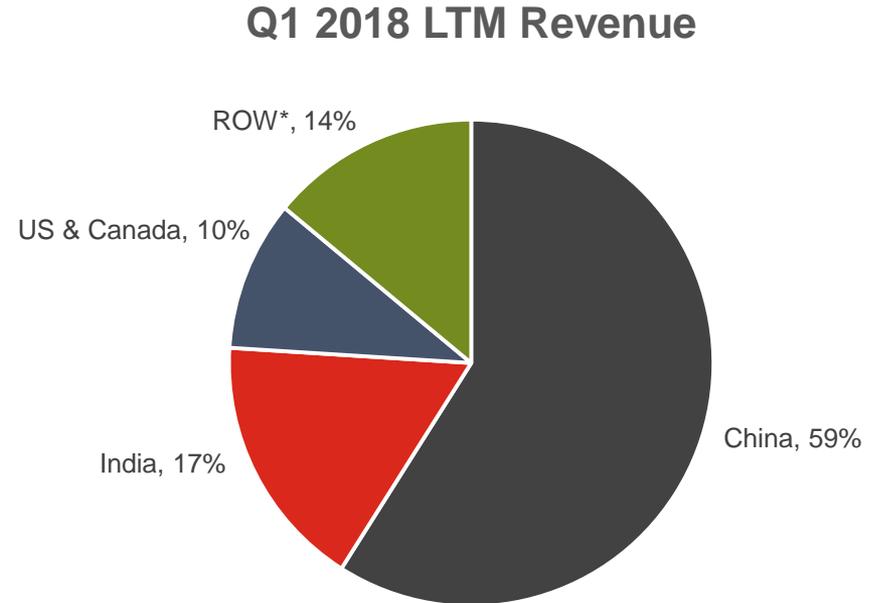
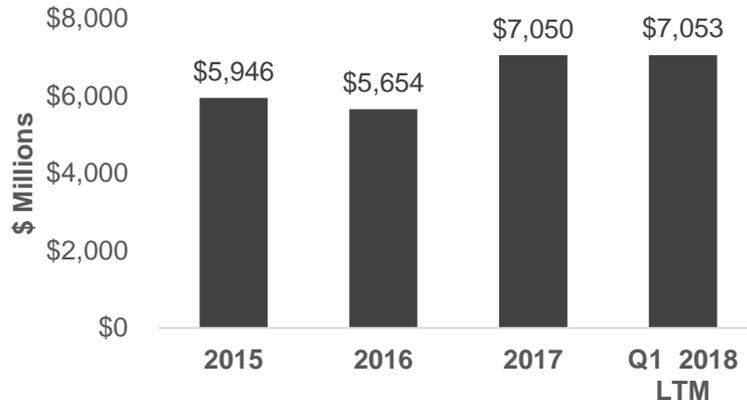
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in more than 190 countries and territories

Q1 2018 LTM Revenue by Marketing Territory



Cummins - Joint Venture Sales Unconsolidated

- Increased demand in China for off-highway equipment and commercial vehicles is the primary driver of the increase in revenues



* Rest of world

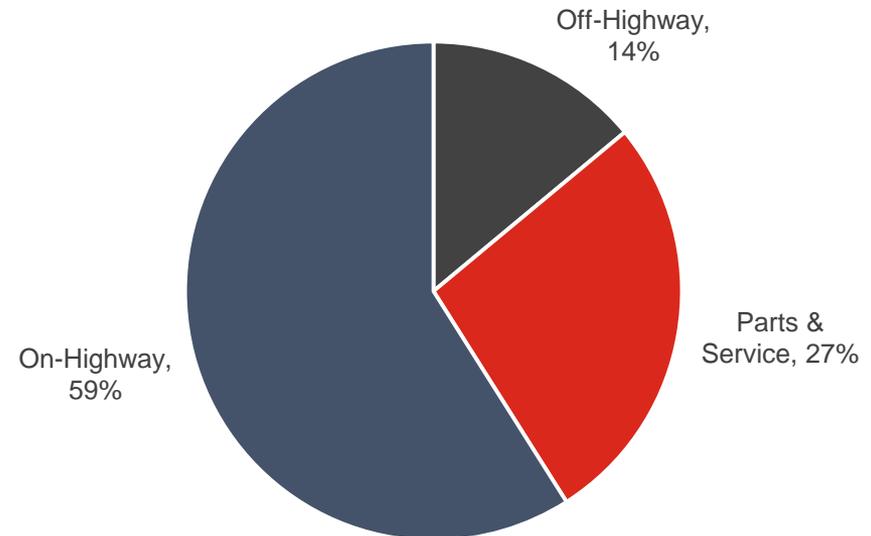
Engine Segment - Overview

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

Q1 2018 LTM RESULTS

Sales:	\$9.4 billion
EBITDA ¹ :	\$1,179 million
EBITDA%:	12.6%

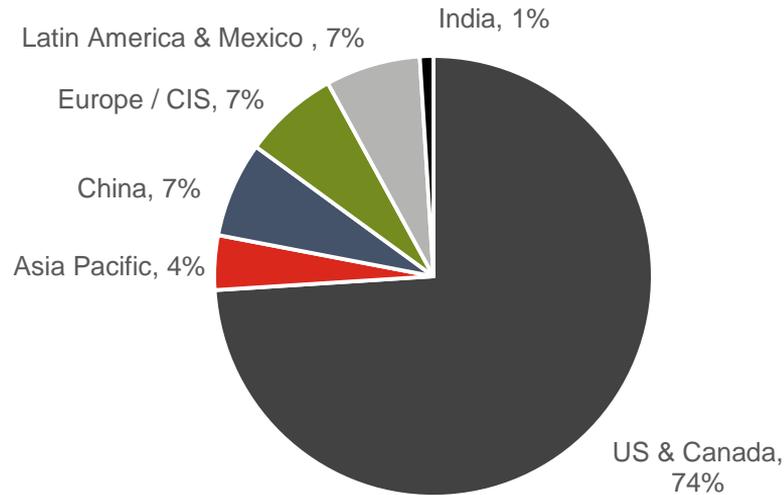
Q1 2018 LTM Revenue by Product



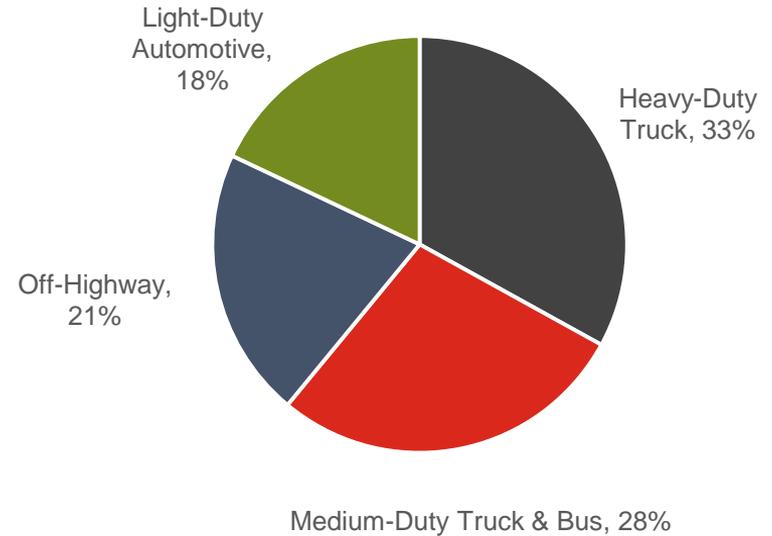
¹Q4 2017 EBITDA excludes \$23 million of tax charges related to the Tax Cuts and Jobs Act.

Engine Segment - Sales Mix

By Region



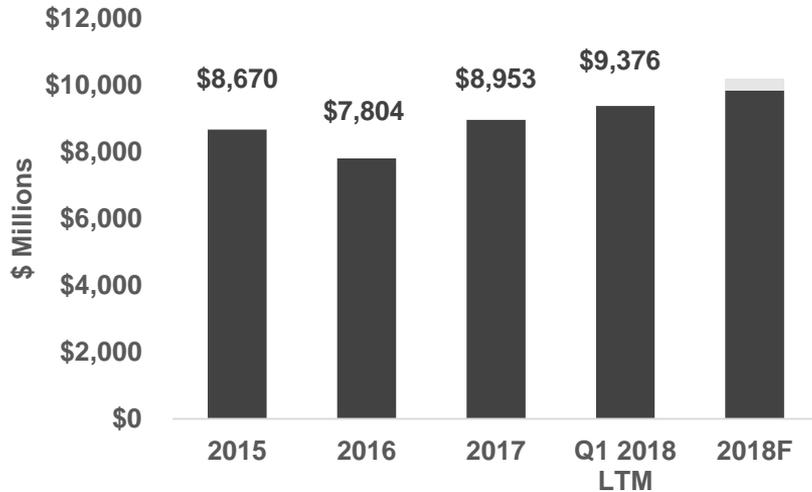
By Application



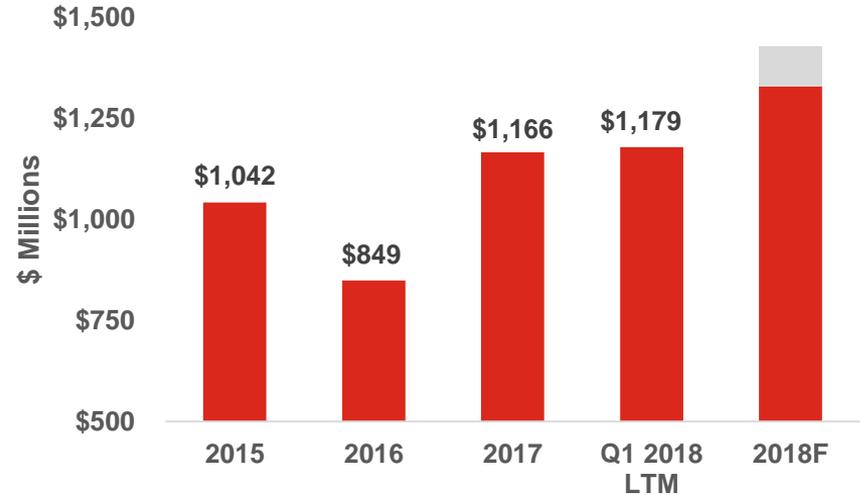
Q1 2018 LTM Revenue: \$9.4 billion

Engine Segment - Historical Performance

Segment Sales



Segment EBITDA¹



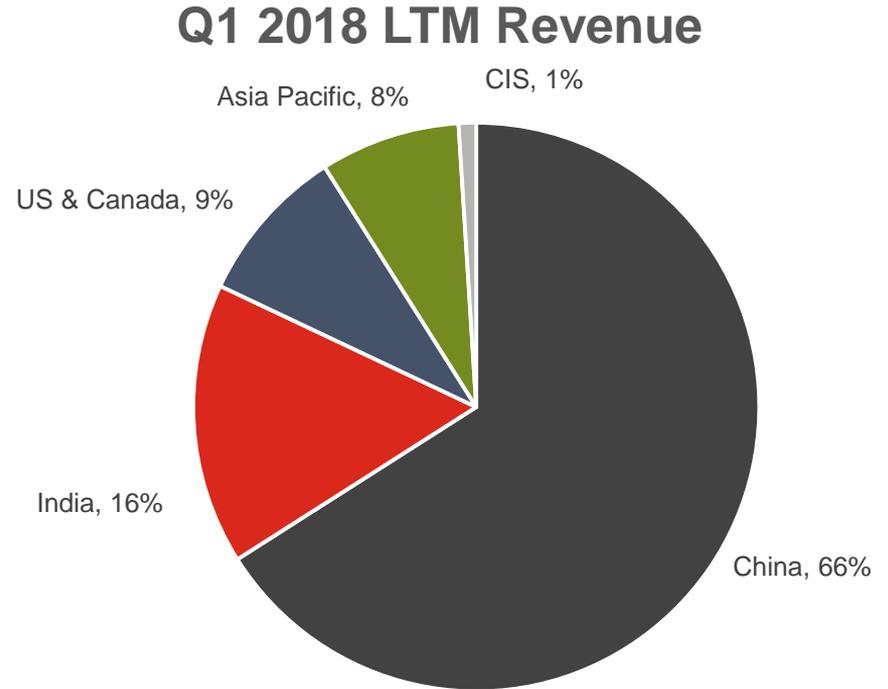
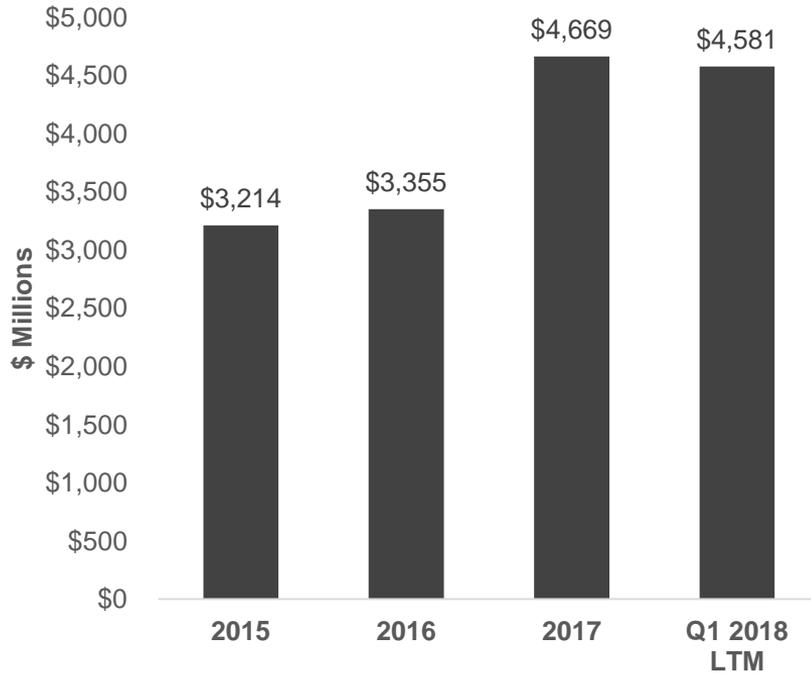
2018 GUIDANCE

Sales Up 10 to 14%

EBITDA 13.5 to 14.0%

¹ 2015 EBITDA excludes \$202 million of impairment of light-duty diesel assets and \$17 million of restructuring actions and other charges. Q4 2017 EBITDA excludes \$23 million of tax charges related to the Tax Cuts and Jobs Act.

Engine Segment – Joint Venture Sales Unconsolidated



Distribution Segment - Overview

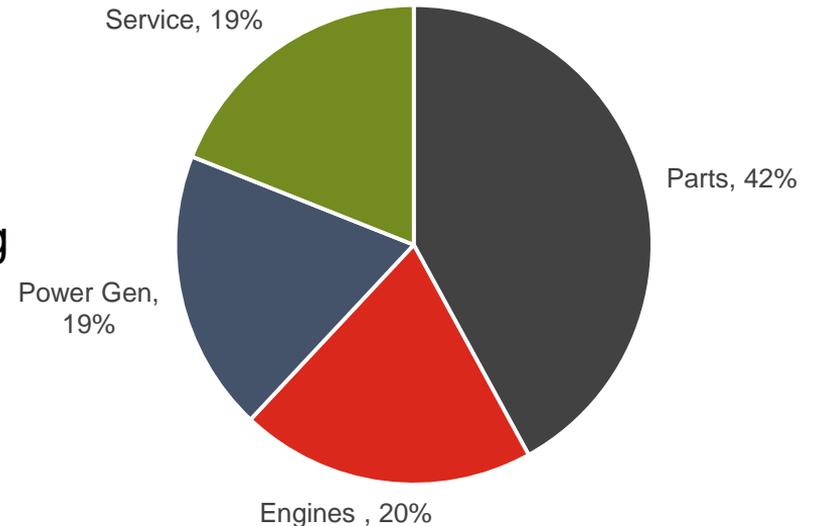
- Provide aftermarket support and increase solution-based revenue
- 100% ownership of our North American distributors
- Increasing network capabilities in emerging markets to capture profitable growth

Q1 2018 LTM RESULTS

Sales:	\$7.3 billion
EBITDA ¹ :	\$497 million
EBIT%:	6.8%

¹Q4 2017 EBITDA excludes \$4 million of tax charges related to the Tax Cuts and Jobs Act.

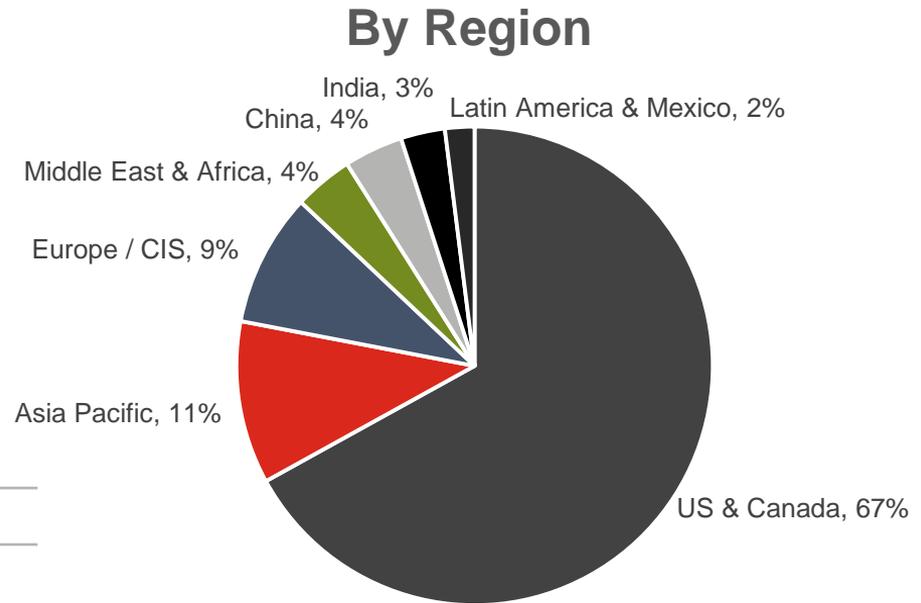
Q1 2018 LTM Revenue by Product



Distribution Segment – Sales Mix

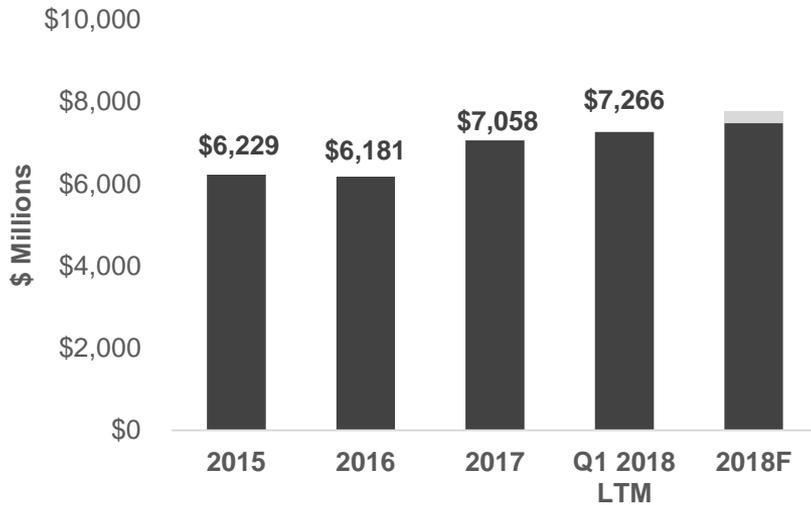
- Key enabler for Cummins growth
- Benefiting from increased population of product in the field

Q1 2018 LTM Revenue: \$7.3 billion



Distribution Segment - Historical Performance

Segment Sales



Segment EBITDA¹



2018 GUIDANCE

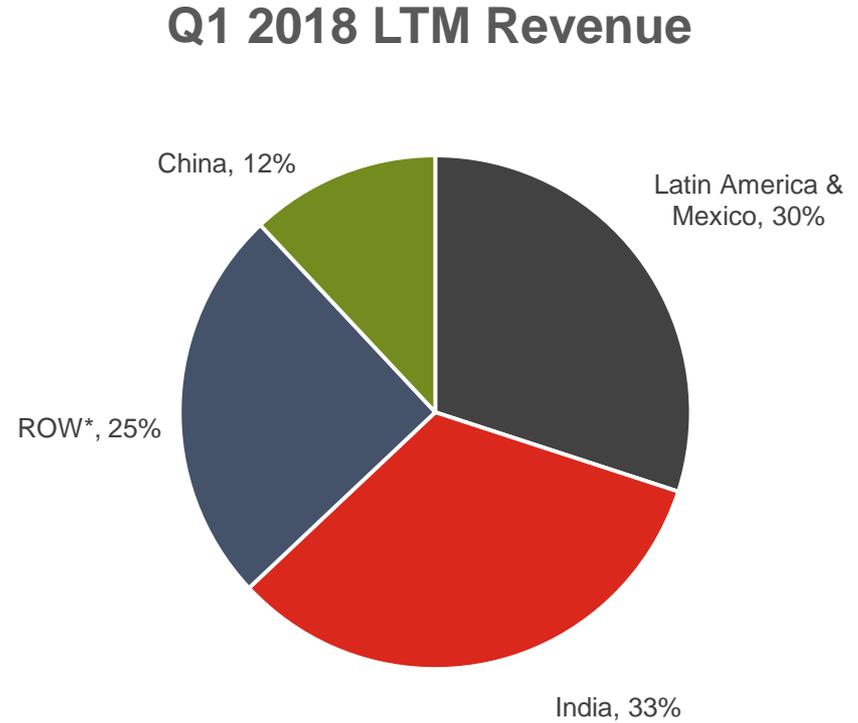
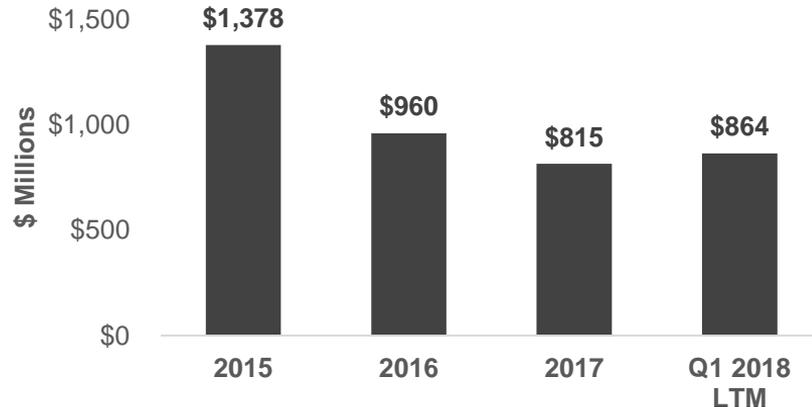
Sales Up 6 to 10%

EBITDA 7.75 to 8.25%

¹ 2015 EBITDA excludes \$23 million of restructuring actions and other charges. Q4 2017 EBITDA excludes \$4 million of tax charges related to the Tax Cuts and Jobs Act.

Distribution Segment – Joint Venture Sales Unconsolidated

- From 2013 to 2016 we acquired the remaining equity in our North American distributors, driving a multi-year decline in joint venture sales

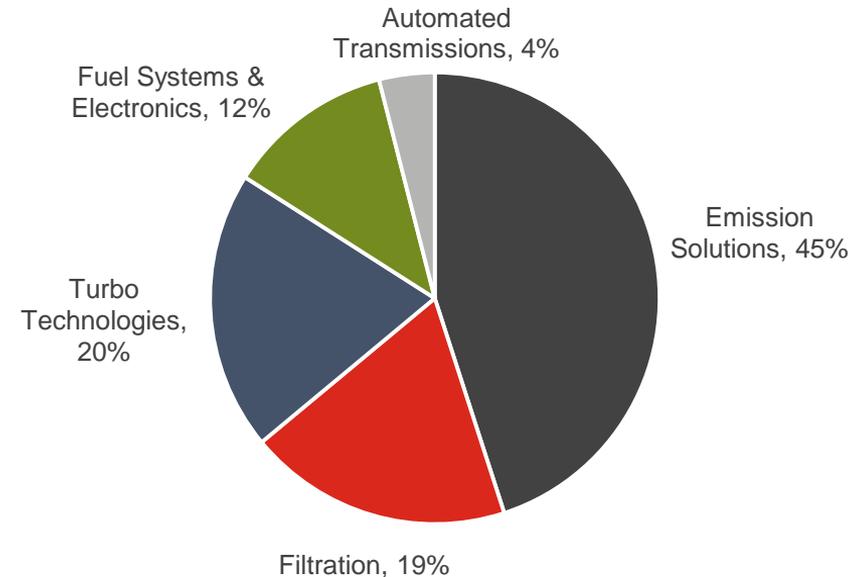


* Rest of World

Components Segment - Overview

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

Q1 2018 LTM Revenue by Business



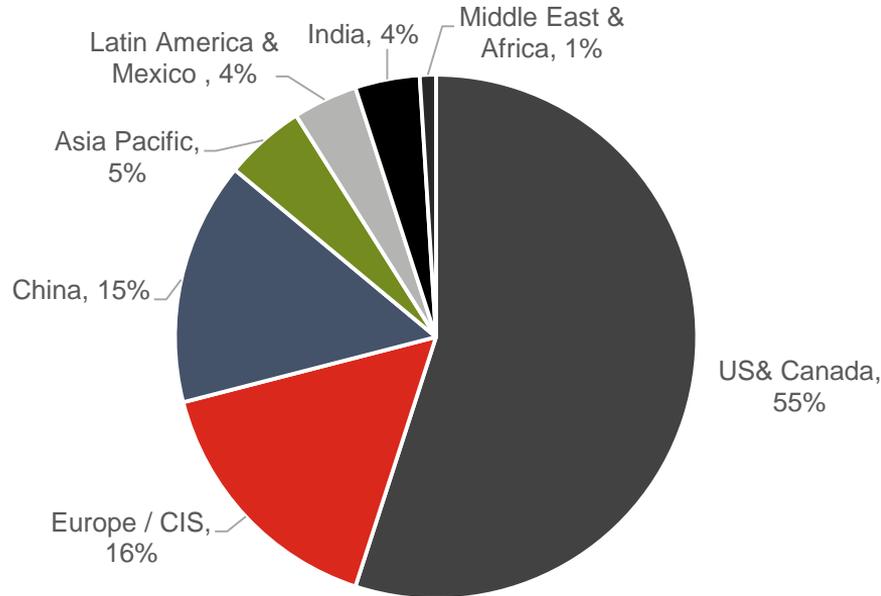
Q1 2018 LTM RESULTS

Sales:	\$6.3 billion
EBITDA ¹ :	\$940 million
EBITDA%:	14.9%

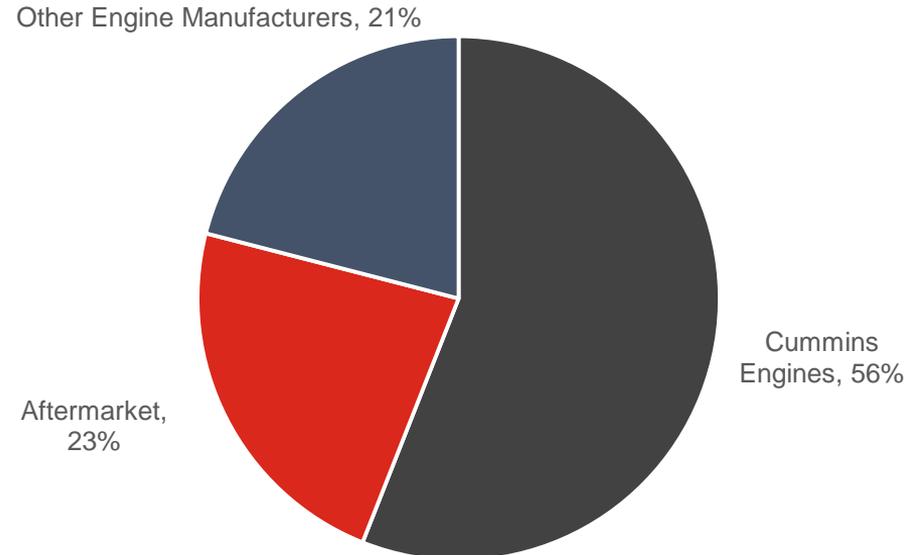
¹Q4 2017 EBITDA excludes \$12 million of tax charges related to the Tax Cuts and Jobs Act.

Components Segment - Sales Mix

By Region



By Application

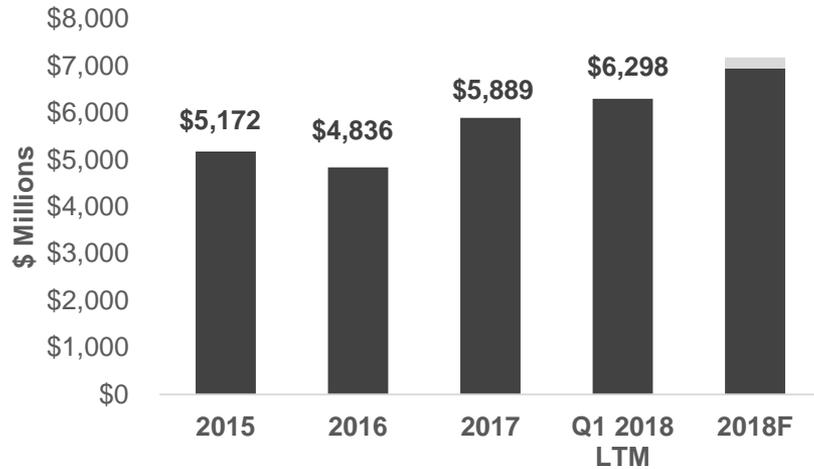


Q1 2018 LTM Revenue:

\$6.3 billion

Components Segment - Historical Performance

Segment Sales



Segment EBITDA¹



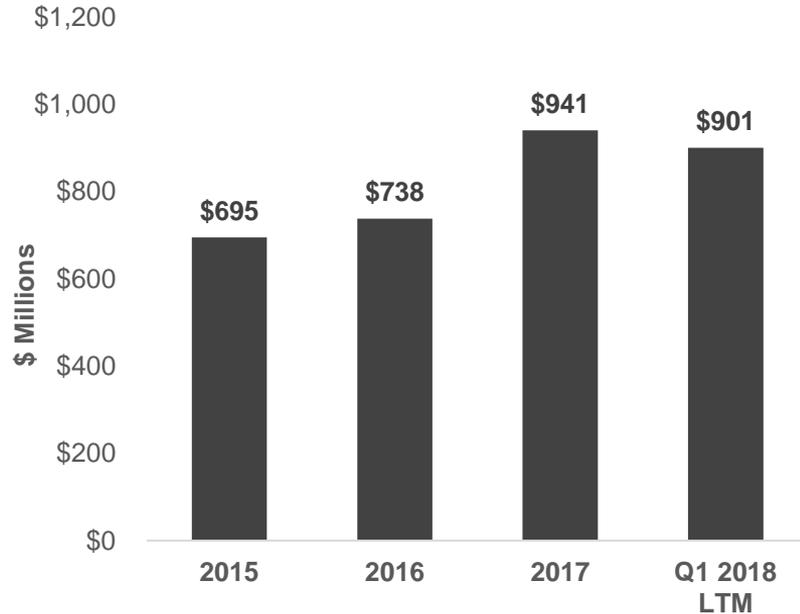
2018 GUIDANCE

Sales Up 18 to 22%

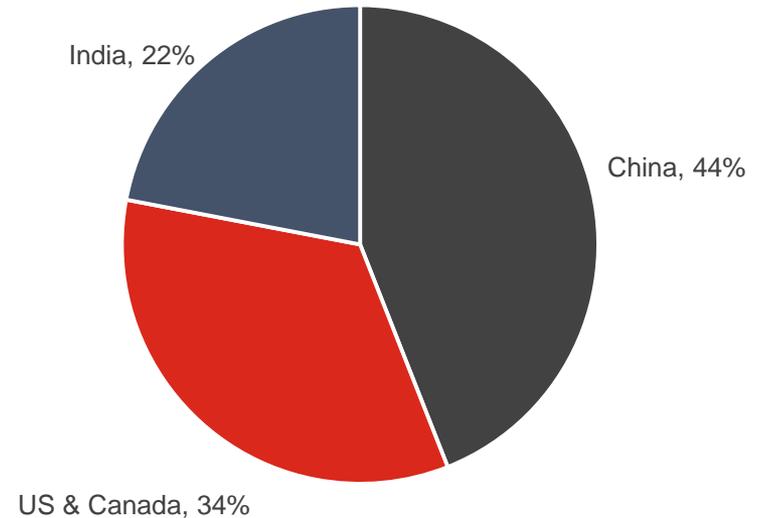
EBITDA 15.25 to 15.75%

¹ 2015 EBITDA excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges. Q4 2017 EBITDA excludes \$12 million of tax charges related to the Tax Cuts and Jobs Act.

Components Segment – Joint Venture Sales Unconsolidated



Q1 2018 LTM Revenue



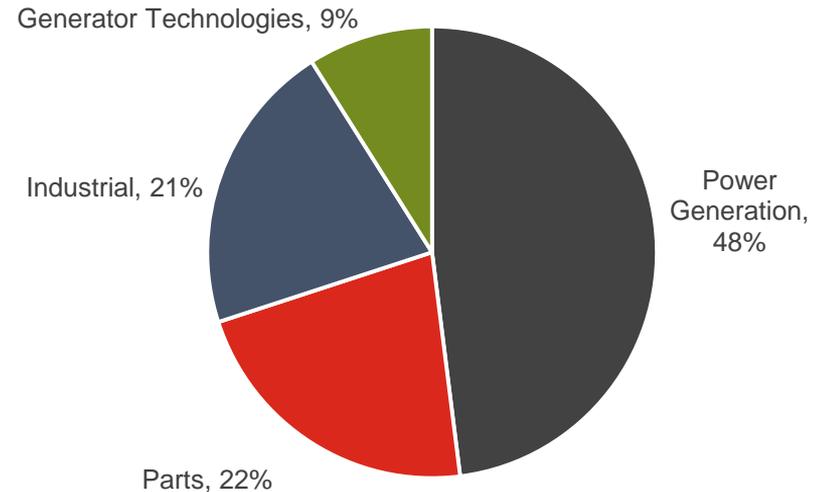
Power Systems Segment - Overview

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

Q1 2018 LTM RESULTS

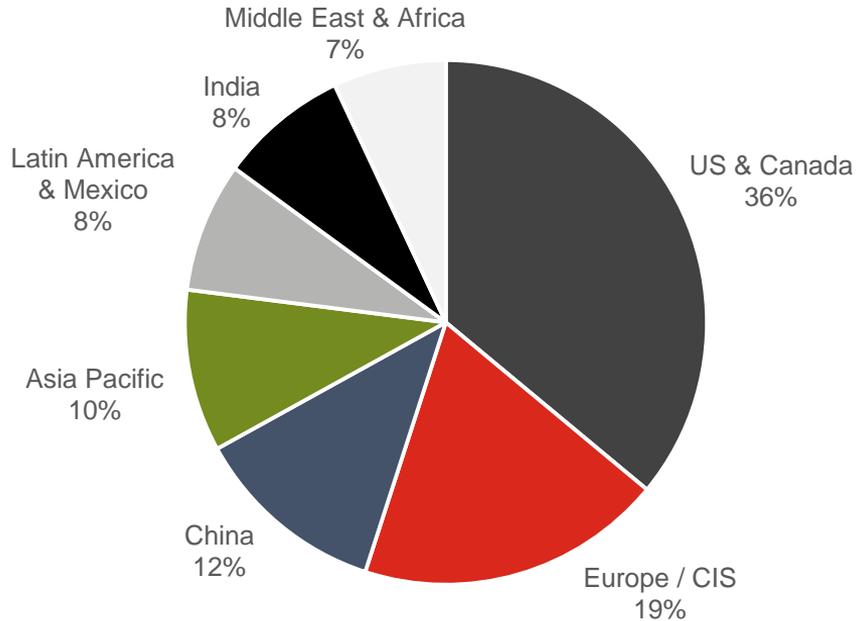
Sales:	\$4.3 billion
EBITDA:	\$468 million
EBITDA%:	11.0%

Q1 2018 LTM Revenue by Product

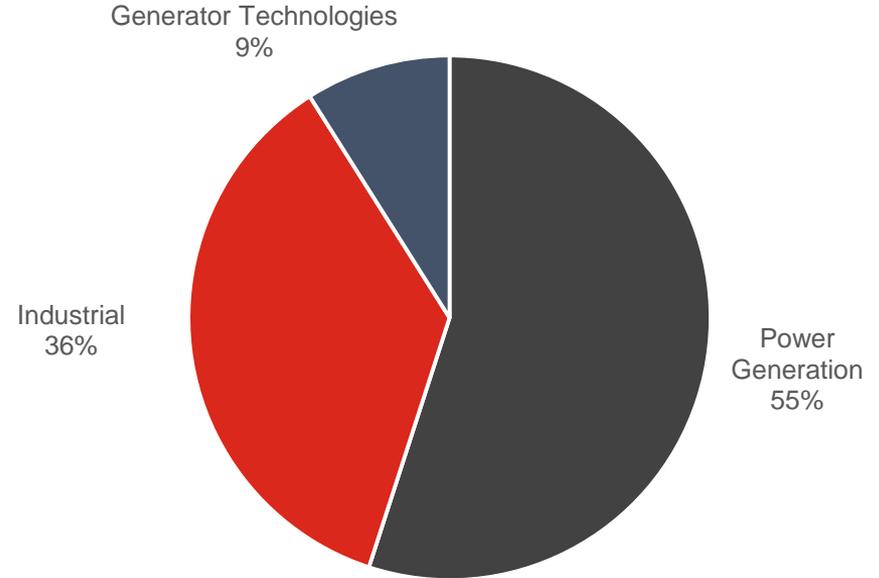


Power Systems Segment - Sales Mix

By Region



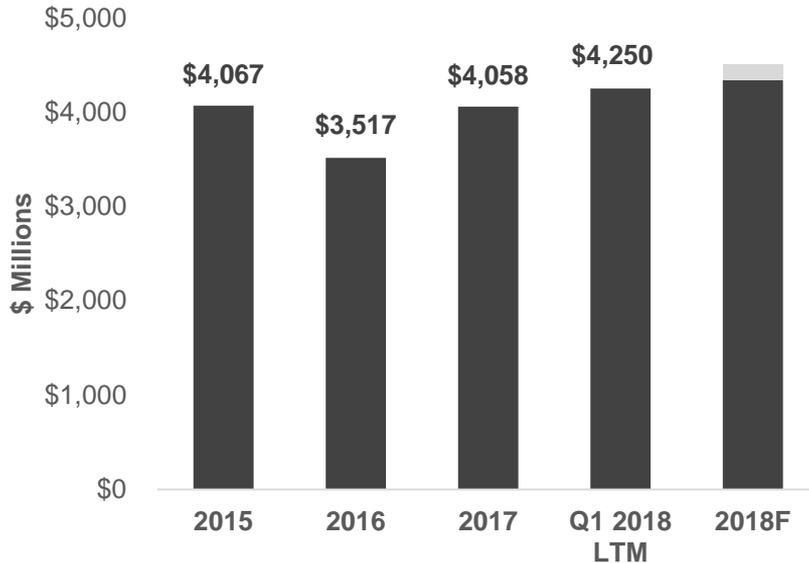
By Product Line



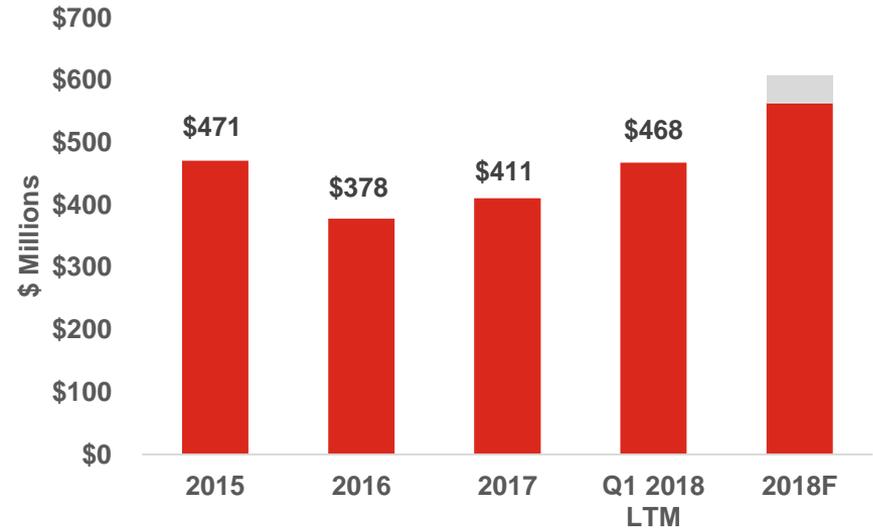
Q1 2018 LTM Revenue: \$4.3 billion

Power Systems Segment - Historical Performance

Segment Sales



Segment EBITDA¹



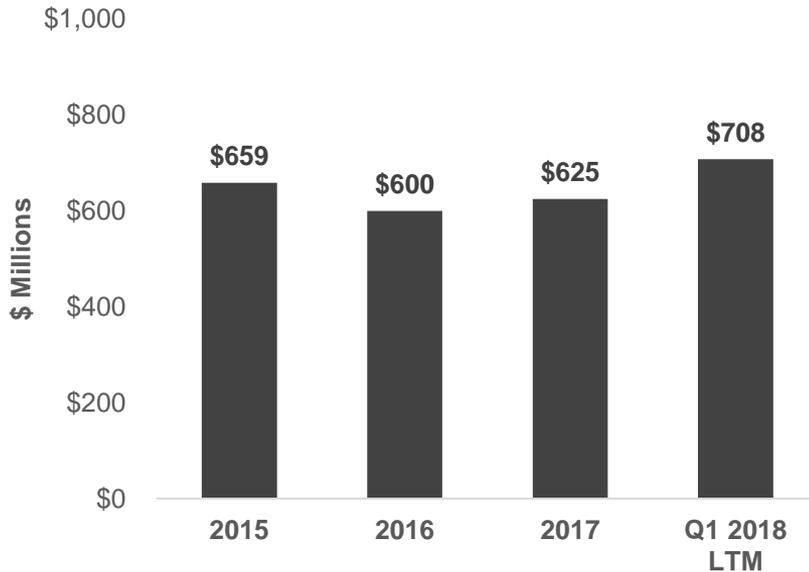
2018 GUIDANCE

Sales Up 7 to 11%

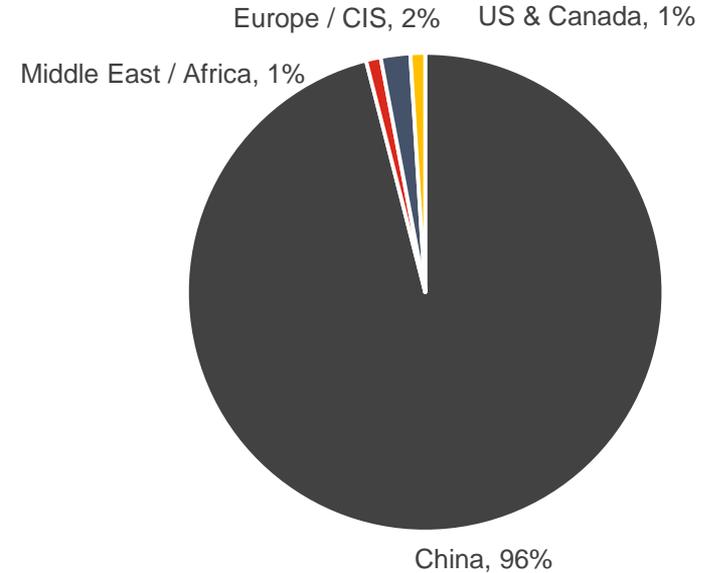
EBITDA 13.0 to 13.5%

¹ 2015 EBITDA excludes \$26 million of restructuring actions and other charges.

Power Systems Segment – Joint Venture Sales Unconsolidated

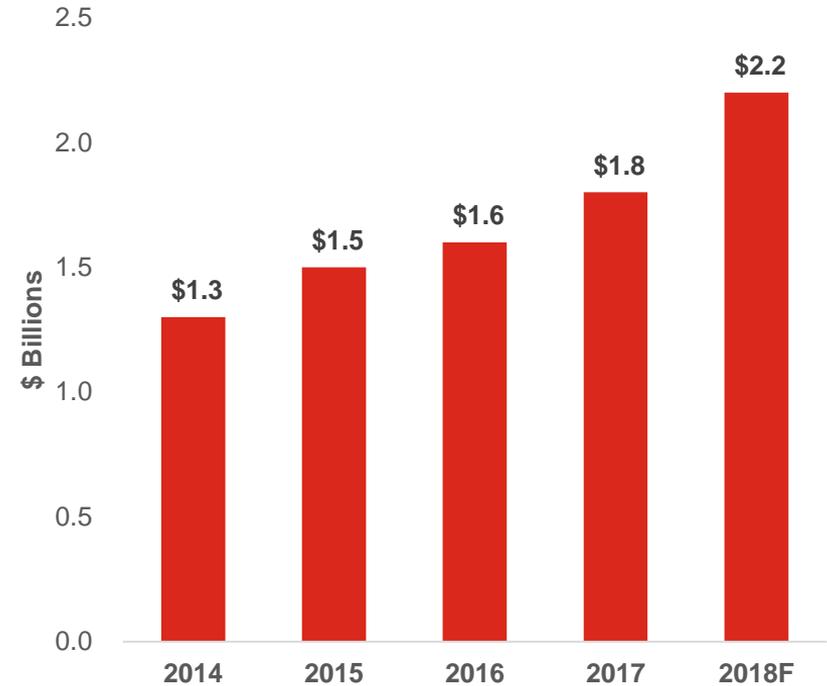


Q1 2018 LTM Revenue



Emerging Market Sales - India¹

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



¹ Domestic consolidated + unconsolidated revenue before intercompany 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 Domestic consolidated + unconsolidated revenue before intercompany eliminations

Non-GAAP Reconciliation: EBITDA

In Millions	Three Months Ended	
	April 1, 2018	April 2, 2017
Total Segment EBITDA	\$ 768	\$ 704
Non-segment EBITDA	(68)	1
Total EBITDA	700	705
Less: Interest expense	24	18
Less: Depreciation and amortization	153	139
Income before taxes	523	548
Less: Income tax expense	198	143
Consolidated net income	325	405
Less: Net income attributable to noncontrolling interests		9
Net income attributable to Cummins Inc.	\$ 325	\$ 396

We define EBITDA as earnings before interest expense, provision for income taxes, depreciation & amortization, and non-controlling interests in earnings of consolidated subsidiaries. As of January 1, 2018, we use EBITDA to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation program. 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)

In Millions	Twelve Months Ended	
	April 1, 2018	April 2, 2017
Total Segment EBITDA	\$ 3,074	\$ 2,593
Non-segment EBITDA	(14)	27
Total EBITDA	3,060	2,620
Depreciation and amortization	594	539
EBIT excluding tax reform impact	2,466	2,081
Less: Tax reform impact	39	
EBIT	2,427	2,081
Less: Interest expense	87	68
Income before taxes	2,340	2,013
Less: Income tax expense	1,426	485
Consolidated net income	914	1,528
Less: Net income attributable to noncontrolling interests	(14)	59
Net income attributable to Cummins Inc.	\$ 928	\$ 1,469

We define EBITDA as earnings before interest expense, provision for income taxes, depreciation & amortization, and non-controlling interests in earnings of consolidated subsidiaries. Beginning January 1, 2018, we will use EBITDA to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation program. 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		
	April 1, 2018	April 2, 2017
Accounts and notes receivable, net	\$ 3,845	\$ 3,247
Inventories	3,411	2,894
Less: Accounts Payable - (principally trade)	(2,854)	(2,168)
Working capital measure	\$ 4,402	\$ 3,973
Annualized Working capital measure (% of Net Sales)	19.8%	21.6%

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			
	April 1, 2018	April 2, 2017	April 3, 2016
Net assets for operating segments	\$ 10,748	\$ 9,127	\$ 8,807
Liabilities deducted in arriving at net assets	7,176	6,320	5,789
Pension and other postretirement benefit adjustments excluded from net assets	163	(211)	(203)
Deferred tax assets	303	396	432
Deferred debt costs	2	2	2
Total Assets	\$ 18,392	\$ 15,634	\$ 14,827

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

	April 1, 2018	April 2, 2017	April 3, 2016
Invested capital used for return on invested capital calculation	\$ 12,109	\$ 10,085	\$ 9,735
Less: Loans payable	56	48	117
Less: Commercial paper	593	274	50
Less: Current maturities of long-term debt	57	47	49
Less: Long-term debt	1,571	1,576	1,614
Equity used for return on invested capital calculation	9,832	8,140	7,905
Less: Tax reform impact	855		
Equity including tax reform impact	8,977	8,140	7,905
Defined benefit postretirement plans	(681)	(664)	(645)
Total Equity	\$ 8,296	\$ 7,476	\$ 7,260

A reconciliation of invested capital used for return on invested capital calculation to total equity in our 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	
	April 1, 2018	April 2, 2017
Net operating profit after taxes used for return on invested capital calculation	\$ 1,856	\$ 1,596
Income tax expense	1,426	485
Less: Tax reform impact	855	
EBIT	2,427	2,081
Less: Interest expense	87	68
Income before taxes	2,340	2,013
Less: Income tax expense	1,426	485
Consolidated net income	914	1,528
Less: Net income attributable to non controlling interests	(14)	59
Net income attributable to Cummins Inc.	\$ 928	\$ 1,469

A reconciliation of net operating profit after taxes used for return on invested capital calculation to net income attributable to Cummins Inc. in our Consolidated Financial Statements is shown in the table above.



Thank you for your interest

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