
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549



FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2025

Commission File Number 1-4949

CUMMINS INC.

(Exact name of registrant as specified in its charter)

Indiana
(State of Incorporation)

35-0257090
(IRS Employer Identification No.)

**500 Jackson Street
Box 3005
Columbus, Indiana 47202-3005**
(Address of principal executive offices)

Telephone (812) 377-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$2.50 par value	CMI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of June 30, 2025, there were 137,786,038 shares of common stock outstanding with a par value of \$2.50 per share.

CUMMINS INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

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

In millions, except per share amounts	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
NET SALES (Notes 1 and 2)	\$ 8,643	\$ 8,796	\$ 16,817	\$ 17,199
Cost of sales	6,362	6,603	12,381	12,965
GROSS MARGIN	2,281	2,193	4,436	4,234
OPERATING EXPENSES AND INCOME				
Selling, general and administrative expenses	779	828	1,550	1,667
Research, development and engineering expenses	357	379	701	748
Equity, royalty and interest income from investees (Note 4)	118	103	249	226
Other operating expense, net	37	44	74	77
OPERATING INCOME	1,226	1,045	2,360	1,968
Interest expense	87	109	164	198
Other income, net (Note 14)	86	41	146	1,428
INCOME BEFORE INCOME TAXES	1,225	977	2,342	3,198
Income tax expense (Note 5)	297	225	564	418
CONSOLIDATED NET INCOME	928	752	1,778	2,780
Less: Net income attributable to noncontrolling interests	38	26	64	61
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 890	\$ 726	\$ 1,714	\$ 2,719
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.				
Basic	\$ 6.46	\$ 5.30	\$ 12.45	\$ 19.53
Diluted	\$ 6.43	\$ 5.26	\$ 12.38	\$ 19.42
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING				
Basic	137.8	137.1	137.7	139.2
Dilutive effect of stock compensation awards	0.7	0.8	0.7	0.8
Diluted	138.5	137.9	138.4	140.0

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

In millions	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
CONSOLIDATED NET INCOME	\$ 928	\$ 752	\$ 1,778	\$ 2,780
Other comprehensive income (loss), net of tax (Note 12)				
Change in pension and other postretirement defined benefit plans	7	13	(20)	—
Foreign currency translation adjustments	197	(83)	314	(143)
Unrealized (loss) gain on derivatives	(3)	(3)	(12)	9
Total other comprehensive income (loss), net of tax	201	(73)	282	(134)
COMPREHENSIVE INCOME	1,129	679	2,060	2,646
Less: Comprehensive income attributable to noncontrolling interests	40	24	68	56
COMPREHENSIVE INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 1,089	\$ 655	\$ 1,992	\$ 2,590

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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

In millions, except par value	June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,319	\$ 1,671
Marketable securities (Note 6)	755	593
Total cash, cash equivalents and marketable securities	3,074	2,264
Accounts and notes receivable, net	5,874	5,181
Inventories (Note 7)	6,287	5,742
Prepaid expenses and other current assets	1,698	1,565
Total current assets	16,933	14,752
Long-term assets		
Property, plant and equipment	12,341	11,796
Accumulated depreciation	(5,801)	(5,440)
Property, plant and equipment, net	6,540	6,356
Investments and advances related to equity method investees	2,018	1,889
Goodwill	2,433	2,370
Other intangible assets, net	2,395	2,351
Pension assets	1,158	1,189
Other assets (Note 8)	2,782	2,633
Total assets	\$ 34,259	\$ 31,540
LIABILITIES		
Current liabilities		
Accounts payable (principally trade)	\$ 4,151	\$ 3,951
Loans payable (Note 9)	336	356
Commercial paper (Note 9)	353	1,259
Current maturities of long-term debt (Note 9)	615	660
Accrued compensation, benefits and retirement costs	657	1,084
Current portion of accrued product warranty (Note 10)	657	679
Current portion of deferred revenue (Note 2)	1,620	1,347
Other accrued expenses (Note 8)	1,926	1,898
Total current liabilities	10,315	11,234
Long-term liabilities		
Long-term debt (Note 9)	6,807	4,784
Deferred revenue (Note 2)	1,059	1,065
Other liabilities (Note 8)	3,205	3,149
Total liabilities	\$ 21,386	\$ 20,232
Commitments and contingencies (Note 11)		
EQUITY		
Cummins Inc. shareholders' equity		
Common stock, \$2.50 par value, 500 shares authorized, 222.5 and 222.5 shares issued	\$ 2,624	\$ 2,636
Retained earnings	22,040	20,828
Treasury stock, at cost, 84.7 and 85.1 shares	(10,708)	(10,748)
Accumulated other comprehensive loss (Note 12)	(2,167)	(2,445)
Total Cummins Inc. shareholders' equity	11,789	10,271
Noncontrolling interests	1,084	1,037
Total equity	\$ 12,873	\$ 11,308
Total liabilities and equity	\$ 34,259	\$ 31,540

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In millions	Six months ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 1,778	\$ 2,780
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities		
Gain related to divestiture of Atmus (Note 14)	—	(1,333)
Depreciation and amortization	548	528
Deferred income taxes	(138)	(99)
Equity in income of investees, net of dividends	(88)	(86)
Pension and OPEB expense (Note 3)	39	19
Pension contributions and OPEB payments (Note 3)	(26)	(59)
Changes in current assets and liabilities, net of acquisitions and divestiture		
Accounts and notes receivable	(643)	(161)
Inventories	(436)	(469)
Other current assets	(172)	(151)
Accounts payable	148	263
Accrued expenses	(244)	(1,933)
Other, net	16	126
Net cash provided by (used in) operating activities	782	(575)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(393)	(409)
Investments in and net advances to equity investees	(54)	(55)
Acquisition of businesses, net of cash acquired	(12)	(58)
Investments in marketable securities—acquisitions	(783)	(713)
Investments in marketable securities—liquidations (Note 6)	636	685
Cash associated with Atmus divestiture	—	(174)
Other, net	(9)	(82)
Net cash used in investing activities	(615)	(806)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,146	2,482
Net (payments) borrowings of commercial paper	(906)	85
Payments on borrowings and finance lease obligations	(210)	(1,223)
Dividend payments on common stock	(502)	(469)
Payments for purchase of redeemable noncontrolling interests	(55)	—
Other, net	(49)	(68)
Net cash provided by financing activities	424	807
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	57	(15)
Net increase (decrease) in cash and cash equivalents	648	(589)
Cash and cash equivalents at beginning of year	1,671	2,179
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 2,319	\$ 1,590

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

In millions, except per share amounts	Three months ended							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Cummins Inc. Shareholders' Equity	Noncontrolling Interests	Total Equity
BALANCE AT MARCH 31, 2025	\$ 556	\$ 2,044	\$ 21,401	\$ (10,711)	\$ (2,366)	\$ 10,924	\$ 1,047	\$ 11,971
Net income			890			890	38	928
Other comprehensive income, net of tax (Note 12)					199	199	2	201
Issuance of common stock		1				1	—	1
Cash dividends on common stock, \$1.82 per share			(251)			(251)	—	(251)
Distributions to noncontrolling interests							(1)	(1)
Share-based awards		1		1		2	—	2
Other shareholder transactions		22		2		24	(2)	22
BALANCE AT JUNE 30, 2025	\$ 556	\$ 2,068	\$ 22,040	\$ (10,708)	\$ (2,167)	\$ 11,789	\$ 1,084	\$ 12,873
BALANCE AT MARCH 31, 2024	\$ 556	\$ 2,001	\$ 19,605	\$ (10,831)	\$ (2,264)	\$ 9,067	\$ 1,034	\$ 10,101
Net income			726			726	26	752
Other comprehensive loss, net of tax (Note 12)					(71)	(71)	(2)	(73)
Issuance of common stock		1				1	—	1
Cash dividends on common stock, \$1.68 per share			(230)			(230)	—	(230)
Share-based awards		(2)		33		31	—	31
Other shareholder transactions		26		1		27	(33)	(6)
BALANCE AT JUNE 30, 2024	\$ 556	\$ 2,026	\$ 20,101	\$ (10,797)	\$ (2,335)	\$ 9,551	\$ 1,025	\$ 10,576

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

In millions, except per share amounts	Six months ended							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Cummins Inc. Shareholders' Equity	Noncontrolling Interests	Total Equity
BALANCE AT DECEMBER 31, 2024	\$ 556	\$ 2,080	\$ 20,828	\$ (10,748)	\$ (2,445)	\$ 10,271	\$ 1,037	\$ 11,308
Net income			1,714			1,714	64	1,778
Other comprehensive income, net of tax (Note 12)					278	278	4	282
Issuance of common stock		1				1	—	1
Cash dividends on common stock, \$3.64 per share			(502)			(502)	—	(502)
Distributions to noncontrolling interests						—	(32)	(32)
Share-based awards		(18)		36		18	—	18
Other shareholder transactions		5		4		9	11	20
BALANCE AT JUNE 30, 2025	\$ 556	\$ 2,068	\$ 22,040	\$ (10,708)	\$ (2,167)	\$ 11,789	\$ 1,084	\$ 12,873
BALANCE AT DECEMBER 31, 2023	\$ 556	\$ 2,008	\$ 17,851	\$ (9,359)	\$ (2,206)	\$ 8,850	\$ 1,054	\$ 9,904
Net income			2,719			2,719	61	2,780
Other comprehensive loss, net of tax (Note 12)					(190)	(190)	(5)	(195)
Issuance of common stock		1				1	—	1
Cash dividends on common stock, \$3.36 per share			(469)			(469)	—	(469)
Distributions to noncontrolling interests						—	(33)	(33)
Share-based awards		(8)		93		85	—	85
Divestiture of Atmus (Note 14)				(1,532)	61	(1,471)	(19)	(1,490)
Other shareholder transactions		25		1		26	(33)	(7)
BALANCE AT JUNE 30, 2024	\$ 556	\$ 2,026	\$ 20,101	\$ (10,797)	\$ (2,335)	\$ 9,551	\$ 1,025	\$ 10,576

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CUMMINS INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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NOTE 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Overview

Cummins Inc. (“Cummins,” “we,” “our” or “us”) was founded in 1919 as Cummins Engine Company, a corporation in Columbus, Indiana, and one of the first diesel engine manufacturers. In 2001, we changed our name to Cummins Inc. We are a global power solutions leader comprised of five business segments - Engine, Components, Distribution, Power Systems and Accelera - supported by our global manufacturing and extensive service and support network, skilled workforce and vast technical expertise. Our products range from advanced diesel, natural gas, electric and hybrid powertrains and powertrain-related components including aftertreatment, turbochargers, fuel systems, valvetrain technologies, controls systems, air handling systems, automated transmissions, axles, drivelines, brakes, suspension systems, electric power generation systems, electrified power systems with innovative components and subsystems, including battery, fuel cell and electric power technologies and hydrogen production technologies. We sell our products to original equipment manufacturers (OEMs), distributors, dealers and other customers worldwide. We serve our customers through a service network of approximately 650 wholly-owned, joint venture and independent distributor locations and more than 19,000 Cummins certified dealer locations in approximately 190 countries and territories.

Divestiture of Atmus

On March 18, 2024, we completed the divestiture of our remaining 80.5 percent ownership of Atmus Filtration Technologies Inc. (Atmus) common stock through a tax-free split-off. See NOTE 14, “ATMUS DIVESTITURE,” for additional information.

Interim Condensed Financial Statements

The unaudited *Condensed Consolidated Financial Statements* reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of operations, financial position and cash flows. All such adjustments are of a normal recurring nature. The *Condensed Consolidated Financial Statements* were prepared in accordance with accounting principles in the United States of America (GAAP) pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial information. Certain information and footnote disclosures normally included in annual financial statements were condensed or omitted as permitted by such rules and regulations.

These interim condensed consolidated financial statements should be read in conjunction with the *Consolidated Financial Statements* included in our [Annual Report on Form 10-K for the year ended December 31, 2024](#). Our interim period financial results for the three and six month periods presented are not necessarily indicative of results to be expected for any other interim period or for the entire year. The year-end *Condensed Consolidated Balance Sheet* data was derived from audited financial statements but does not include all required annual disclosures.

Reclassifications

Certain amounts for prior year periods were reclassified to conform to the current year presentation.

Use of Estimates in Preparation of Financial Statements

Preparation of financial statements requires management to make estimates and assumptions that affect reported amounts presented and disclosed in our *Condensed Consolidated Financial Statements*. Significant estimates and assumptions in these *Condensed Consolidated Financial Statements* require the exercise of judgment. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

Weighted-Average Diluted Shares Outstanding

The weighted-average diluted common shares outstanding exclude the anti-dilutive effect of certain stock options. The options excluded from diluted earnings per share were as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Options excluded	11,267	1,267	6,958	2,433

Related Party Transactions

In accordance with the provisions of various joint venture agreements, we may purchase products and components from our joint ventures, sell products and components to our joint ventures and our joint ventures may sell products and components to unrelated parties.

The following is a summary of sales to and purchases from nonconsolidated equity investees:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sales to nonconsolidated equity investees	\$ 411	\$ 334	\$ 799	\$ 685
Purchases from nonconsolidated equity investees	564	610	1,164	1,263

The following is a summary of accounts receivable from and accounts payable to nonconsolidated equity investees:

In millions	June 30, 2025	December 31, 2024	Balance Sheet Location
Accounts receivable from nonconsolidated equity investees	\$ 506	\$ 432	Accounts and notes receivable, net
Accounts payable to nonconsolidated equity investees	260	281	Accounts payable (principally trade)

Supply Chain Financing

We currently have supply chain financing programs with financial intermediaries, which provide certain vendors the option to be paid by financial intermediaries earlier than the due date on the applicable invoice. When a vendor utilizes the program and receives an early payment from a financial intermediary, they take a discount on the invoice. We then pay the financial intermediary the face amount of the invoice on the original due date, which generally have 60 to 90 day payment terms. The maximum amount that we could have outstanding under these programs was \$558 million at June 30, 2025. We do not reimburse vendors for any costs they incur for participation in the program, their participation is completely voluntary and there are no assets pledged as security or other forms of guarantees provided for the committed payment to the finance provider or intermediary. As a result, all amounts owed to the financial intermediaries are presented as accounts payable in our *Condensed Consolidated Balance Sheets*. Amounts due to the financial intermediaries reflected in accounts payable at June 30, 2025 and December 31, 2024, were \$153 million and \$142 million, respectively.

Accounts Receivable Sales Program

In May 2024, we entered into an accounts receivable sales agreement with Wells Fargo Bank, N.A., to sell certain accounts receivable up to the Board of Directors (Board) approved limit of \$500 million. We will classify proceeds received from the sales of accounts receivable as an operating cash flow in our *Condensed Consolidated Statements of Cash Flows*, and we will record the discount in other income, net in our *Condensed Consolidated Statements of Net Income*. There was no activity under the program during the six months ended June 30, 2025 and June 30, 2024.

NOTE 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Long-term Contracts

We have certain arrangements, primarily long-term maintenance agreements, construction contracts, product sales with associated performance obligations extending beyond a year, product sales with lead times extending beyond one year that are non-cancellable or for which the customer incurs a penalty for cancellation and extended warranty coverage arrangements that span a period in excess of one year. The aggregate amount of the transaction price for these contracts, excluding extended warranty coverage arrangements, at June 30, 2025, was \$5.8 billion. We expect to recognize the related revenue of \$3.0 billion over the next 12 months and \$2.8 billion over periods up to 10 years. See NOTE 10, "PRODUCT WARRANTY LIABILITY," for additional disclosures on extended warranty coverage arrangements. Our other contracts generally are for a duration of less than one year, include payment terms that correspond to the timing of costs incurred when providing goods and services to our customers or represent sales-based royalties.

Deferred and Unbilled Revenue

The following is a summary of our unbilled and deferred revenue and related activity:

In millions	June 30, 2025	December 31, 2024
Unbilled revenue	\$ 409	\$ 403
Deferred revenue	2,679	2,412

We recognized revenue of \$242 million and \$592 million for the three and six months ended June 30, 2025, compared with \$250 million and \$498 million for the comparable periods in 2024, that was included in the deferred revenue balance at the beginning of each year. We did not record any impairment losses on our unbilled revenues during the three and six months ended June 30, 2025 or 2024.

Disaggregation of Revenue

Consolidated Revenue

The table below presents our consolidated net sales by geographic area based on the location of the customer:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
United States	\$ 4,865	\$ 5,119	\$ 9,615	\$ 9,904
China	826	747	1,605	1,470
India	415	425	841	869
Other international	2,537	2,505	4,756	4,956
Total net sales	\$ 8,643	\$ 8,796	\$ 16,817	\$ 17,199

Segment Revenue

Engine segment external sales by market were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Heavy-duty truck	\$ 727	\$ 968	\$ 1,381	\$ 1,779
Medium-duty truck and bus	676	792	1,376	1,530
Light-duty automotive	482	454	907	892
Total on-highway	1,885	2,214	3,664	4,201
Off-highway	277	254	538	507
Total sales	\$ 2,162	\$ 2,468	\$ 4,202	\$ 4,708

Components segment external sales by business were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Drivetrain and braking systems	\$ 1,094	\$ 1,255	\$ 2,150	\$ 2,487
Emission solutions	777	822	1,568	1,678
Components and software	301	279	607	579
Automated transmissions	123	162	240	327
Atmus	—	—	—	289 ⁽¹⁾
Total sales	\$ 2,295	\$ 2,518	\$ 4,565	\$ 5,360

⁽¹⁾ Included sales through the March 18, 2024, divestiture. See NOTE 14, "ATMUS DIVESTITURE," for additional information.

Distribution segment external sales by region were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
North America	\$ 2,074	\$ 1,899	\$ 4,173	\$ 3,621
Europe	323	283	592	523
Asia Pacific	280	310	520	595
China	123	128	236	228
India	91	77	163	146
Latin America	83	64	133	123
Africa and Middle East	60	60	119	114
Total sales	\$ 3,034	\$ 2,821	\$ 5,936	\$ 5,350

Distribution segment external sales by product line were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Power generation	\$ 1,200	\$ 950	\$ 2,290	\$ 1,655
Parts	1,011	988	2,037	1,985
Service	439	447	855	852
Engines	384	436	754	858
Total sales	\$ 3,034	\$ 2,821	\$ 5,936	\$ 5,350

Power Systems segment external sales by product line were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Power generation	\$ 584	\$ 490	\$ 1,029	\$ 850
Industrial	298	278	582	516
Generator technologies	172	120	315	230
Total sales	\$ 1,054	\$ 888	\$ 1,926	\$ 1,596

NOTE 3. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We sponsor funded and unfunded domestic and foreign defined benefit pension and other postretirement benefit (OPEB) plans. Contributions to these plans were as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Defined benefit pension contributions	\$ 11	\$ 8	\$ 23	\$ 47
OPEB payments, net	2	3	3	12
Defined contribution pension plans	27	26	76	74

We anticipate making additional defined benefit pension contributions during the remainder of 2025 of \$22 million for our U.S. and U.K. qualified and non-qualified pension plans. These contributions may be made from trusts or company funds either to increase pension assets or to make direct benefit payments to plan participants. We expect our 2025 annual net periodic pension cost to approximate \$79 million.

The components of net periodic pension and OPEB expense (income) under our plans were as follows:

In millions	Pension								OPEB			
	U.S. Plans				U.K. Plans							
	Three months ended June 30,											
	2025		2024		2025		2024					
Service cost	\$	33	\$	36	\$	3	\$	5	\$	—	\$	—
Interest cost		44		41		20		17		2		1
Expected return on plan assets		(67)		(73)		(23)		(25)		—		—
Amortization of prior service cost		—		1		1		—		—		—
Recognized net actuarial loss (gain)		3		4		6		3		(2)		—
Net periodic benefit expense	\$	13	\$	9	\$	7	\$	—	\$	—	\$	1

In millions	Pension								OPEB			
	U.S. Plans				U.K. Plans							
	Six months ended June 30,											
	2025		2024		2025		2024					
Service cost	\$	66	\$	71	\$	7	\$	9	\$	—	\$	—
Interest cost		87		83		38		35		3		3
Expected return on plan assets		(134)		(145)		(45)		(50)		—		—
Amortization of prior service cost		1		1		1		—		—		—
Recognized net actuarial loss (gain)		5		7		13		6		(3)		(1)
Net periodic benefit expense	\$	25	\$	17	\$	14	\$	—	\$	—	\$	2

NOTE 4. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEEES

Equity, royalty and interest income from investees, net of applicable taxes, was as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Manufacturing entities				
Chongqing Cummins Engine Company, Ltd.	\$ 22	\$ 21	\$ 45	\$ 36
Dongfeng Cummins Engine Company, Ltd.	19	15	39	37
Beijing Foton Cummins Engine Co., Ltd.	15	10	30	23
Tata Cummins, Ltd.	7	7	17	16
All other manufacturers	14	11	21	34
Distribution entities				
Komatsu Cummins Chile, Ltda.	15	14	29	27
All other distributors	4	2	12	7
Cummins share of net income	96	80	193	180
Royalty and interest income	22	23	56	46
Equity, royalty and interest income from investees	\$ 118	\$ 103	\$ 249	\$ 226

Our Amplify Cell Technologies LLC (Amplify) joint venture meets the definition of a variable interest entity since the equity-at-risk is not currently sufficient to support the future operations of the joint venture. Accelerera, Daimler Truck and US Holding LLC and PACCAR, Inc. each own 30 percent of the joint venture and have two board positions, while EVE Energy owns 10 percent and has one board position. All significant decisions require majority or super-majority approval of the board. As a result, we are not the primary beneficiary of the joint venture, and it is not consolidated. We account for the joint venture using the equity method. Our Amplify joint venture will manufacture battery cells for electric commercial vehicles and industrial applications. The joint venture began operations in May 2024, but is not expected to begin production until 2027. As of June 30, 2025, we contributed \$255 million and our maximum remaining required contribution to the joint venture was \$551 million, which could be reduced by future government incentives received by the joint venture. Our investment balance at June 30, 2025, net of operating losses, was \$220 million.

NOTE 5. INCOME TAXES

Our effective tax rates for the three and six months ended June 30, 2025, were 24.2 percent and 24.1 percent, respectively. Our effective tax rates for the three and six months ended June 30, 2024, were 23.0 percent and 13.1 percent, respectively.

The three months ended June 30, 2025, contained net favorable discrete tax items of \$3 million primarily due to \$4 million of favorable adjustments for uncertain tax positions, partially offset by \$1 million of other unfavorable tax items.

The six months ended June 30, 2025, contained net favorable discrete tax items of \$10 million, primarily due to \$8 million of favorable adjustments for share-based compensation tax benefits and \$5 million of favorable adjustments for uncertain tax positions, partially offset by \$3 million of other unfavorable tax items.

The three months ended June 30, 2024, contained favorable discrete tax items of \$9 million primarily due to share-based compensation tax benefits.

The six months ended June 30, 2024, contained favorable discrete tax items primarily due to the \$1.3 billion non-taxable gain on the Atmus split-off. Other discrete tax items were \$30 million favorable primarily due to adjustments related to audit settlements and share-based compensation tax benefits.

On July 4, 2025, the “One Big Beautiful Bill Act” was signed into law, enacting significant changes to U.S. federal income tax rules affecting corporations, such as the ability to immediately deduct domestic research and development costs, restoration of elective 100 percent bonus depreciation for qualified property and changes related to the international tax provisions. We are currently assessing the impact to our consolidated financial statements.

NOTE 6. MARKETABLE SECURITIES

A summary of marketable securities, all of which were classified as current, was as follows:

In millions	June 30, 2025			December 31, 2024		
	Cost	Gross unrealized gains/(losses) ⁽¹⁾	Estimated fair value	Cost	Gross unrealized gains/(losses) ⁽¹⁾	Estimated fair value
Equity securities						
Level 1						
Publicly-traded shares	\$ 7	\$ (6)	\$ 1	\$ 7	\$ (6)	\$ 1
Level 2						
Debt mutual funds	381	5	386	262	1	263
Certificates of deposit	303	—	303	262	—	262
Equity mutual funds	15	9	24	19	7	26
Debt securities	41	—	41	41	—	41
Marketable securities	<u>\$ 747</u>	<u>\$ 8</u>	<u>\$ 755</u>	<u>\$ 591</u>	<u>\$ 2</u>	<u>\$ 593</u>

⁽¹⁾ Unrealized gains and losses for debt securities are recorded in other comprehensive income while unrealized gains and losses for equity securities are recorded in our *Condensed Consolidated Statements of Net Income*.

The fair value of Level 1 securities is derived from the market price at the end of the period. The fair value of Level 2 securities is estimated using actively quoted prices for similar instruments from brokers and observable inputs where available, including market transactions and third-party pricing services, or net asset values provided to investors. We do not currently have any Level 3 securities, and there were no transfers between levels during the six months ended June 30, 2025, or the year ended December 31, 2024. All debt securities are classified as available-for-sale.

A description of the valuation techniques and inputs used for our Level 2 fair value measures is as follows:

- *Debt mutual funds* — The fair value measures for the vast majority of these investments are the daily net asset values published on a regulated governmental website. Daily quoted prices are available from the issuing brokerage and are used on a test basis to corroborate this Level 2 input measure.
- *Certificates of deposit* — These investments provide us with a contractual rate of return and generally range in maturity from three months to five years. The counterparties to these investments are reputable financial institutions with investment grade credit ratings. Since these instruments are not tradable and must be settled directly by us with the respective financial institution, our fair value measure is the financial institution's month-end statement.
- *Equity mutual funds* — The fair value measures for these investments are the net asset values published by the issuing brokerage. Daily quoted prices are available from reputable third-party pricing services and are used on a test basis to corroborate this Level 2 input measure.
- *Debt securities* — The fair value measures for these securities are broker quotes received from reputable firms. These securities are infrequently traded on a national exchange and these values are used on a test basis to corroborate our Level 2 input measure.

The proceeds from sales and maturities of marketable securities were as follows:

In millions	Six months ended June 30,	
	2025	2024
Proceeds from sales of marketable securities	\$ 562	\$ 644
Proceeds from maturities of marketable securities	74	41
Investments in marketable securities - liquidations	<u>\$ 636</u>	<u>\$ 685</u>

NOTE 7. INVENTORIES

Inventories are stated at the lower of cost or net realizable value. Inventories included the following:

In millions	June 30, 2025	December 31, 2024
Finished products	\$ 3,137	\$ 2,875
Work-in-process and raw materials	3,381	3,086
Inventories at FIFO cost	6,518	5,961
Excess of FIFO over LIFO	(231)	(219)
Inventories	<u>\$ 6,287</u>	<u>\$ 5,742</u>

NOTE 8. SUPPLEMENTAL BALANCE SHEET DATA

Other assets included the following:

In millions	June 30, 2025	December 31, 2024
Deferred income taxes	\$ 1,293	\$ 1,119
Operating lease assets	555	532
Corporate-owned life insurance	438	423
Other	496	559
Other assets	<u>\$ 2,782</u>	<u>\$ 2,633</u>

Other accrued expenses included the following:

In millions	June 30, 2025	December 31, 2024
Marketing accruals	\$ 364	\$ 335
Other taxes payable	262	249
Income taxes payable	261	244
Current portion of operating lease liabilities	140	130
Other	899	940
Other accrued expenses	<u>\$ 1,926</u>	<u>\$ 1,898</u>

Other liabilities included the following:

In millions	June 30, 2025	December 31, 2024
Accrued product warranty ⁽¹⁾	\$ 865	\$ 843
Pensions	498	503
Operating lease liabilities	433	409
Deferred income taxes	405	389
Accrued compensation	182	193
Other postretirement benefits	103	104
Long-term derivative liabilities	78	89
Other	641	619
Other liabilities	<u>\$ 3,205</u>	<u>\$ 3,149</u>

⁽¹⁾See NOTE 10, "PRODUCT WARRANTY LIABILITY," for additional information.

NOTE 9. DEBT**Loans Payable and Commercial Paper**

Loans payable, commercial paper and the related weighted-average interest rates were as follows:

In millions	June 30, 2025	December 31, 2024
Loans payable ⁽¹⁾	\$ 336	\$ 356
Commercial paper ⁽²⁾	353	1,259

⁽¹⁾ Loans payable consist primarily of loans payable to various international and domestic financial institutions. It is not practicable to aggregate these notes and calculate a quarterly weighted-average interest rate.

⁽²⁾ The weighted-average interest rate, inclusive of all brokerage fees, was 3.48 percent and 4.49 percent at June 30, 2025 and December 31, 2024, respectively.

We can issue up to \$4.0 billion of unsecured, short-term promissory notes (commercial paper) pursuant to the Board authorized commercial paper programs. These programs facilitate the private placement of unsecured short-term debt through third-party brokers. We intend to use the net proceeds from the commercial paper borrowings for general corporate purposes.

Revolving Credit Facilities

On June 2, 2025, we entered into an amended and restated 5-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2030. The credit agreement amended and restated the prior \$2.0 billion 5-year credit agreement that would have matured on June 3, 2029.

On June 2, 2025, we entered into a new 3-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2028. The credit agreement replaced the prior \$2.0 billion 364-day credit facility that matured on June 2, 2025.

Our committed credit facilities provide access up to \$4.0 billion from our \$2.0 billion 3-year credit facility that expires on June 2, 2028 and our \$2.0 billion 5-year facility that expires on June 2, 2030. We intend to maintain credit facilities at the current or higher aggregate amounts by renewing or replacing these facilities at or before expiration. These revolving credit facilities are maintained primarily to provide backup liquidity for our commercial paper borrowings and general corporate purposes. There were no outstanding borrowings under these facilities at June 30, 2025 and December 31, 2024. At June 30, 2025, the \$353 million of outstanding commercial paper effectively reduced the \$4.0 billion of revolving credit capacity to \$3.6 billion.

At June 30, 2025, we also had an additional \$725 million available for borrowings under our uncommitted international and other domestic credit facilities.

Long-term Debt

A summary of long-term debt was as follows:

In millions	Interest Rate	June 30, 2025	December 31, 2024
Long-term debt			
Hydrogenics promissory notes, due 2025	—%	\$ 55	\$ 110
Senior notes, due 2025 ⁽¹⁾	0.75%	500	500
Debentures, due 2027	6.75%	58	58
Debentures, due 2028	7.125%	250	250
Senior notes, due 2028	4.25%	300	—
Senior notes, due 2029	4.90%	500	500
Senior notes, due 2030 ⁽¹⁾	1.50%	850	850
Senior notes, due 2031	4.70%	700	—
Senior notes, due 2034	5.15%	750	750
Senior notes, due 2035	5.30%	1,000	—
Senior notes, due 2043	4.875%	500	500
Senior notes, due 2050	2.60%	650	650
Senior notes, due 2054	5.45%	1,000	1,000
Debentures, due 2098 ⁽²⁾	5.65%	165	165
Other debt		167	160
Unamortized discount and deferred issuance costs		(95)	(89)
Fair value adjustments due to hedge on indebtedness		(59)	(85)
Finance leases		131	125
Total long-term debt		7,422	5,444
Less: Current maturities of long-term debt		615	660
Long-term debt		\$ 6,807	\$ 4,784

⁽¹⁾ In 2021, we entered into a series of interest rate swaps to effectively convert debt from a fixed rate to floating rate. In March of 2025, we settled the remainder of the interest rate swaps on our debt due in 2025. See "Interest Rate Risk" in NOTE 13, "DERIVATIVES," for additional information.

⁽²⁾ The effective interest rate is 7.48 percent.

On May 9, 2025, we issued \$2.0 billion aggregate principal amount of senior unsecured notes consisting of \$300 million aggregate principal amount of 4.25 percent senior unsecured notes due in 2028, \$700 million aggregate principal amount of 4.70 percent senior unsecured notes due in 2031 and \$1.0 billion aggregate principal amount of 5.30 percent senior unsecured notes due in 2035. Net of the discount and underwriter fees, we received net proceeds of \$1.99 billion. The senior unsecured notes due in 2028 and 2035 pay interest semi-annually on May 9 and November 9, commencing on November 9, 2025. The senior unsecured notes due in 2031 pay interest semi-annually on February 15 and August 15, commencing on February 15, 2026. The indenture governing the senior unsecured notes contains covenants that, among other matters, limit (i) our ability to consolidate or merge into, or sell, assign, convey, lease, transfer or otherwise dispose of all or substantially all of our and our subsidiaries' assets to another person, (ii) our and certain of our subsidiaries' ability to create or assume liens and (iii) our and certain of our subsidiaries' ability to engage in sale and leaseback transactions.

Principal payments required on long-term debt during the next five years are as follows:

In millions	2025	2026	2027	2028	2029
Principal payments	\$ 594	\$ 82	\$ 114	\$ 595	\$ 536

Shelf Registration

As a well-known seasoned issuer, we filed an automatic shelf registration for an undetermined amount of debt and equity securities with the SEC on February 13, 2025. Under this shelf registration we may offer, from time-to-time, debt securities, common stock, preferred and preference stock, depositary shares, warrants, stock purchase contracts and stock purchase units.

Fair Value of Debt

Based on borrowing rates currently available to us for bank loans with similar terms and average maturities, considering our risk premium, the fair values and carrying values of total debt, including current maturities, were as follows:

In millions	June 30, 2025	December 31, 2024
Fair value of total debt ⁽¹⁾	\$ 7,805	\$ 6,651
Carrying value of total debt	8,111	7,059

⁽¹⁾ The fair value of debt is derived from Level 2 input measures.

NOTE 10. PRODUCT WARRANTY LIABILITY

A tabular reconciliation of the product warranty liability, including the deferred revenue related to our extended warranty coverage and accrued product campaigns, was as follows:

In millions	Six months ended June 30,	
	2025	2024
Balance at beginning of year	\$ 2,623	\$ 2,497
Provision for base warranties issued	316	331
Deferred revenue on extended warranty contracts sold	213	180
Provision for product campaigns issued	20	23
Payments made during period	(358)	(360)
Amortization of deferred revenue on extended warranty contracts	(144)	(148)
Changes in estimates for pre-existing product warranties and campaigns	30	98
Foreign currency translation adjustments and other	(7)	(18)
Balance at end of period	\$ 2,693	\$ 2,603

We recognized supplier recoveries of \$13 million and \$19 million for the three and six months ended June 30, 2025, compared with \$12 million and \$34 million for the comparable periods in 2024.

Warranty related deferred revenues and warranty liabilities on our *Condensed Consolidated Balance Sheets* were as follows:

In millions	June 30, 2025	December 31, 2024	Balance Sheet Location
Deferred revenue related to extended coverage programs			
Current portion	\$ 293	\$ 286	Current portion of deferred revenue
Long-term portion	878	815	Deferred revenue
Total	\$ 1,171	\$ 1,101	
Product warranty			
Current portion	\$ 657	\$ 679	Current portion of accrued product warranty
Long-term portion	865	843	Other liabilities
Total	\$ 1,522	\$ 1,522	
Total warranty accrual	\$ 2,693	\$ 2,623	

NOTE 11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are subject to numerous lawsuits and claims arising out of the ordinary course of our business, including actions related to product liability; personal injury; the use and performance of our products; warranty matters; product recalls; patent, trademark or other intellectual property infringement; contractual liability; the conduct of our business; tax reporting in foreign jurisdictions; distributor termination; workplace safety; environmental and regulatory matters, including the enforcement of environmental and emissions standards; and asbestos claims. We also have been identified as a potentially responsible party at multiple waste disposal sites under U.S. federal and related state environmental statutes and regulations and may have joint and several liability for any investigation and remediation costs incurred with respect to such sites. We have denied liability with respect to many of these lawsuits, claims and proceedings and are vigorously defending such lawsuits, claims and proceedings. We carry various forms of commercial, property and casualty, product liability and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against us with respect to these lawsuits, claims and proceedings. We do not believe that these lawsuits are material individually or in the aggregate. While we believe we have also established adequate accruals for our expected future liability with respect to pending lawsuits, claims and proceedings, where the nature and extent of any such liability is probable and can be reasonably estimated based upon presently available information, there can be no assurance that the final resolution of any existing or future lawsuits, claims or proceedings will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

We conduct significant business operations in Brazil that are subject to the Brazilian federal, state and local labor, social security, tax and customs laws. While we believe we comply with such laws, they are complex, subject to varying interpretations and we are often engaged in litigation regarding the application of these laws to particular circumstances.

In December 2023, we announced that we reached the agreement in principle with U.S. Environmental Protection Agency, the California Air Resources Board, the Environmental and Natural Resources Division of the DOJ 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, (collectively, the Settlement Agreements). As part of the Settlement Agreements, among other things, we agreed to pay civil penalties, complete recall requirements, undertake mitigation projects, provide extended warranties, undertake certain testing, take certain corporate compliance measures and make other payments. Failure to comply with the terms and conditions of the Settlement Agreements will subject us to further stipulated penalties. We recorded a charge of \$2.0 billion in the fourth quarter of 2023, in other operating expense, net in our *Consolidated Statements of Income*, to resolve the matters addressed by the Settlement Agreements involving approximately one million of our pick-up truck applications in the U.S. Of the \$2.0 billion charge, \$1.7 billion (primarily related to penalties) was non-deductible for U.S. federal income tax purposes. The remaining amount, related to emissions mitigation projects and payments, extended warranties and other related compliance expenses was deductible for U.S. federal income tax purposes. This charge was in addition to the previously announced charges of \$59 million for the recalls of model years 2013 through 2018 RAM 2500 and 3500 trucks and model years 2016 through 2019 Titan trucks. We made \$1.9 billion of payments required by the Settlement Agreements in the second quarter of 2024. Subsequent to the second quarter of 2024, we have recorded immaterial amounts related to stipulated penalties we determined to be probable and estimable. Any further non-compliance with the Settlement Agreements will likely subject us to further stipulated penalties and other adverse consequences.

We have also been in communication with other non-U.S. regulators regarding matters related to the emission systems in our engines and may also become subject to additional regulatory review in connection with these matters.

In connection with our announcement of our entry into the agreement in principle, we became subject to shareholder, consumer and third-party litigation regarding the matters covered by the Settlement Agreements, and we may become subject to additional litigation in connection with these matters.

The consequences resulting from the resolution of the foregoing matters are uncertain and the related expenses and reputational damage could have a material adverse impact on our results of operations, financial condition and cash flows.

Guarantees and Commitments

Periodically, we enter into guarantee arrangements, including guarantees of non-U.S. distributor financings, residual value guarantees on equipment under operating leases and other miscellaneous guarantees of joint ventures or third-party obligations. At June 30, 2025, the maximum potential loss related to these guarantees was \$50 million.

We have arrangements with certain suppliers that require us to purchase minimum volumes or be subject to monetary penalties. At June 30, 2025, if we were to stop purchasing from each of these suppliers, the aggregate amount of the penalty would be approximately \$635 million. These arrangements enable us to secure supplies of critical components and IT services. We do not currently anticipate paying any penalties under these contracts.

We enter into physical forward contracts with suppliers of platinum and palladium to purchase certain volumes of the commodities at contractually stated prices for various periods, which generally fall within two years. At June 30, 2025, the total commitments under these contracts were \$48 million. These arrangements enable us to guarantee the prices of these commodities, which otherwise are subject to market volatility.

We have guarantees with certain customers that require us to satisfactorily honor contractual or regulatory obligations, or compensate for monetary losses related to nonperformance. These performance bonds and other performance-related guarantees were \$270 million at June 30, 2025.

Indemnifications

Periodically, we enter into various contractual arrangements where we agree to indemnify a third-party against certain types of losses. Common types of indemnities include:

- product liability and license, patent or trademark indemnifications;
- asset sale agreements where we agree to indemnify the purchaser against future environmental exposures related to the asset sold; and
- any contractual agreement where we agree to indemnify the counterparty for losses suffered as a result of a misrepresentation in the contract.

We regularly evaluate the probability of having to incur costs associated with these indemnities and accrue for expected losses that are probable. Because the indemnifications are not related to specified known liabilities and due to their uncertain nature, we are unable to estimate the maximum amount of the potential loss associated with these indemnifications.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE LOSS

Following are the changes in accumulated other comprehensive income (loss) by component for the three months ended:

In millions	Change in pension and OPEB plans	Foreign currency translation adjustment	Unrealized gain (loss) on derivatives	Total attributable to Cummins Inc.	Noncontrolling interests	Total
Balance at March 31, 2025	\$ (870)	\$ (1,602)	\$ 106	\$ (2,366)		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	—	173	3	176	\$ 2	\$ 178
Tax benefit (expense)	—	22	(1)	21	—	21
After-tax amount	—	195	2	197	2	199
Amounts reclassified from accumulated other comprehensive income (loss) ⁽¹⁾	7	—	(5)	2	—	2
Net current period other comprehensive income (loss)	7	195	(3)	199	\$ 2	\$ 201
Balance at June 30, 2025	\$ (863)	\$ (1,407)	\$ 103	\$ (2,167)		
Balance at March 31, 2024	\$ (861)	\$ (1,514)	\$ 111	\$ (2,264)		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	6	(82)	4	(72)	\$ (2)	\$ (74)
Tax benefit (expense)	—	1	(1)	—	—	—
After-tax amount	6	(81)	3	(72)	(2)	(74)
Amounts reclassified from accumulated other comprehensive income (loss) ⁽¹⁾	7	—	(6)	1	—	1
Net current period other comprehensive income (loss)	13	(81)	(3)	(71)	\$ (2)	\$ (73)
Balance at June 30, 2024	\$ (848)	\$ (1,595)	\$ 108	\$ (2,335)		

⁽¹⁾ Amounts are net of tax. Reclassifications out of accumulated other comprehensive income (loss) and the related tax effects are immaterial for separate disclosure.

Following are the changes in accumulated other comprehensive income (loss) by component for the six months ended:

In millions	Change in pension and OPEB plans	Foreign currency translation adjustment	Unrealized gain (loss) on derivatives	Total attributable to Cummins Inc.	Noncontrolling interests	Total
Balance at December 31, 2024	\$ (843)	\$ (1,717)	\$ 115	\$ (2,445)		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	(44)	277	1	234	\$ 4	\$ 238
Tax benefit	10	33	—	43	—	43
After-tax amount	(34)	310	1	277	4	281
Amounts reclassified from accumulated other comprehensive income (loss) ⁽¹⁾	14	—	(13)	1	—	1
Net current period other comprehensive (loss) income	(20)	310	(12)	278	\$ 4	\$ 282
Balance at June 30, 2025	\$ (863)	\$ (1,407)	\$ 103	\$ (2,167)		
Balance at December 31, 2023	\$ (848)	\$ (1,457)	\$ 99	\$ (2,206)		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	(15)	(198)	26	(187)	\$ (5)	\$ (192)
Tax benefit (expense)	3	(1)	(6)	(4)	—	(4)
After-tax amount	(12)	(199)	20	(191)	(5)	(196)
Amounts reclassified from accumulated other comprehensive income (loss) ⁽¹⁾	12	61 ⁽²⁾	(11)	62	—	62
Net current period other comprehensive (loss) income	—	(138)	9	(129)	\$ (5)	\$ (134)
Balance at June 30, 2024	\$ (848)	\$ (1,595)	\$ 108	\$ (2,335)		

⁽¹⁾ Amounts are net of tax. Reclassifications out of accumulated other comprehensive income (loss) and the related tax effects are immaterial for separate disclosure.

⁽²⁾ Primarily related to the divestiture of Atmus. See NOTE 14, "ATMUS DIVESTITURE," for additional information.

NOTE 13. DERIVATIVES

We are exposed to financial risk resulting from volatility in foreign exchange rates, interest rates and commodity prices. This risk is closely monitored and managed through the use of physical forward contracts (which are not considered derivatives) and financial derivative instruments including foreign currency forward contracts, commodity swap contracts and interest rate swaps and locks. Financial derivatives are used expressly for hedging purposes and under no circumstances are they used for speculative purposes. When material, we adjust the estimated fair value of our derivative contracts for counterparty or our credit risk. None of our derivative instruments are subject to collateral requirements. Substantially all of our derivative contracts are subject to master netting arrangements, which provide us with the option to settle certain contracts on a net basis when they settle on the same day with the same currency. In addition, these arrangements provide for a net settlement of all contracts with a given counterparty in the event that the arrangement is terminated due to the occurrence of default or a termination event.

Foreign Currency Exchange Rate Risk

We had foreign currency forward contracts with notional amounts of \$5.3 billion at June 30, 2025, with the following currencies comprising 85 percent of outstanding foreign currency forward contracts: British pound, Chinese renminbi, Euro, Australian dollar and Canadian dollar. We had foreign currency forward contracts with notional amounts of \$3.6 billion at December 31, 2024, with the following currencies comprising 86 percent of outstanding foreign currency forward contracts: British pound, Chinese renminbi, Australian dollar, Canadian dollar and Euro.

We are further exposed to foreign currency exchange risk as many of our subsidiaries are subject to fluctuations as the functional currencies of the underlying entities are not our U.S. dollar reporting currency. To help reduce volatility in the equity value of our subsidiaries, we enter into foreign exchange forwards designated as net investment hedges for certain of our investments. Under the current terms of our foreign exchange forwards, we agreed with third parties to sell British pounds, Chinese renminbi and Euros in exchange for U.S. dollar currency at a specified rate at the maturity of the contract. The notional amount of these hedges at June 30, 2025, was \$1.6 billion. In the second quarter of 2025, we began entering into cross-currency interest rate swaps designated as net investment hedges for certain of our investments to help reduce volatility in the equity value of our subsidiaries. Under the current terms of our cross-currency interest rate swaps, we generally pay fixed-rate interest in Euros or Chinese renminbi and receive fixed-rate interest in U.S. dollars. The notional amount of these hedges at June 30, 2025, was \$500 million.

The following table summarizes our net investment hedge activity in accumulated other comprehensive loss (AOCL):

In millions	Three months ended June 30,				Six months ended June 30,			
	2025		2024		2025		2024	
	Gain (Loss) Recognized in AOCL	Gain (Loss) Reclassified from AOCL into Earnings	Gain (Loss) Recognized in AOCL	Gain (Loss) Reclassified from AOCL into Earnings	Gain (Loss) Recognized in AOCL	Gain (Loss) Reclassified from AOCL into Earnings	Gain (Loss) Recognized in AOCL	Gain (Loss) Reclassified from AOCL into Earnings
Type of Derivative								
Foreign exchange forwards	\$ (45)	\$ —	\$ (3)	\$ —	\$ (69)	\$ —	\$ 3	\$ —
Cross-currency interest rate swaps	(8)	—	—	—	(8)	—	—	—

Interest Rate Risk

In 2021, we entered into a series of interest rate swaps to effectively convert our \$500 million senior notes, due in 2025, from a fixed rate of 0.75 percent to a floating rate equal to the three-month London Interbank Offered Rate (LIBOR) plus a spread (subsequently adjusted to Secured Overnight Financing Rate (SOFR) under a fallback protocol in our derivative agreements). We also entered into a series of interest rate swaps to effectively convert \$765 million of our \$850 million senior notes, due in 2030, from a fixed rate of 1.50 percent to a floating rate equal to the three-month LIBOR plus a spread (also similarly adjusted to SOFR). We designated the swaps as fair value hedges. The gain or loss on these derivative instruments, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk, were recognized in current income as interest expense. The net swap settlements that accrue each period were also reported in our *Condensed Consolidated Financial Statements* as interest expense. In 2023 and 2024, we settled a portion of these swaps with the immaterial losses amortized over the remaining term of the related debt. In the first quarter of 2025, we settled the remainder of the \$350 million interest rate swaps, at their expiration date, on our debt due in 2025. The interest rate swaps on our 2030 debt had \$680 million of the notional amounts outstanding at June 30, 2025.

The following table summarizes the gains and losses:

In millions	Three months ended June 30,				Six months ended June 30,			
	2025		2024		2025		2024	
	Gain (Loss) on Swaps	Gain (Loss) on Borrowings	Gain (Loss) on Swaps	Gain (Loss) on Borrowings	Gain (Loss) on Swaps	Gain (Loss) on Borrowings	Gain (Loss) on Swaps	Gain (Loss) on Borrowings
Interest rate swaps ⁽¹⁾	\$ 10	\$ (12)	\$ 3	\$ (6)	\$ 27	\$ (26)	\$ (7)	\$ 8

⁽¹⁾ The difference between the gain (loss) on swaps and borrowings represents hedge ineffectiveness.

In the first quarter of 2025, we entered into a series of interest rate lock agreements including 5-year and 10-year locks, with notional amounts totaling \$200 million and \$400 million, respectively, to reduce variability of cash flows of interest payments on total fixed rate debt forecasted to be issued in 2025 to replace our senior notes at maturity and for other general purposes. In the second quarter of 2025, we entered into additional 10-year interest rate lock agreements with notional amounts totaling \$100 million. The terms of the rate locks mirrored the time period of the expected fixed rate debt issuances and the expected timing of interest payments on planned debt issuances. The gains and losses on these derivative instruments were initially recorded in other comprehensive income and will be released to earnings in interest expense in future periods to reflect the difference in (1) the fixed rates economically locked in at the inception of the hedge and (2) the actual fixed rates established in the debt instrument at issuance. In the second quarter of 2025, with the issuance of senior unsecured notes, we settled all interest rate lock agreements with a notional amount of \$700 million. The immaterial net losses from settlement will be amortized over the remaining term of the related debt. Amortization of net losses were immaterial for the three and six months ended June 30, 2025.

Derivatives Not Designated as Hedging Instruments

The following table summarizes the effect on our *Condensed Consolidated Statements of Net Income* for derivative instruments not designated as hedging instruments:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
(Loss) gain recognized in income - Cost of sales ⁽¹⁾	\$ (1)	\$ 1	\$ (4)	\$ 1
Gain (loss) recognized in income - Other income, net ⁽¹⁾	89	(4)	150	(44)

⁽¹⁾ Includes foreign currency forward contracts.

Fair Value Amount and Location of Derivative Instruments

The following table summarizes the location and fair value of derivative instruments on our *Condensed Consolidated Balance Sheets*:

In millions	Derivatives Designated as Hedging Instruments		Derivatives Not Designated as Hedging Instruments	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Notional amount	\$ 3,592	\$ 3,512	\$ 4,503	\$ 2,713
Derivative assets				
Prepaid expenses and other current assets ⁽¹⁾	\$ 26	\$ 60	\$ 70	\$ 6
Other assets	—	6	—	—
Total derivative assets ⁽¹⁾	\$ 26	\$ 66	\$ 70	\$ 6
Derivative liabilities				
Other accrued expenses	\$ 40	\$ 10	\$ 7	\$ 67
Other liabilities	78	89	—	—
Total derivative liabilities ⁽¹⁾	\$ 118	\$ 99	\$ 7	\$ 67

⁽¹⁾ Estimates of the fair value of all derivative assets and liabilities above are derived from Level 2 inputs, which are estimated using actively quoted prices for similar instruments from brokers and observable inputs where available, including market transactions and third-party pricing services, or net asset values provided to investors. We do not currently have any Level 3 input measures and there were no transfers into or out of Level 2 or 3 during the six months ended June 30, 2025, or the year ended December 31, 2024.

We elected to present our derivative contracts on a gross basis in our *Condensed Consolidated Balance Sheets*. Had we chosen to present on a net basis, we would have derivatives in a net asset position of \$28 million and \$37 million and derivatives in a net liability position of \$57 million and \$131 million at June 30, 2025 and December 31, 2024, respectively.

NOTE 14. ATMUS DIVESTITURE

On March 18, 2024, we completed the divestiture of our remaining 80.5 percent ownership of Atmus common stock through a tax-free split-off. The transaction involved the exchange of our shares in Atmus for shares of Cummins stock with a 7.0 percent discount on the exchange ratio for Atmus shares. The exchange ratio was determined based on each entity's respective stock price using the daily volume weighted-average stock price for three days preceding the final exchange offer date. Based on the final exchange ratio, we exchanged all 67 million of our Atmus shares for 5.6 million shares of Cummins stock, which was recorded as treasury stock based on the fair value of the Cummins shares obtained.

We evaluated the full divestiture of Atmus and determined the transaction did not qualify for discontinued operation presentation. We recognized a gain related to the divestiture of approximately \$1.3 billion (based on the difference between the fair value of the Cummins shares obtained less the carrying value of our Atmus investment), which was recorded in other income, net in our *Condensed Consolidated Statements of Net Income* for the six months ended June 30, 2024. Approximately \$114 million of goodwill was included in the carrying value of the Atmus investment for purposes of calculating the gain. The operating results of Atmus were reported in our *Condensed Consolidated Financial Statements* through March 18, 2024, the date of divestiture.

As part of the divestiture, the \$600 million term loan remained with Atmus after the split. In addition, a net \$61 million of other comprehensive income and \$19 million of noncontrolling interests related to Atmus were written-off and netted against the gain recognized upon the split.

We entered into a transitional services agreement (TSA) with Atmus that is designed to facilitate the orderly transfer of various services to Atmus. The TSA relates primarily to administrative services, which are generally to be provided over the next 2 years after the divestiture date. This agreement is not material and does not confer upon us the ability to influence the operating and/or financial policies of Atmus subsequent to March 18, 2024.

NOTE 15. REPORTABLE SEGMENTS

Reportable segments under GAAP are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM), or decision-making group, in deciding how to allocate resources and in assessing performance. Our CODM is the Chief Executive Officer.

Our reportable segments consist of Engine, Components, Distribution, Power Systems and Accelera. This reporting structure is organized according to the products and markets each segment serves. The Engine segment produces engines (15 liters and smaller) and associated parts for sale to customers in on-highway and various off-highway markets. Our engines are used in trucks of all sizes, buses and recreational vehicles, as well as in various industrial applications, including construction, agriculture, power generation systems and other off-highway applications. The Components segment sells axles, drivelines, brakes and suspension systems for commercial diesel and natural gas applications, aftertreatment systems, turbochargers, fuel systems, valvetrain technologies, automated transmissions and electronics. The Distribution segment includes wholly-owned and partially-owned distributorships engaged in wholesaling engines, generator sets and service parts, as well as performing service and repair activities on our products, maintaining relationships with various OEMs throughout the world and providing selected sales and aftermarket support for our Accelera business. The Power Systems segment is an integrated power provider, which designs, manufactures and sells standby and prime power generators, engines (16 liters and larger) for standby and prime power generator sets and industrial applications (including mining, oil and gas, marine, rail and defense), alternators and other power components. The Accelera segment designs, manufactures, sells and supports electrified power systems with innovative components and subsystems, including battery, fuel cell and electric powertrain technologies as well as hydrogen production technologies. The Accelera segment is currently in the early stages of commercializing these technologies with efforts primarily focused on the development of electrified power systems and related components and subsystems and our electrolyzers for hydrogen production. We continue to serve all our markets as they adopt electrification and alternative power technologies, meeting the needs of our OEM partners and end customers.

Our CODM uses segment earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests (EBITDA) as the basis for the CODM to evaluate the performance of each of our reportable segments. EBITDA provides our CODM with a full picture of the profitability of a segment to drive decisions and resource allocation. EBITDA is used as the key profitability measure when we set our annual operating plan, is the metric with which our CODM assesses results and is a key component of our annual variable compensation plans. Segment amounts exclude certain expenses not specifically identifiable to segments.

The accounting policies of our reportable segments are the same as those applied in our *Condensed Consolidated Financial Statements*. We prepared the financial results of our reportable segments on a basis that is consistent with the manner in which we internally disaggregate financial information to assist in making internal operating decisions. We allocate certain common costs and expenses, primarily corporate functions, among segments differently than we would for stand-alone financial information prepared in accordance with GAAP. These include certain costs and expenses of shared services, such as IT, human resources, legal, finance and supply chain management. We do not allocate gains or losses of corporate-owned life insurance and the gain and certain costs related to the divestiture of Atmus. See NOTE 14, "ATMUS DIVESTITURE," for additional information. EBITDA may not be consistent with measures used by other companies.

Summarized financial information regarding our reportable segments for the three and six months ended June 30, 2025 and 2024 is shown in the table below:

In millions	Engine	Components	Distribution	Power Systems	Accelera	Total Segments
Three months ended June 30, 2025						
External sales	\$ 2,162	\$ 2,295	\$ 3,034	\$ 1,054	\$ 98	\$ 8,643
Intersegment sales	737	410	7	835	7	1,996
Total sales	2,899	2,705	3,041	1,889	105	10,639
Cost of goods sold (excluding warranty expenses)	2,168	2,161	2,419	1,290	132	8,170
Warranty expenses	119	28	5	26	12	190
Selling expenses	61	40	154	41	7	303
Administrative expenses	146	121	89	106	14	476
Research, development and engineering expenses	151	77	14	69	46	357
Equity, royalty and interest income (loss) from investees	60	10	26	27	(5)	118
Other income (expense) ⁽¹⁾	18	(18)	27	11	(2)	36
Add back: Depreciation and amortization ⁽²⁾	68	127	32	35	13	275
Segment EBITDA	\$ 400	\$ 397	\$ 445	\$ 430	\$ (100)	\$ 1,572
Interest income ⁽³⁾	\$ 8	\$ 10	\$ 7	\$ 4	\$ 1	\$ 30
Three months ended June 30, 2024						
External sales	\$ 2,468	\$ 2,518	\$ 2,821	\$ 888	\$ 101	\$ 8,796
Intersegment sales	683	464	8	701	10	1,866
Total sales	3,151	2,982	2,829	1,589	111	10,662
Cost of goods sold (excluding warranty expenses)	2,327	2,369	2,301	1,107	144	8,248
Warranty expenses	122	66	5	24	6	223
Selling expenses	56	43	157	47	7	310
Administrative expenses	147	135	107	105	19	513
Research, development and engineering expenses	167	81	14	63	54	379
Equity, royalty and interest income (loss) from investees	48	13	24	26	(8)	103
Other income (expense) ⁽¹⁾	4	(16)	15	—	(5)	(2)
Add back: Depreciation and amortization ⁽²⁾	61	121	30	32	15	259
Segment EBITDA	\$ 445	\$ 406	\$ 314	\$ 301	\$ (117)	\$ 1,349
Interest income ⁽³⁾	\$ 7	\$ 9	\$ 11	\$ 3	\$ —	\$ 30

In millions	Engine	Components	Distribution	Power Systems	Accelera	Total Segments
Six months ended June 30, 2025						
External sales	\$ 4,202	\$ 4,565	\$ 5,936	\$ 1,926	\$ 188	\$ 16,817
Intersegment sales	1,468	810	12	1,612	20	3,922
Total sales	5,670	5,375	5,948	3,538	208	20,739
Cost of goods sold (excluding warranty expenses)	4,204	4,300	4,751	2,380	253	15,888
Warranty expenses	204	54	11	58	20	347
Selling expenses	120	81	311	87	14	613
Administrative expenses	284	240	180	206	27	937
Research, development and engineering expenses	306	152	28	126	89	701
Equity, royalty and interest income (loss) from investees	133	17	54	56	(11)	249
Other income (expense) ⁽¹⁾	38	(35)	36	14	(5)	48
Add back: Depreciation and amortization ⁽²⁾	135	249	64	68	25	541
Segment EBITDA	\$ 858	\$ 779	\$ 821	\$ 819	\$ (186)	\$ 3,091
Interest income ⁽³⁾	\$ 18	\$ 17	\$ 12	\$ 8	\$ 1	\$ 56
Six months ended June 30, 2024						
External sales	\$ 4,708	\$ 5,360	\$ 5,350	\$ 1,596	\$ 185	\$ 17,199
Intersegment sales	1,371	954	14	1,382	19	3,740
Total sales	6,079	6,314	5,364	2,978	204	20,939
Cost of goods sold (excluding warranty expenses)	4,517	5,005	4,347	2,104	264	16,237
Warranty expenses	227	128	10	39	14	418
Selling expenses	108	98	310	87	15	618
Administrative expenses	291	293	198	204	32	1,018
Research, development and engineering expenses	321	165	28	123	109	746
Equity, royalty and interest income (loss) from investees	105	39	48	45	(11)	226
Other income (expense) ⁽¹⁾	20	(31)	28	6	(6)	17
Add back: Depreciation and amortization ⁽²⁾	119	246	61	66	29	521
Segment EBITDA	\$ 859	\$ 879 ⁽⁴⁾	\$ 608	\$ 538	\$ (218)	\$ 2,666
Interest income ⁽³⁾	\$ 14	\$ 17	\$ 22	\$ 6	\$ —	\$ 59

⁽¹⁾ Other income (expense) includes other operating expense, net and other income, net from our *Condensed Consolidated Statements of Net Income*.

⁽²⁾ Depreciation and amortization are not considered significant segment expenses but are presented here to reconcile to EBITDA, the measure used by our CODM. Depreciation and amortization, as shown on a segment basis, excludes the amortization of debt discount and deferred costs included in our *Condensed Consolidated Statements of Net Income* as interest expense. The amortization of debt discount and deferred costs was \$7 million and \$7 million for the six months ended June 30, 2025 and June 30, 2024, respectively. A portion of depreciation expense is included in research, development and engineering expenses.

⁽³⁾ Interest income is a component of other income (expense).

⁽⁴⁾ Included \$21 million of costs associated with the divestiture of Atmus for the six months ended June 30, 2024. See NOTE 14, "ATMUS DIVESTITURE," for additional information.

A reconciliation of our segment information to the corresponding amounts in the *Condensed Consolidated Statements of Net Income* is shown in the table below:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
TOTAL SEGMENT EBITDA	\$ 1,572	\$ 1,349	\$ 3,091	\$ 2,666
Intersegment eliminations and other ⁽¹⁾	15	(4)	(44)	1,251 ⁽²⁾
Less:				
Interest expense	87	109	164	198
Depreciation and amortization	275	259	541	521
INCOME BEFORE INCOME TAXES	\$ 1,225	\$ 977	\$ 2,342	\$ 3,198

⁽¹⁾ Included intersegment sales, intersegment profit in inventory and unallocated corporate expenses.

⁽²⁾ Included a \$1.3 billion gain related the divestiture of Atmus and \$14 million of costs associated with the divestiture of Atmus (included in corporate expenses) for the six months ended June 30, 2024. See NOTE 14, "ATMUS DIVESTITURE," for additional information.

NOTE 16. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, "Income Taxes (Topic 740): Improvements in Income Tax Disclosures," to enhance the transparency and decision usefulness of income tax disclosures. This amendment requires public companies to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, under the amendment, entities are required to disclose the amount of income taxes paid disaggregated by federal, state and foreign taxes, as well as disaggregated by material individual jurisdictions. Finally, the amendment requires entities to disclose income from continuing operations before income tax expense disaggregated between domestic and foreign and income tax expense from continuing operations disaggregated by federal, state and foreign. The new rules are effective for annual periods beginning after December 15, 2024. The adoption of this standard is not expected to have a material impact on our *Condensed Consolidated Financial Statements*.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)", which requires public business entities to disclose in the notes to the financial statements more detailed information about the types of expenses included in certain expense captions in the consolidated financial statements, including purchases of inventory, employee compensation, and depreciation and amortization. The amendments are effective for us beginning with our 2027 annual period and in interim periods beginning in 2028. Early adoption is permitted. The ASU may be adopted prospectively or retrospectively. We are currently evaluating the impact of ASU 2024-03 on our *Condensed Consolidated Financial Statements* and related disclosures.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cummins Inc. and its consolidated subsidiaries are hereinafter sometimes referred to as "Cummins," "we," "our" or "us."

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Certain parts of this quarterly report contain forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that are based on current expectations, estimates and projections about the industries in which we operate and management's beliefs and assumptions. Forward-looking statements are generally accompanied by words such as "anticipates," "expects," "forecasts," "intends," "plans," "believes," "seeks," "estimates," "could," "should," "may" or words of similar meaning. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which we refer to as "future factors," which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some future factors that could cause our results to differ materially from the results discussed in such forward-looking statements are discussed below and shareholders, potential investors and other readers are urged to consider these future factors carefully in evaluating forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Future factors that could affect the outcome of forward-looking statements include the following:

GOVERNMENT REGULATION

- any adverse consequences from changes in tariffs and other trade disruptions;
- 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, (collectively, the Settlement Agreements), 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;
- changes in international, national and regional trade laws, regulations and policies;
- changes in taxation;
- global legal and ethical compliance costs and risks;
- future bans or limitations on the use of diesel-powered products;

BUSINESS CONDITIONS / DISRUPTIONS

- 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;

PRODUCTS AND TECHNOLOGY

- 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;

GENERAL

- 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 (IT) environment and data security;
- the use of artificial intelligence in our business and in our products and challenges with properly managing its use;
- 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 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 risk factors described in Part II, Item 1A in this quarterly report and our [2024 Form 10-K, Part I, Item 1A](#), under the caption "Risk Factors."

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 quarterly report and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

ORGANIZATION OF INFORMATION

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) was prepared to provide the reader with a view and perspective of our business through the eyes of management and should be read in conjunction with our [Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2024 Form 10-K](#). Our MD&A is presented in the following sections:

- **EXECUTIVE SUMMARY AND FINANCIAL HIGHLIGHTS**
- **RESULTS OF OPERATIONS**
- **REPORTABLE SEGMENT RESULTS**
- **OUTLOOK**
- **LIQUIDITY AND CAPITAL RESOURCES**
- **APPLICATION OF CRITICAL ACCOUNTING ESTIMATES**
- **RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

EXECUTIVE SUMMARY AND FINANCIAL HIGHLIGHTS

Overview

We are a global power solutions leader comprised of five business segments - Engine, Components, Distribution, Power Systems and Accelera - supported by our global manufacturing and extensive service and support network, skilled workforce and vast technical expertise. Our products range from advanced diesel, natural gas, electric and hybrid powertrains and powertrain-related components including aftertreatment, turbochargers, fuel systems, valvetrain technologies, controls systems, air handling systems, automated transmissions, axles, drivelines, brakes, suspension systems, electric power generation systems, electrified power systems with innovative components and subsystems, including battery, fuel cell and electric power technologies and hydrogen production technologies. We sell our products to original equipment manufacturers (OEMs), distributors, dealers and other customers worldwide. We have long-standing relationships with many of the leading manufacturers in the markets we serve, including PACCAR Inc., Traton Group, Daimler Trucks AG and Stellantis N.V. We serve our customers through a service network of approximately 650 wholly-owned, joint venture and independent distributor locations and more than 19,000 Cummins certified dealer locations in approximately 190 countries and territories.

Our segment reporting structure is organized according to the products and markets each segment serves. The Engine segment produces engines (15 liters and smaller) and associated parts for sale to customers in on-highway and various off-highway markets. Our engines are used in trucks of all sizes, buses and recreational vehicles, as well as in various industrial applications, including construction, agriculture, power generation systems and other off-highway applications. The Components segment sells axles, drivelines, brakes and suspension systems for commercial diesel and natural gas applications, aftertreatment systems, turbochargers, fuel systems, valvetrain technologies, automated transmissions and electronics. The Distribution segment includes wholly-owned and partially-owned distributorships engaged in wholesaling engines, generator sets and service parts, as well as performing service and repair activities on our products, maintaining relationships with various OEMs throughout the world and providing selected sales and aftermarket support for our Accelera business. The Power Systems segment is an integrated power provider, which designs, manufactures and sells standby and prime power generators, engines (16 liters and larger) for standby and prime power generator sets and industrial applications (including mining, oil and gas, marine, rail and defense), alternators and other power components. The Accelera segment designs, manufactures, sells and supports electrified power systems with innovative components and subsystems, including battery, fuel cell and electric powertrain technologies as well as hydrogen production technologies. The Accelera segment is currently in the early stages of commercializing these technologies with efforts primarily focused on the development of electrified power systems and related components and subsystems and our electrolyzers for hydrogen production. We continue to serve all our markets as they adopt electrification and alternative power technologies, meeting the needs of our OEM partners and end customers.

Our financial performance depends, in large part, on varying conditions in the markets we serve, particularly the on-highway, off-highway, power generation and general industrial markets. Demand in these markets tends to fluctuate in response to overall economic conditions. Our sales may also be impacted by OEM inventory levels, production schedules, stoppages and supply chain challenges. Economic downturns in markets we serve generally result in reduced sales of our products and can result in price reductions in certain products and/or markets. As a worldwide business, our operations are also affected by geopolitical risks, currency fluctuations, political and economic uncertainty, tariffs and related trade disruptions, public health crises (epidemics or pandemics) and regulatory matters, including adoption and enforcement of environmental and emission standards. As part of our growth strategy, we invest in businesses in certain countries that carry higher levels of these risks such as China, Brazil, India, Mexico and other countries in

Europe, the Middle East and Africa. At the same time, our geographic diversity and broad product and service offerings have helped limit the impact from a drop in demand in any one industry, region, the economy of any single country or customer on our consolidated results.

Uncertain Tariff Environment

As disclosed in [Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024](#), we operate our business on a global basis and changes in international, national and regional trade laws, regulations and policies affecting and/or restricting international trade, including higher tariffs and trade disruptions (such as embargoes, sanctions and export controls), could adversely impact the demand for our products and our competitive position. The uncertain tariff environment, marked by the U.S. imposition of tariffs on certain countries, followed by the imposition of retaliatory tariffs on U.S. goods and services by certain countries has introduced significant market volatility and raised concerns about potential economic impacts. Our primary risks include reduced global movement of goods impacting freight activity, increased costs for suppliers and end-users and uncertainty around the availability of supply, all of which could contribute to a decline in business confidence, a reduction in demand for our products and increased product costs. Our tariff related costs increased during the second quarter. We have and continue to look for ways to mitigate these costs including discussions with our suppliers, sourcing alternatives and agreements with our customers to recover these costs. The financial impact of tariffs, net of mitigation actions, was immaterial to our profitability and operating cash flows in the second quarter of 2025. We expect tariff-related costs and recoveries to increase from second quarter levels, assuming that the current level of tariffs remain in place. The continued tariff costs, the effectiveness of our mitigation efforts and the resulting market volatility could materially and adversely affect our results of operations, financial condition and cash flows in the future. We will continue work to minimize the related impacts to our business to the extent possible. See the "OUTLOOK" section for a discussion of the potential tariff impacts for the remainder of 2025.

Divestiture of Atmus

On March 18, 2024, we completed the divestiture of our remaining 80.5 percent ownership of Atmus Filtration Technologies Inc. (Atmus) common stock through a tax-free split-off. The exchange resulted in a reduction of shares of our common stock outstanding by 5.6 million shares and a gain of \$1.3 billion. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

2025 Second Quarter and Year-to-Date Results

A summary of our results is as follows:

In millions, except per share amounts	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 8,643	\$ 8,796	\$ 16,817	\$ 17,199
Net income attributable to Cummins Inc.	890	726	1,714	2,719
Earnings per common share attributable to Cummins Inc.				
Basic	\$ 6.46	\$ 5.30	\$ 12.45	\$ 19.53
Diluted	6.43	5.26	12.38	19.42

⁽¹⁾ Net income and earnings per common share included the \$1.3 billion non-taxable gain associated with the divestiture of Atmus for the six months ended June 30, 2024. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

Net income attributable to Cummins Inc. was \$890 million, or \$6.43 per diluted share, on sales of \$8.6 billion for the three months ended June 30, 2025, versus the comparable prior year period net income attributable to Cummins Inc. of \$726 million, or \$5.26 per diluted share, on sales of \$8.8 billion. The increases in net income attributable to Cummins Inc. and earnings per diluted share were driven by the strong growth in power generation markets, especially data center and commercial markets, favorable non-tariff pricing mainly related to the launch of updated engine products in light-duty markets and lower compensation expenses, partially offset by lower demand in on-highway truck markets.

Net income attributable to Cummins Inc. was \$1.7 billion, or \$12.38 per diluted share, on sales of \$16.8 billion for the six months ended June 30, 2025, versus the comparable prior year period net income attributable to Cummins Inc. of \$2.7 billion, or \$19.42 per diluted share, on sales of \$17.2 billion. The decreases in net income attributable to Cummins Inc. and earnings per diluted share were driven by the absence of the \$1.3 billion gain recognized on the divestiture of Atmus in the first quarter of 2024 and lower demand in on-highway truck markets, partially offset by the strong growth in power generation markets, especially data center and commercial markets, favorable non-tariff pricing mainly related to the launch of updated engine products in light-duty markets and lower compensation expenses. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

The table below presents our consolidated net sales by geographic area based on the location of the customer:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
United States and Canada	\$ 5,189	\$ 5,501	\$ (312)	(6)%	\$ 10,243	\$ 10,612	\$ (369)	(3)%
International	3,454	3,295	159	5 %	6,574	6,587	(13)	— %
Total net sales	<u>\$ 8,643</u>	<u>\$ 8,796</u>	<u>\$ (153)</u>	<u>(2)%</u>	<u>\$ 16,817</u>	<u>\$ 17,199</u>	<u>\$ (382)</u>	<u>(2)%</u>

Worldwide revenues decreased by 2 percent in the three months ended June 30, 2025, compared to the same period in 2024, primarily due to the weaker demand in on-highway truck markets, partially offset by higher demand in power generation markets, especially data center and commercial markets. Net sales in the U.S. and Canada declined 6 percent primarily due to the lower demand in heavy-duty and medium-duty markets, partially offset by higher sales in power generation markets. International sales (excludes the U.S. and Canada) improved 5 percent primarily due to higher sales in Europe and China, partially offset by lower sales in Asia Pacific. The increase in international sales was primarily due to higher power generation demand, partially offset by lower demand in on-highway markets.

Worldwide revenues decreased by 2 percent in the six months ended June 30, 2025, compared to the same period in 2024, mainly due to weaker demand in on-highway truck markets and the divestiture of Atmus, partially offset by higher demand in power generation markets, especially data center and commercial markets. Net sales in the U.S. and Canada declined 3 percent mainly due to lower demand in on-highway truck markets and the divestiture of Atmus in the first quarter of 2024, partially offset by higher sales in power generation markets. International sales (excludes the U.S. and Canada) remained flat primarily due to lower sales in Latin America, offset by higher sales in China. Weaker demand in on-highway truck markets and the divestiture of Atmus were offset by higher power generation demand. Unfavorable foreign currency fluctuations impacted international sales by 2 percent (primarily the Brazilian real and Indian rupee). See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

The following tables contain sales and EBITDA (defined as earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests) by reportable segment for the three and six months ended June 30, 2025 and 2024. See NOTE 15, "REPORTABLE SEGMENTS," to our *Condensed Consolidated Financial Statements* for additional information and a reconciliation of our segment information to the corresponding amounts in our *Condensed Consolidated Statements of Net Income*.

Reportable Segments	Three months ended June 30,							
	2025			2024			Percent change 2025 vs. 2024	
	Sales	Percent of Total	EBITDA	Sales	Percent of Total	EBITDA		
In millions							Sales	EBITDA
Engine	\$ 2,899	27 %	\$ 400	\$ 3,151	30 %	\$ 445	(8)%	(10)%
Components	2,705	25 %	397	2,982	28 %	406	(9)%	(2)%
Distribution	3,041	29 %	445	2,829	26 %	314	7 %	42 %
Power Systems	1,889	18 %	430	1,589	15 %	301	19 %	43 %
Accelera	105	1 %	(100)	111	1 %	(117)	(5)%	15 %
Total segments	10,639	100 %	1,572	10,662	100 %	1,349	— %	17 %
Intersegment eliminations	(1,996)		15	(1,866)		(4)	7 %	NM
Total	\$ 8,643		\$ 1,587	\$ 8,796		\$ 1,345	(2)%	18 %

"NM" - not meaningful information

Reportable Segments	Six months ended June 30,							
	2025			2024			Percent change	
	Sales	Percent of Total	EBITDA	Sales	Percent of Total	EBITDA	Sales	EBITDA
In millions								
Engine	\$ 5,670	27 %	\$ 858	\$ 6,079	29 %	\$ 859	(7)%	— %
Components	5,375	26 %	779	6,314	30 %	879	(15)%	(11)%
Distribution	5,948	29 %	821	5,364	26 %	608	11 %	35 %
Power Systems	3,538	17 %	819	2,978	14 %	538	19 %	52 %
Accelera	208	1 %	(186)	204	1 %	(218)	2 %	15 %
Total segments	20,739	100 %	3,091	20,939	100 %	2,666	(1)%	16 %
Intersegment eliminations	(3,922)		(44)	(3,740)		1,251 ⁽¹⁾	5 %	NM
Total	\$ 16,817		\$ 3,047	\$ 17,199		\$ 3,917 ⁽¹⁾	(2)%	(22)%

"NM" - not meaningful information

⁽¹⁾ Intersegment eliminations and total EBITDA included a \$1.3 billion gain related to the divestiture of Atmus and total EBITDA included \$35 million of costs associated with the divestiture of Atmus for the six months ended June 30, 2024. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

2025 Highlights

We generated \$782 million in cash from operations for the six months ended June 30, 2025, compared to using \$575 million for the comparable period in 2024. See the section titled "Cash Flows" in the "LIQUIDITY AND CAPITAL RESOURCES" section for a discussion of items impacting cash flows.

Our debt to capital ratio (total capital defined as debt plus equity) at June 30, 2025, was 38.7 percent, compared to 38.4 percent at December 31, 2024. The increase was primarily due to higher debt balances at June 30, 2025, partially offset by increased equity balances from strong earnings since December 31, 2024. At June 30, 2025, we had \$3.1 billion in cash and marketable securities on hand and access to our \$4.0 billion credit facilities (net of \$353 million of commercial paper outstanding), if necessary, to meet working capital, investment, acquisition and funding needs.

In July 2025, the Board of Directors (Board) authorized an increase to our quarterly dividend of approximately 10 percent from \$1.82 per share to \$2.00 per share.

On July 4, 2025, the "One Big Beautiful Bill Act" was signed into law, enacting significant changes to U.S. federal income tax rules affecting corporations, such as the ability to immediately deduct domestic research and development costs, restoration of elective 100 percent bonus depreciation for qualified property and changes related to the international tax provisions. We are currently assessing the impact to our consolidated financial statements.

On June 2, 2025, we entered into an amended and restated 5-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2030. The credit agreement amended and restated the prior \$2.0 billion 5-year credit agreement that would have matured on June 3, 2029.

On June 2, 2025, we entered into a new 3-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2028. The credit agreement replaced the prior \$2.0 billion 364-day credit facility that matured on June 2, 2025.

On May 9, 2025, we issued \$2.0 billion aggregate principal amount of senior unsecured notes consisting of \$300 million aggregate principal amount of 4.25 percent senior unsecured notes due in 2028, \$700 million aggregate principal amount of 4.70 percent senior unsecured notes due in 2031 and \$1.0 billion aggregate principal amount of 5.30 percent senior unsecured notes due in 2035. Net of the discount and underwriter fees, we received net proceeds of \$1.99 billion. See NOTE 9, "DEBT," to our *Condensed Consolidated Financial Statements* for additional information.

In the first six months of 2025, we entered into a series of interest rate lock agreements including 5-year and 10-year locks, with notional amounts totaling \$200 million and \$500 million, respectively, to reduce variability of cash flows of interest payments on debt forecasted to be issued in 2025 to replace our senior notes at maturity and for other general purposes. In the second quarter of 2025, with the issuance of senior unsecured notes, we settled all \$700 million of interest rate lock agreements. The immaterial net losses from settlement will be amortized over the remaining term of the related debt. See NOTE 13, "DERIVATIVES," to our *Condensed Consolidated Financial Statements* for additional information.

In the first quarter of 2025, we settled the remaining \$350 million of interest rate swaps, at their expiration date, on our debt due in 2025. See NOTE 13, "DERIVATIVES," to our *Condensed Consolidated Financial Statements* for additional information.

In the first six months of 2025, the investment gain on our U.S. pension trusts was 4.6 percent, while our U.K. pension trusts' loss was 0.8 percent. We anticipate making additional defined benefit pension contributions during the remainder of 2025 of \$22 million for our U.S. and U.K. qualified and non-qualified pension plans. We expect our 2025 annual net periodic pension cost to approximate \$79 million.

As of the date of this filing, our credit ratings and outlooks from the credit rating agencies remain unchanged.

RESULTS OF OPERATIONS

In millions, except per share amounts	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
NET SALES	\$ 8,643	\$ 8,796	\$ (153)	(2)%	\$ 16,817	\$ 17,199	\$ (382)	(2)%
Cost of sales	6,362	6,603	241	4 %	12,381	12,965	584	5 %
GROSS MARGIN	2,281	2,193	88	4 %	4,436	4,234	202	5 %
OPERATING EXPENSES AND INCOME								
Selling, general and administrative expenses	779	828	49	6 %	1,550	1,667	117	7 %
Research, development and engineering expenses	357	379	22	6 %	701	748	47	6 %
Equity, royalty and interest income from investees	118	103	15	15 %	249	226	23	10 %
Other operating expense, net	37	44	7	16 %	74	77	3	4 %
OPERATING INCOME	1,226	1,045	181	17 %	2,360	1,968	392	20 %
Interest expense	87	109	22	20 %	164	198	34	17 %
Other income, net	86	41	45	NM	146	1,428	(1,282)	(90)%
INCOME BEFORE INCOME TAXES	1,225	977	248	25 %	2,342	3,198	(856)	(27)%
Income tax expense	297	225	(72)	(32)%	564	418	(146)	(35)%
CONSOLIDATED NET INCOME	928	752	176	23 %	1,778	2,780	(1,002)	(36)%
Less: Net income attributable to noncontrolling interests	38	26	(12)	(46)%	64	61	(3)	(5)%
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 890	\$ 726	\$ 164	23 %	\$ 1,714	\$ 2,719	\$ (1,005)	(37)%
Diluted Earnings Per Common Share Attributable to Cummins Inc.	\$ 6.43	\$ 5.26	\$ 1.17	22 %	\$ 12.38	\$ 19.42	\$ (7.04)	(36)%

"NM" - not meaningful information

Percent of sales	Three months ended June 30,		Favorable/ (Unfavorable) Percentage Points	Six months ended June 30,		Favorable/ (Unfavorable) Percentage Points
	2025	2024		2025	2024	
Gross margin	26.4 %	24.9 %	1.5	26.4 %	24.6 %	1.8
Selling, general and administrative expenses	9.0 %	9.4 %	0.4	9.2 %	9.7 %	0.5
Research, development and engineering expenses	4.1 %	4.3 %	0.2	4.2 %	4.3 %	0.1

Net Sales

Net sales for the three months ended June 30, 2025, decreased by \$153 million versus the comparable period in 2024. The primary drivers were as follows:

- Components segment sales decreased 9 percent mainly due to lower drivetrain and braking systems demand in North America and lower sales in India due to changes in our business model.
- Engine segment sales decreased 8 percent largely due to lower demand in North American heavy-duty truck markets.

These decreases were partially offset by the following:

- Power Systems segment sales increased 19 percent primarily due to higher demand in power generation markets, especially in North America and China.
- Distribution segment sales increased 7 percent principally due to higher demand in power generation markets, especially in North America.

Net sales for the six months ended June 30, 2025, decreased \$382 million versus the comparable period in 2024. The primary drivers were as follows:

- Components segment sales decreased 15 percent mainly due to the divestiture of Atmus on March 18, 2024, and lower drivetrain and braking systems demand in North America and lower sales in India due to changes in our business model. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.
- Engine segment sales decreased 7 percent largely due to lower demand in North American heavy-duty truck markets.
- Unfavorable foreign currency fluctuations of 1 percent of total sales, primarily in the Brazilian real and Indian rupee

These decreases were partially offset by the following:

- Distribution segment sales increased 11 percent principally due to higher demand in power generation markets, especially in North America.
- Power Systems segment sales increased 19 percent primarily due to higher demand in power generation markets, especially in North America and China.

Sales to international markets (excludes the U.S. and Canada), based on location of customers, for the three and six months ended June 30, 2025, were 40 percent and 39 percent of total net sales compared with 37 percent and 38 percent of total net sales for the comparable periods in 2024. A more detailed discussion of sales by segment is presented in the "REPORTABLE SEGMENT RESULTS" section.

Cost of Sales

The types of expenses included in cost of sales are the following: parts and material consumption, including direct and indirect materials; compensation and related expenses, including variable compensation, salaries and fringe benefits; depreciation on production equipment and facilities and amortization of technology intangibles; estimated costs of warranty programs and campaigns; production utilities; production-related purchasing; warehousing, including receiving and inspection; freight costs; engineering support costs; repairs and maintenance; production and warehousing facility property insurance and rent for production facilities and other production overhead.

Gross Margin

Gross margin increased \$88 million for the three months ended June 30, 2025, and increased 1.5 points as a percentage of net sales versus the comparable period in 2024. The increases in gross margin and gross margin as a percentage of sales were primarily due to favorable non-tariff related pricing mainly due to the launch of updated engine products in light-duty markets, partially offset by lower volumes. The net impact of tariff costs and related recoveries was immaterial for the three month period ended June 30, 2025.

Gross margin increased \$202 million for the six months ended June 30, 2025, and increased 1.8 points as a percentage of sales versus the comparable period in 2024. The increases in gross margin and gross margin as a percentage of sales were primarily due to favorable non-tariff related pricing mainly due to the launch of updated engine products in light-duty markets, partially offset by lower volumes and the absence of Atmus sales. The net impact of tariff costs and related recoveries was immaterial for the six month period ended June 30, 2025. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

The provision for base warranties issued as a percentage of sales for the three and six months ended June 30, 2025, was 1.9 percent and 1.9 percent, respectively, compared to 1.9 percent and 1.9 percent for the comparable periods in 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased \$49 million and \$117 million and decreased 0.4 and 0.5 points as a percentage of net sales, respectively, for the three and six months ended June 30, 2025, versus the comparable periods in 2024. The decreases were mainly due to lower compensation expenses. Compensation and related expenses included salaries, fringe benefits and variable compensation.

Research, Development and Engineering Expenses

Research, development and engineering expenses decreased \$22 million and \$47 million and decreased 0.2 and 0.1 points as a percentage of net sales, respectively, for the three and six months ended June 30, 2025, versus the comparable periods in 2024. The decreases were mainly due to lower compensation expenses. Compensation and related expenses included salaries, fringe benefits and variable compensation.

Research activities continue to focus on development of new products and improvements of current technologies to meet future emission standards around the world, improvements in fuel economy performance of diesel and natural gas-powered engines and related components, as well as development activities around electrified power systems with innovative components and systems including battery and electric power technologies and hydrogen production technologies.

Equity, Royalty and Interest Income from Investees

Equity, royalty and interest income from investees increased \$15 million for the three months ended June 30, 2025, versus the comparable period in 2024, primarily due to the absence of a joint venture consolidated in the first quarter of 2025 with prior year losses.

Equity, royalty and interest income from investees increased \$23 million for the six months ended June 30, 2025, versus the comparable period in 2024, mainly due to the absence of a joint venture consolidated in the first quarter of 2025 with prior year losses, higher royalty and interest income from investees and increased earnings at Chongqing Cummins Engine Co., Ltd. and Beijing Foton Cummins Engine Co., Ltd., partially offset by lower earnings at Sistemas Automotrices de Mexico S.A. de C.V., the absence of joint venture earnings from the divestiture of Atmus and higher start-up costs from Amplify Cell Technologies LLC. See NOTE 4, "EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEES," and NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

Other Operating Expense, Net

Other operating expense, net was as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Amortization of intangible assets	\$ (33)	\$ (33)	\$ (65)	\$ (65)
Other, net	(4)	(11)	(9)	(12)
Total other operating expense, net	<u>\$ (37)</u>	<u>\$ (44)</u>	<u>\$ (74)</u>	<u>\$ (77)</u>

Interest Expense

Interest expense was \$87 million and \$164 million for the three and six months ended June 30, 2025, versus \$109 million and \$198 million for the comparable periods in 2024. Interest expense decreased \$22 million and \$34 million, respectively, primarily due to lower weighted-average interest rates, partially offset by higher debt balances.

Other Income, Net

Other income, net was as follows:

In millions	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest income	\$ 30	\$ 30	\$ 56	\$ 59
Non-service pension and OPEB income	17	22	34	52
Foreign currency gain (loss), net	16	(12)	11	(23)
Gain (loss) on corporate owned life insurance	11	(2)	21	—
Gain on sale of marketable securities, net	7	—	11	4
Gain related to divestiture of Atmus ⁽¹⁾	—	—	—	1,333
Other, net	5	3	13	3
Total other income, net	<u>\$ 86</u>	<u>\$ 41</u>	<u>\$ 146</u>	<u>\$ 1,428</u>

⁽¹⁾ See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

Income Tax Expense

Our effective tax rate for 2025 is expected to approximate 24.5 percent, excluding any discrete items that may arise and potential adjustments for the "One Big Beautiful Bill Act" signed into law on July 4, 2025.

Our effective tax rates for the three and six months ended June 30, 2025, were 24.2 percent and 24.1 percent, respectively. Our effective tax rates for the three and six months ended June 30, 2024, were 23.0 percent and 13.1 percent, respectively.

The three months ended June 30, 2025, contained net favorable discrete tax items of \$3 million primarily due to \$4 million of favorable adjustments for uncertain tax positions, partially offset by \$1 million of other unfavorable tax items.

The six months ended June 30, 2025, contained net favorable discrete tax items of \$10 million primarily due to \$8 million of favorable adjustments for share-based compensation tax benefits and \$5 million of favorable adjustments for uncertain tax positions, partially offset by \$3 million of other unfavorable tax items.

The three months ended June 30, 2024, contained favorable discrete tax items of \$9 million primarily due to share-based compensation tax benefits.

The six months ended June 30, 2024, contained favorable discrete tax items primarily due to the \$1.3 billion non-taxable gain on the Atmus split-off. Other discrete tax items were \$30 million favorable primarily due to adjustments related to audit settlements and share-based compensation tax benefits.

Noncontrolling Interests

Noncontrolling interests eliminate the income or loss attributable to non-Cummins ownership interests in our consolidated entities. Noncontrolling interests in income of consolidated subsidiaries for the three and six months ended June 30, 2025, increased \$12 million and \$3 million versus the comparable periods in 2024. The increase for the three months ended June 30, 2025, was primarily due to higher earnings at Cummins India Limited. The increase for the six months ended June 30, 2025, was mainly due to higher earnings at Eaton Cummins Joint Venture and Cummins India Limited, partially offset by the divestiture of Atmus and losses from a former joint venture consolidated in the first quarter of 2025.

Comprehensive Income - Foreign Currency Translation Adjustment

The foreign currency translation adjustment was a net gain of \$197 million and \$314 million, for the three and six months ended June 30, 2025, respectively, compared to a net loss of \$83 million and \$143 million, for the three and six months ended June 30, 2024, respectively, driven by the following:

In millions	Three months ended June 30,			
	2025		2024	
	Translation adjustment	Primary currency driver vs. U.S. dollar	Translation adjustment	Primary currency driver vs. U.S. dollar
Wholly-owned subsidiaries	\$ 180	Euro, British pound and Brazilian real	\$ (69)	Brazilian real and Chinese renminbi
Equity method investments	15	Chinese renminbi	(12)	Chinese renminbi and Brazilian real
Consolidated subsidiaries with a noncontrolling interest	2	Euro	(2)	Indian rupee
Total	<u>\$ 197</u>		<u>\$ (83)</u>	

In millions	Six months ended June 30,			
	2025		2024	
	Translation adjustment	Primary currency driver vs. U.S. dollar	Translation adjustment	Primary currency driver vs. U.S. dollar
Wholly-owned subsidiaries	\$ 290	Euro, British pound and Brazilian real	\$ (123)	Brazilian real and Chinese renminbi
Equity method investments	20	Chinese renminbi	(15)	Chinese renminbi, partially offset by Indian rupee
Consolidated subsidiaries with a noncontrolling interest	4	Euro and Indian rupee	(5)	Indian rupee and Chinese renminbi
Total	<u>\$ 314</u>		<u>\$ (143)</u>	

REPORTABLE SEGMENT RESULTS

Our reportable segments consist of the Engine, Components, Distribution, Power Systems and Accelera segments. This reporting structure is organized according to the products and markets each segment serves. We use segment EBITDA as the basis for the Chief Operating Decision Maker to evaluate the performance of each of our reportable segments. 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. Segment amounts exclude certain expenses not specifically identifiable to segments. See NOTE 15, "REPORTABLE SEGMENTS," to our *Condensed Consolidated Financial Statements* for additional information and a reconciliation of our segment information to the corresponding amounts in our *Condensed Consolidated Statements of Net Income*.

Tariff related costs were evaluated independently of all other drivers included in the disclosures below and all references to "price" and "material cost" variances exclude these separately evaluated tariff costs. The net impact of tariff costs and related recoveries were immaterial to each reportable segment's EBITDA.

Following is a discussion of results for each of our reportable segments.

Engine Segment Results

Financial data for the Engine segment was as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
External sales	\$ 2,162	\$ 2,468	\$ (306)	(12)%	\$ 4,202	\$ 4,708	\$ (506)	(11)%
Intersegment sales	737	683	54	8 %	1,468	1,371	97	7 %
Total sales	2,899	3,151	(252)	(8)%	5,670	6,079	(409)	(7)%
Research, development and engineering expenses	151	167	16	10 %	306	321	15	5 %
Equity, royalty and interest income from investees	60	48	12	25 %	133	105	28	27 %
Interest income	8	7	1	14 %	18	14	4	29 %
Segment EBITDA	400	445	(45)	(10)%	858	859	(1)	— %

	Percentage Points			Percentage Points	
Segment EBITDA as a percentage of total sales	13.8 %	14.1 %	(0.3)	15.1 %	14.1 %

Sales for our Engine segment by market were as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
Heavy-duty truck	\$ 976	\$ 1,184	\$ (208)	(18)%	\$ 1,897	\$ 2,243	\$ (346)	(15)%
Medium-duty truck and bus	950	1,074	(124)	(12)%	1,936	2,069	(133)	(6)%
Light-duty automotive	486	461	25	5 %	907	899	8	1 %
Total on-highway	2,412	2,719	(307)	(11)%	4,740	5,211	(471)	(9)%
Off-highway	487	432	55	13 %	930	868	62	7 %
Total sales	\$ 2,899	\$ 3,151	\$ (252)	(8)%	\$ 5,670	\$ 6,079	\$ (409)	(7)%

	Percentage Points			Percentage Points	
On-highway sales as percentage of total sales	83 %	86 %	(3)	84 %	86 %

Unit shipments by engine classification (including unit shipments to Power Systems and off-highway engine units included in their respective classification) were as follows:

	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
Heavy-duty	29,600	37,500	(7,900)	(21)%	56,300	71,100	(14,800)	(21)%
Medium-duty	73,400	79,600	(6,200)	(8)%	148,600	155,400	(6,800)	(4)%
Light-duty	44,000	57,200	(13,200)	(23)%	83,100	112,000	(28,900)	(26)%
Total unit shipments ⁽¹⁾	147,000	174,300	(27,300)	(16)%	288,000	338,500	(50,500)	(15)%

⁽¹⁾ Unit shipments exclude aftermarket parts.

Sales

Engine segment sales for the three months ended June 30, 2025, decreased \$252 million versus the comparable period in 2024. The following were the primary drivers by market:

- Heavy-duty truck sales decreased \$208 million mainly due to weaker demand, especially in North America with shipments down 26 percent.
- Medium-duty truck and bus sales decreased \$124 million primarily due to lower truck demand, especially in North America with shipments down 30 percent.

Engine segment sales for the six months ended June 30, 2025, decreased \$409 million versus the comparable period in 2024. The following were the primary drivers by market:

- Heavy-duty truck sales decreased \$346 million principally due to lower demand, especially in North America with shipments down 25 percent.
- Medium-duty truck and bus sales decreased \$133 million primarily due to lower truck demand, especially in North America with shipments down 20 percent.

Segment EBITDA

Engine segment EBITDA for the three months ended June 30, 2025, decreased \$45 million versus the comparable period in 2024, primarily due to lower volumes and unfavorable material costs, partially offset by favorable pricing. Unfavorable material costs and favorable pricing were primarily related to the launch of updated products in light-duty markets.

Engine segment EBITDA for the six months ended June 30, 2025, decreased \$1 million versus the comparable period in 2024, due to lower volumes, primarily offset by favorable pricing related to the launch of updated products in light-duty markets.

Components Segment Results

Financial data for the Components segment was as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
External sales	\$ 2,295	\$ 2,518	\$ (223)	(9)%	\$ 4,565	\$ 5,360	\$ (795)	(15)%
Intersegment sales	410	464	(54)	(12)%	810	954	(144)	(15)%
Total sales	2,705	2,982	(277)	(9)%	5,375	6,314	(939)	(15)%
Research, development and engineering expenses	77	81	4	5 %	152	165	13	8 %
Equity, royalty and interest income from investees	10	13	(3)	(23)%	17	39	(22)	(56)%
Interest income	10	9	1	11 %	17	17	—	— %
Segment EBITDA	397	406	(9)	(2)%	779	879 ⁽¹⁾	(100)	(11)%
Percentage Points								
Segment EBITDA as a percentage of total sales	14.7 %	13.6 %	1.1		14.5 %	13.9 %	0.6	

⁽¹⁾ Included \$21 million of costs associated with the divestiture of Atmus for the six months ended June 30, 2024. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

Sales for our Components segment by business were as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
Drivetrain and braking systems	\$ 1,095	\$ 1,256	\$ (161)	(13)%	\$ 2,151	\$ 2,488	\$ (337)	(14)%
Emission solutions	900	941	(41)	(4)%	1,802	1,912	(110)	(6)%
Components and software	587	623	(36)	(6)%	1,182	1,234	(52)	(4)%
Automated transmissions	123	162	(39)	(24)%	240	327	(87)	(27)%
Atmus	—	—	—	— %	—	353 ⁽¹⁾	(353)	(100)%
Total sales	\$ 2,705	\$ 2,982	\$ (277)	(9)%	\$ 5,375	\$ 6,314	\$ (939)	(15)%

⁽¹⁾ Included sales through the March 18, 2024, divestiture. See NOTE 14, "ATMUS DIVESTITURE," to our *Condensed Consolidated Financial Statements* for additional information.

Sales

Components segment sales for the three months ended June 30, 2025, decreased \$277 million versus the comparable period in 2024. The following were the primary drivers by business:

- Drivetrain and braking systems sales decreased \$161 million primarily due to lower demand in North America and lower sales in India due to changes in our business model.
- Emission solutions sales decreased \$41 million mainly due to lower demand in North America.

Components segment sales for the six months ended June 30, 2025, decreased \$939 million versus the comparable period in 2024. The following were the primary drivers by business:

- Sales decreased \$353 million due to the Atmus divestiture on March 18, 2024.
- Drivetrain and braking systems sales decreased \$337 million primarily due to lower demand in North America and lower sales in India due to changes in our business model.

Segment EBITDA

Components segment EBITDA for the three months ended June 30, 2025, decreased \$9 million versus the comparable period in 2024, mainly due to lower volumes and unfavorable foreign currency fluctuations (primarily in the Mexican peso and the Brazilian real), partially offset by favorable product coverage costs, decreased compensation expenses, lower material costs and favorable pricing.

Components segment EBITDA for the six months ended June 30, 2025, decreased \$100 million versus the comparable period in 2024, primarily due to lower volumes and the divestiture of Atmus, partially offset by favorable product coverage costs, decreased compensation expenses and lower material costs.

Distribution Segment Results

Financial data for the Distribution segment was as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
External sales	\$ 3,034	\$ 2,821	\$ 213	8 %	\$ 5,936	\$ 5,350	\$ 586	11 %
Intersegment sales	7	8	(1)	(13)%	12	14	(2)	(14)%
Total sales	3,041	2,829	212	7 %	5,948	5,364	584	11 %
Research, development and engineering expenses	14	14	—	— %	28	28	—	— %
Equity, royalty and interest income from investees	26	24	2	8 %	54	48	6	13 %
Interest income	7	11	(4)	(36)%	12	22	(10)	(45)%
Segment EBITDA	445	314	131	42 %	821	608	213	35 %

	Percentage Points				Percentage Points			
Segment EBITDA as a percentage of total sales	14.6 %	11.1 %	3.5		13.8 %	11.3 %	2.5	

Sales for our Distribution segment by region were as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
North America	\$ 2,077	\$ 1,901	\$ 176	9 %	\$ 4,177	\$ 3,624	\$ 553	15 %
Europe	325	285	40	14 %	595	525	70	13 %
Asia Pacific	280	310	(30)	(10)%	520	595	(75)	(13)%
China	125	130	(5)	(4)%	239	232	7	3 %
India	91	79	12	15 %	165	150	15	10 %
Latin America	83	64	19	30 %	133	124	9	7 %
Africa and Middle East	60	60	—	— %	119	114	5	4 %
Total sales	\$ 3,041	\$ 2,829	\$ 212	7 %	\$ 5,948	\$ 5,364	\$ 584	11 %

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

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
Power generation	\$ 1,200	\$ 954	\$ 246	26 %	\$ 2,290	\$ 1,661	\$ 629	38 %
Parts	1,015	990	25	3 %	2,046	1,991	55	3 %
Service	439	448	(9)	(2)%	855	854	1	— %
Engines	387	437	(50)	(11)%	757	858	(101)	(12)%
Total sales	\$ 3,041	\$ 2,829	\$ 212	7 %	\$ 5,948	\$ 5,364	\$ 584	11 %

Sales

Distribution segment sales for the three and six months ended June 30, 2025, increased \$212 million and \$584 million, respectively, versus the comparable periods in 2024. These increases were primarily due to an increase in North American sales mainly driven by higher demand in power generation markets, especially data center and commercial markets.

Segment EBITDA

Distribution segment EBITDA for the three months ended June 30, 2025, increased \$131 million versus the comparable period in 2024, primarily due to increased power generation volumes in North America, favorable mix, decreased compensation expenses, lower material costs and favorable foreign currency fluctuations (primarily in the Euro).

Distribution segment EBITDA for the six months ended June 30, 2025, increased \$213 million versus the comparable period in 2024, primarily due to increased power generation volumes in North America, favorable pricing, decreased compensation expenses and lower material costs.

Power Systems Segment Results

Financial data for the Power Systems segment was as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
External sales	\$ 1,054	\$ 888	\$ 166	19 %	\$ 1,926	\$ 1,596	\$ 330	21 %
Intersegment sales	835	701	134	19 %	1,612	1,382	230	17 %
Total sales	1,889	1,589	300	19 %	3,538	2,978	560	19 %
Research, development and engineering expenses	69	63	(6)	(10)%	126	123	(3)	(2)%
Equity, royalty and interest income from investees	27	26	1	4 %	56	45	11	24 %
Interest income	4	3	1	33 %	8	6	2	33 %
Segment EBITDA	430	301	129	43 %	819	538	281	52 %

			Percentage Points			Percentage Points
Segment EBITDA as a percentage of total sales	22.8 %	18.9 %	3.9	23.1 %	18.1 %	5.0

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

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
Power generation	\$ 1,205	\$ 987	\$ 218	22 %	\$ 2,206	\$ 1,840	\$ 366	20 %
Industrial	506	478	28	6 %	1,004	898	106	12 %
Generator technologies	178	124	54	44 %	328	240	88	37 %
Total sales	<u>\$ 1,889</u>	<u>\$ 1,589</u>	<u>\$ 300</u>	19 %	<u>\$ 3,538</u>	<u>\$ 2,978</u>	<u>\$ 560</u>	19 %

Sales

Power Systems segment sales for the three months ended June 30, 2025, increased \$300 million versus the comparable period in 2024. The increase was primarily due to increased power generation sales of \$218 million mainly due to higher demand in North America and China.

Power Systems segment sales for the six months ended June 30, 2025, increased \$560 million versus the comparable period in 2024. The following were the primary drivers by product line:

- Power generation sales increased \$366 million mainly due to higher demand in North America and China.
- Industrial sales increased \$106 million primarily due to stronger demand in global mining markets (including higher aftermarket sales) and higher demand in rail markets (including higher aftermarket sales), especially in India.

Segment EBITDA

Power Systems segment EBITDA for the three months ended June 30, 2025, increased \$129 million versus the comparable period in 2024, mainly due to favorable pricing and higher volumes, partially offset by unfavorable mix.

Power Systems segment EBITDA for the six months ended June 30, 2025, increased \$281 million versus the comparable period in 2024, mainly due to higher volumes and favorable pricing.

Accelera Segment Results

Financial data for the Accelera segment was as follows:

In millions	Three months ended June 30,		Favorable/ (Unfavorable)		Six months ended June 30,		Favorable/ (Unfavorable)	
	2025	2024	Amount	Percent	2025	2024	Amount	Percent
External sales	\$ 98	\$ 101	\$ (3)	(3)%	\$ 188	\$ 185	\$ 3	2 %
Intersegment sales	7	10	(3)	(30)%	20	19	1	5 %
Total sales	105	111	(6)	(5)%	208	204	4	2 %
Research, development and engineering expenses	46	54	8	15 %	89	109	20	18 %
Equity, royalty and interest loss from investees	(5)	(8)	3	38 %	(11)	(11)	—	— %
Interest income	1	—	1	NM	1	—	1	NM
Segment EBITDA	(100)	(117)	17	15 %	(186)	(218)	32	15 %

"NM" - not meaningful information

Accelera segment sales for the three months ended June 30, 2025, decreased \$6 million versus the comparable period in 2024, mainly due to lower sales for electrolyzers, partially offset by improved sales of electrified powertrains.

Accelera segment sales for the six months ended June 30, 2025, increased \$4 million versus the comparable period in 2024, primarily due to improved sales of electrified powertrains, partially offset by lower sales for electrolyzers.

OUTLOOK

The uncertain tariff environment has created significant market volatility while introducing uncertainty around future demand for capital goods as well as potential impacts to our supply chain and our related product costs. Given the breadth, severity and uncertainty about the duration of global tariffs, our outlook presented below could be negatively impacted by tariff related volatility. We are proactively taking steps in our supply chain to mitigate impacts where possible and we are working with our customers to pass through incremental costs.

2025 OUTLOOK

Our outlook reflects the following positive trends and challenges to our business that could impact our revenue and earnings potential in 2025.

Positive Trends

- We expect demand within our Power Systems business to remain strong, including the power generation and industrial markets.
- We anticipate demand in our aftermarket business will remain stable, driven primarily by demand in our Engine and Power Systems businesses.

Challenges

- We expect demand for medium-duty and heavy-duty trucks in North America to decline in the second half of 2025.
- Increases in costs, tariffs, as well as other inflationary pressures, could negatively impact earnings.
- The potential for trade disruption, including embargoes, sanctions and export controls could negatively impact earnings.
- Due to the current regulatory environment, there is uncertainty regarding North American emissions regulation for 2027.

LIQUIDITY AND CAPITAL RESOURCES

Key Working Capital and Balance Sheet Data

We fund our working capital with cash from operations and short-term borrowings, including commercial paper, when necessary. Various assets and liabilities, including short-term debt, can fluctuate significantly from month-to-month depending on short-term liquidity needs. As a result, working capital is a prime focus of management's attention. Working capital and balance sheet measures are provided in the following table:

Dollars in millions	June 30, 2025	December 31, 2024
Working capital ⁽¹⁾	\$ 6,618	\$ 3,518
Current ratio	1.64	1.31
Accounts and notes receivable, net	\$ 5,874	\$ 5,181
Days' sales in receivables	60	58
Inventories	\$ 6,287	\$ 5,742
Inventory turnover	4.0	4.4
Accounts payable (principally trade)	\$ 4,151	\$ 3,951
Days' payable outstanding	59	60
Total debt	\$ 8,111	\$ 7,059
Total debt as a percent of total capital	38.7 %	38.4 %

⁽¹⁾ Working capital included cash and cash equivalents.

Cash Flows

Cash and cash equivalents were impacted as follows:

In millions	Six months ended June 30,			Change
	2025	2024		
Net cash provided by (used in) operating activities	\$ 782	\$ (575)		\$ 1,357
Net cash used in investing activities	(615)	(806)		191
Net cash provided by financing activities	424	807		(383)
Effect of exchange rate changes on cash and cash equivalents	57	(15)		72
Net increase (decrease) in cash and cash equivalents	\$ 648	\$ (589)		\$ 1,237

Net cash provided by operating activities increased \$1.4 billion for the six months ended June 30, 2025, versus the comparable period in 2024, primarily due to lower working capital requirements of \$1.2 billion. The lower working capital requirements resulted in a cash outflow of \$1.3 billion compared to a cash outflow of \$2.5 billion in the comparable period of 2024, mainly due to \$1.9 billion of payments in 2024 required by the Settlement Agreements, partially offset by unfavorable changes in accounts and notes receivable.

Net cash used in investing activities decreased \$191 million for the six months ended June 30, 2025, versus the comparable period in 2024, primarily due to the absence of cash associated with the Atmus divestiture.

Net cash provided by financing activities decreased \$383 million for the six months ended June 30, 2025, versus the comparable period in 2024, primarily due to increased net payments of commercial paper of \$991 million and lower proceeds from borrowings of \$336 million, partially offset by lower payments on borrowings and finance lease obligations of \$1.0 billion (largely related to early payments of \$1.1 billion on our term loan, due 2025, in the prior year).

The effect of exchange rate changes on cash and cash equivalents for the six months ended June 30, 2025, versus the comparable period in 2024, changed \$72 million primarily due to favorable fluctuations in the British pound, Chinese renminbi and Euro.

Sources of Liquidity

We typically generate significant ongoing cash flow and cash provided by operations is generally our principal source of liquidity. Our sources of liquidity include the following:

In millions	June 30, 2025			Primary location of international balances
	Total	U.S.	International	
Cash and cash equivalents	\$ 2,319	\$ 1,218	\$ 1,101	Singapore, China, Australia, United Kingdom, Mexico, Belgium
Marketable securities ⁽¹⁾	755	77	678	India
Total	\$ 3,074	\$ 1,295	\$ 1,779	
Available credit capacity				
Revolving credit facilities ⁽²⁾	\$ 3,647			
International and other uncommitted domestic credit facilities	\$ 725			

⁽¹⁾ The majority of marketable securities could be liquidated into cash within a few days.

⁽²⁾ The 5-year credit facility for \$2.0 billion and the 3-year credit facility for \$2.0 billion, maturing June 2030 and June 2028, respectively, are maintained primarily to provide backup liquidity for our commercial paper borrowings and general corporate purposes. At June 30, 2025, we had \$353 million of commercial paper outstanding, which effectively reduced our available capacity under our revolving credit facilities to \$3.6 billion.

Cash, Cash Equivalents and Marketable Securities

A significant portion of our cash flow is generated outside the U.S. We manage our worldwide cash requirements considering available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. As a result, we do not anticipate any local liquidity restrictions to preclude us from funding our operating needs with local resources.

If we distribute our foreign cash balances to the U.S. or to other foreign subsidiaries, we could be required to accrue and pay withholding taxes, for example, if we repatriated cash from certain foreign subsidiaries whose earnings we asserted are completely or partially permanently reinvested. Foreign earnings for which we assert permanent reinvestment outside the U.S. consist primarily of earnings of our China, India, Canada (including underlying subsidiaries) and Netherlands domiciled subsidiaries. At present, we do not foresee a need to repatriate any earnings for which we assert permanent reinvestment. However, to help fund cash needs of the U.S. or other international subsidiaries as they arise, we repatriate available cash from certain foreign subsidiaries whose earnings are not completely permanently reinvested when cost effective to do so.

Debt Facilities and Other Sources of Liquidity

On June 2, 2025, we entered into an amended and restated 5-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2030. The credit agreement amended and restated the prior \$2.0 billion 5-year credit agreement that would have matured on June 3, 2029.

On June 2, 2025, we entered into a new 3-year credit agreement that allows us to borrow up to \$2.0 billion of unsecured funds at any time prior to June 2, 2028. The credit agreement replaced the prior \$2.0 billion 364-day credit facility that matured on June 2, 2025.

Our committed credit facilities provide access up to \$4.0 billion from our \$2.0 billion 3-year credit facility that expires on June 2, 2028 and our \$2.0 billion 5-year facility that expires on June 2, 2030. These revolving credit facilities are maintained primarily to provide backup liquidity for our commercial paper borrowings and general corporate purposes. We intend to maintain credit facilities at the current or higher aggregate amounts by renewing or replacing these facilities at or before expiration. There were no outstanding borrowings under these facilities at June 30, 2025.

Our committed credit facilities also provide access up to \$4.0 billion of unsecured, short-term promissory notes (commercial paper) pursuant to the Board authorized commercial paper programs. These programs facilitate the private placement of unsecured short-term debt through third-party brokers. We intend to use the net proceeds from the commercial paper borrowings for general corporate purposes. The total combined borrowing capacity under the revolving credit facilities and commercial paper programs should not exceed \$4.0 billion. At June 30, 2025, we had \$353 million of commercial paper outstanding, which effectively reduced our available capacity under our revolving credit facilities to \$3.6 billion. See NOTE 9, "DEBT," to our *Condensed Consolidated Financial Statements* for additional information.

As a well-known seasoned issuer, we filed an automatic shelf registration for an undetermined amount of debt and equity securities with the Securities and Exchange Commission on February 13, 2025. Under this shelf registration we may offer, from time-to-time, debt securities, common stock, preferred and preference stock, depositary shares, warrants, stock purchase contracts and stock purchase units.

Supply Chain Financing

We currently have supply chain financing programs with financial intermediaries, which provide certain vendors the option to be paid by financial intermediaries earlier than the due date on the applicable invoice. When a vendor utilizes the program and receives an early payment from a financial intermediary, they take a discount on the invoice. We then pay the financial intermediary the face amount of the invoice on the original due date, which generally have 60 to 90 day payment terms. The maximum amount that we could have outstanding under these programs was \$558 million at June 30, 2025. We do not reimburse vendors for any costs they incur for participation in the program, their participation is completely voluntary and there are no assets pledged as security or other forms of guarantees provided for the committed payment to the finance provider or intermediary. As a result, all amounts owed to the financial intermediaries are presented as accounts payable in our *Condensed Consolidated Balance Sheets*. Amounts due to the financial intermediaries reflected in accounts payable at June 30, 2025, were \$153 million.

Accounts Receivable Sales Program

In May 2024, we entered into an accounts receivable sales agreement with Wells Fargo Bank, N.A., to sell certain accounts receivable up to the Board approved limit of \$500 million. There was no activity under the program during the six months ended June 30, 2025 and June 30, 2024. See NOTE 1, "NATURE OF OPERATIONS AND BASIS OF PRESENTATION," to our *Condensed Consolidated Financial Statements* for additional information.

Uses of Cash

Dividends

We paid dividends of \$502 million during the six months ended June 30, 2025. In July 2025, the Board authorized an increase to our quarterly dividend of approximately 10 percent from \$1.82 per share to \$2.00 per share.

Capital Expenditures

Capital expenditures for the six months ended June 30, 2025, were \$393 million versus \$409 million in the comparable period in 2024. We continue to invest in new product lines and targeted capacity expansions. We plan to spend an estimated \$1.4 billion to \$1.5 billion in 2025 on capital expenditures with over 65 percent of these expenditures expected to be invested in North America.

Current Maturities of Short and Long-Term Debt

We had \$353 million of commercial paper outstanding at June 30, 2025, that matures in less than one year. The maturity schedule of our existing long-term debt includes \$500 million of cash outflows in 2025 when our 0.75 percent senior notes are due. Required annual long-term debt principal payments range from \$82 million to \$595 million over the next five years (including the remainder of 2025). We intend to retain our strong investment credit ratings. See NOTE 9, "DEBT," to our *Condensed Consolidated Financial Statements* for additional information.

Pensions

Our global pension plans, including our unfunded and non-qualified plans, were 115 percent funded at December 31, 2024. Our U.S. defined benefit plans (qualified and non-qualified), which represented approximately 70 percent of the worldwide pension obligation, were 117 percent funded, and our U.K. defined benefit plans were 109 percent funded at December 31, 2024. The funded status of our pension plans is dependent upon a variety of variables and assumptions including return on invested assets, market interest rates and levels of voluntary contributions to the plans. In the first six months of 2025, the investment gain on our U.S. pension trusts was 4.6 percent, while our U.K. pension trusts' loss was 0.8 percent. We anticipate making additional defined benefit pension contributions during the remainder of 2025 of \$22 million for our U.S. and U.K. qualified and non-qualified pension plans. These contributions may be made from trusts or company funds either to increase pension assets or to make direct benefit payments to plan participants. We expect our 2025 annual net periodic pension cost to approximate \$79 million.

Stock Repurchases

In December 2021, the Board authorized the acquisition of up to \$2.0 billion of additional common stock upon completion of the \$2.0 billion repurchase plan authorized in 2019. We did not make any repurchases of common stock in the first six months of 2025. The dollar value remaining available for future purchases under the 2019 program at June 30, 2025, was \$218 million.

Amplify Cell Technologies LLC Joint Venture

As of June 30, 2025, we contributed \$255 million to our Amplify Cell Technologies LLC joint venture and our maximum remaining required contribution was \$551 million, which could be reduced by future government incentives received by the joint venture. The majority of the contribution is expected to be made by the end of 2028. See NOTE 4, "EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEEs," to our *Condensed Consolidated Financial Statements* for additional information.

Credit Ratings

Our rating and outlook from each of the credit rating agencies as of the date of filing are shown in the table below:

Credit Rating Agency ⁽¹⁾	Long-Term	Short-Term	Outlook
	Senior Debt Rating	Debt Rating	
Standard and Poor's Rating Services	A	A1	Stable
Moody's Investors Service, Inc.	A2	P1	Stable

⁽¹⁾ Credit ratings are not recommendations to buy, are subject to change, and each rating should be evaluated independently of any other rating. In addition, we undertake no obligation to update disclosures concerning our credit ratings, whether as a result of new information, future events or otherwise.

Management's Assessment of Liquidity

Our financial condition and liquidity remain strong. Our solid balance sheet and credit ratings enable us to have ready access to credit and the capital markets. We assess our liquidity in terms of our ability to generate adequate cash to fund our operating, investing and financing activities in combination with access to our revolving credit facilities and commercial paper programs as noted above. We believe our access to the capital markets, our existing cash and marketable securities, operating cash flow and revolving credit facilities provide us with the financial flexibility needed to fund targeted capital expenditures, dividend payments, debt service obligations, projected pension obligations, common stock repurchases, joint venture contributions and acquisitions through 2025 and beyond.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

A summary of our significant accounting policies is included in [NOTE 1, “SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,”](#) of the *Notes to the Consolidated Financial Statements of our 2024 Form 10-K*, which discusses accounting policies that we have selected from acceptable alternatives.

Our *Condensed Consolidated Financial Statements* are prepared in accordance with generally accepted accounting principles that often require management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts presented and disclosed in the financial statements. Management reviews these estimates and assumptions based on historical experience, changes in business conditions and other relevant factors they believe to be reasonable under the circumstances. In any given reporting period, our actual results may differ from the estimates and assumptions used in preparing our *Condensed Consolidated Financial Statements*.

Critical accounting estimates are defined as follows: the estimate requires management to make assumptions about matters that were highly uncertain at the time the estimate was made; different estimates reasonably could have been used; or if changes in the estimate are reasonably likely to occur from period to period and the change would have a material impact on our financial condition or results of operations. Our senior management has discussed the development and selection of our accounting policies, related accounting estimates and the disclosures set forth below with the Audit Committee of the Board. Our critical accounting estimates disclosed in the [Form 10-K](#) address estimating liabilities for warranty programs, fair value of intangible assets, assessing goodwill impairment, accounting for income taxes and pension benefits.

A discussion of our critical accounting estimates may be found in the [“Management’s Discussion and Analysis”](#) section of our 2024 Form 10-K under the caption [“APPLICATION OF CRITICAL ACCOUNTING ESTIMATES.”](#) Within the context of these critical accounting estimates, we are not currently aware of any reasonably likely events or circumstances that would result in different policies or estimates being reported in the first six months of 2025.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See NOTE 16, “RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS,” in the *Notes to our Condensed Consolidated Financial Statements* for additional information.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

A discussion of quantitative and qualitative disclosures about market risk may be found in [Item 7A of our 2024 Form 10-K](#). There have been no material changes in this information since the filing of our [2024 Form 10-K](#).

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, our CEO and our CFO concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (2) accumulated and communicated to management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2025, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The matters described under “Legal Proceedings” in NOTE 11, “COMMITMENTS AND CONTINGENCIES,” to our *Condensed Consolidated Financial Statements* are incorporated herein by reference.

ITEM 1A. Risk Factors

In addition to other information set forth in this report, you should consider other risk factors discussed in [Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024](#), which could materially affect our business, financial condition or future results. Other than noted below, there have been no material changes to our risks described in our [2024 Annual Report on Form 10-K](#) or the “CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION” in this Quarterly report. Additional risks and uncertainties not currently known to us or that we currently judge to be immaterial also may materially adversely affect our business, financial condition or operating results.

GOVERNMENT REGULATION

We operate our business on a global basis and changes in tariffs and other trade disruptions could adversely impact the demand for our products and our competitive position.

We manufacture, sell and service products globally and rely upon a global supply chain to deliver the raw materials, components, systems and parts that we need to manufacture and service our products. There is currently significant uncertainty about the future relationship between the U.S. and various other countries with respect to tariffs and other trade disruptions (such as embargoes, sanctions and export controls). The uncertain tariff environment, marked by the U.S. imposition of tariffs on certain countries, followed by the imposition of retaliatory tariffs on U.S. goods and services by certain countries has introduced significant market volatility and raised concerns about potential economic impacts. The extent to which tariffs and/or other trade disruptions will be enacted and the duration for which enacted tariffs and/or other trade disruptions will be in place remain uncertain and could adversely impact our production costs, customer demand and our relationships with customers and suppliers. Any of these consequences could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, our compliance with any such newly enacted tariffs and/or other trade disruptions is likely to require significant resources and data management systems and could increase our cost of doing business, restrict our ability to operate our business or execute our strategies, and could result in fines and penalties or reputational harm if we are found to not be in full compliance.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following information is provided pursuant to Item 703 of Regulation S-K:

Period	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) ⁽¹⁾
April 1 - April 30	—	\$ —	—	\$ 2,218
May 1 - May 31	—	—	—	2,218
June 1 - June 30	—	—	—	2,218
Total	—	—	—	—

⁽¹⁾ Shares repurchased under our Key Employee Stock Investment Plan only occur in the event of a participant default, which cannot be predicted, and were excluded from this column.

In December 2021, the Board authorized the acquisition of up to \$2.0 billion of additional common stock upon completion of the \$2.0 billion repurchase plan authorized in 2019. During the three months ended June 30, 2025, we did not make any repurchases of common stock. The dollar value remaining available for future purchases under the 2019 program at June 30, 2025, was \$218 million.

Our Key Employee Stock Investment Plan allows certain employees, other than officers, to purchase shares of common stock on an installment basis up to an established credit limit. We hold participants’ shares as security for the loans and would, in effect, repurchase shares only if the participant defaulted in repayment of the loan. Shares associated with participants’ sales are sold as open-market transactions via a third-party broker.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

(c) During the second quarter of 2025, none of our directors or executive officers adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408(a) of Regulation S-K), except as set forth in the table below:

Name	Title	Action Taken	Date	Type of Trading Agreement ⁽¹⁾	Duration of Trading Agreement ⁽²⁾	Aggregate Number of Shares to be Sold
Amy R. Davis	Vice President and President - Accelera and Components	Adoption	5/15/2025	Rule 10b5-1 trading arrangement	8/4/2026	19,353 shares ⁽³⁾

⁽¹⁾ Each trading arrangement marked as a Rule 10b5-1 trading arrangement is intended to satisfy the affirmative defense of Rule 10b5-1(c).

⁽²⁾ Each trading arrangement permits transactions through and including the earlier to occur of the completion of all sales under the trading arrangement or the date listed in the table.

⁽³⁾ The aggregate number of shares to be sold includes shares subject to the vesting of restricted stock unit and performance share unit awards, and accordingly the actual amount may vary based on tax withholding and satisfaction of performance conditions.

ITEM 6. Exhibits

The exhibits listed in the following Exhibit Index are filed as part of this Quarterly Report on Form 10-Q.

**CUMMINS INC.
EXHIBIT INDEX**

Exhibit No.	Description of Exhibit
4.1	Ninth Supplemental Indenture, dated as of May 9, 2025, between Cummins Inc. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by Cummins Inc. with the Securities and Exchange Commission on May 9, 2025 (File No. 001-04949)).
4.2	Tenth Supplemental Indenture, dated as of May 9, 2025, between Cummins Inc. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed by Cummins Inc. with the Securities and Exchange Commission on May 9, 2025 (File No. 001-04949)).
4.3	Eleventh Supplemental Indenture, dated as of May 9, 2025, between Cummins Inc. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K filed by Cummins Inc. with the Securities and Exchange Commission on May 9, 2025 (File No. 001-04949)).
10.1	Deferred Compensation Plan, as amended and restated January 1, 2026 (filed herewith).
10.2	Third Amended and Restated Credit Agreement, dated as of June 2, 2025, by and among Cummins Inc., the subsidiary borrowers referred to therein, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Cummins Inc. with the Securities and Exchange Commission on June 2, 2025 (File No. 001-04949)).
10.3	3-Year Credit Agreement, dated as of June 2, 2025, by and among Cummins Inc., the subsidiary borrowers referred to therein, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Cummins Inc. with the Securities and Exchange Commission on June 2, 2025 (File No. 001-04949)).
10.4	Employee Stock Purchase Plan, as amended and restated August 1, 2025 (filed herewith).
31(a)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31(b)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed with this quarterly report on Form 10-Q are the following documents formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the *Condensed Consolidated Statements of Net Income for the three and six months ended June 30, 2025 and 2024*, (ii) the *Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2025 and 2024*, (iii) the *Condensed Consolidated Balance Sheets at June 30, 2025 and December 31, 2024*, (iv) the *Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024*, (v) the *Condensed Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2025 and 2024*, (vi) *Notes to Condensed Consolidated Financial Statements* and (vii) the information included in Part II, Item 5(c).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.
Cummins Inc.

Date: August 5, 2025

By: _____	By: _____
/s/ MARK A. SMITH	/s/ LUTHER E. PETERS
Mark A. Smith	Luther E. Peters
<i>Vice President and Chief Financial Officer</i>	<i>Vice President-Controller</i>
<i>(Principal Financial Officer)</i>	<i>(Principal Accounting Officer)</i>

**CUMMINS INC. DEFERRED COMPENSATION PLAN
FOR NON-EMPLOYEE DIRECTORS**

As Amended and Restated as of January 1, 2026

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CUMMINS INC. DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

ARTICLE I RESTATEMENT AND PURPOSE

Section 1.01. Restatement and Application. Cummins Inc. established the Deferred Compensation Plan for Non-Employee Directors of Cummins Inc. (“Plan”), effective April 5, 1994, and it has amended the Plan since that time. The Plan was last amended and restated effective February 15, 2021. The Plan is again amended and restated effective January 1, 2026 (the “Restatement Effective Date”), to incorporate certain changes to the terms of the Plan.

Section 1.02. Application of Restatement. This document shall apply to all amounts deferred or vested under the Plan after 2004 and any earnings credited with respect to such amounts. It does not apply to any amount deferred and vested on or before December 31, 2004, or any earnings credited under the Plan with respect to such amounts (together, “Grandfathered Amounts”), and Grandfathered Amounts shall continue to be governed by the terms and conditions of the Plan as in effect on December 31, 2007; provided, however, the person or persons entitled to receive any remaining portion of a Participant’s accounts under the Plan after his death shall be determined pursuant to this document, provided that the Participant’s death occurs after 2004.

Section 1.03. Purpose. The sole purpose of this Plan is to provide non- employee directors of the Company with an opportunity to defer Compensation from the Company in accordance with the terms and conditions set forth herein.

Section 1.04. Funding. The Company has established the Trust to hold assets for the provision of certain benefits under the Plan as well as other employer benefits. Assets of the Trust are subject to the claims of the Company’s and any Affiliated Employer’s general creditors, and no Participant shall have any interest in any assets of the Trust or the Company other than as a general creditor of the Company.

ARTICLE II DEFINITIONS AND INTERPRETATION

Section 2.01. Definitions. When the first letter of a word or phrase is capitalized herein and the word or phrase is not otherwise defined, the word or phrase shall have the meaning specified below:

(a) “Administrator” means the Company’s Benefits Policy Committee or such other person that the Board designates as Administrator. To the extent that the Administrator delegates a duty or responsibility to an agent, the term “Administrator” shall include such agent.

(b) “Affiliated Employer” means (i) a member of a controlled group of corporations (as defined in Code Section 414(b)) of which the Company is a member or (ii) an unincorporated trade or business under common control (as defined in Code Section 414(d)) with the Company.

(c) “Affirmation of Domestic Partnership” means a form or other means designated for use in affirming the relationship between a Participant and his Domestic Partner.

(d) “Beneficiary” means the person or entity entitled to receive a Participant’s death benefits under Section 7.05, if any, remaining after the Participant’s death. A Participant’s Beneficiary shall be determined as provided in Section 7.08.

(e) “Benefit Claim” means a request or claim for a benefit under the Plan, including a claim for greater benefits than have been paid.

(f) “Board” or “Board of Directors” means the Company’s Board of Directors or, where the context so permits, its designee.

(g) “Cash Deferrals” means the cash portion of eligible Compensation deferred by a Director pursuant to the Plan.

(h) “Change of Control” means the occurrence of any of the following:

- (1) there shall be consummated (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company’s common stock would be converted in whole or in part into cash or other securities or property, other than a merger of the Company in which the holders of the Company’s common stock immediately before the merger have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (B) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, or
- (2) the liquidation or dissolution of the Company, or
- (3) any ‘person’ (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (‘the Exchange Act’)), other than the Company or a subsidiary thereof or any employee benefit plan sponsored by the Company or a subsidiary thereof or a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, shall

become the beneficial owners (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases, or otherwise, or

- (4) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's stockholders of each new director during such two- year period was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such two-year period, or
- (5) any other event shall occur that would be required to be reported in response to Item 6(e) (or any successor provision) of Schedule 14A or Regulation 14A promulgated under the Exchange Act.

Notwithstanding the preceding provisions, an event or series of events shall not constitute a Change of Control unless the event or series of events qualifies as a change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation within the meaning of Code Section 409A(a)(2)(A)(v).

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Company" means Cummins Inc.

(k) "Compensation" means all fees, whether paid in cash or shares of the Company's common stock, earned as a Director, and fees to be received for serving as a chairperson or member or for attending a meeting of a Board committee; provided, however, Compensation does not include any consulting fees earned by the Director.

(l) "Deferred Cash Account" means the bookkeeping account established by the Company for a Participant under Section 5.01.

(m) "Deferred Stock Account" means the bookkeeping account established by the Company for a Participant under Section 5.02.

(n) "Denial" or "Denied" means a denial, reduction, termination, or failure to provide or make payment (in whole or in part) of a Plan benefit.

(o) "Designated Distribution Date" means the date on which distribution of a Plan Year Balance is to commence as elected pursuant to Section 4.02(c) or Section 4.01(d), as

applicable. Except as otherwise provided in Section 4.02 or permitted by the Administrator, a Participant's Designated Distribution Date must be a specified Quarterly Distribution Month occurring at least two years after the end of the calendar year for which the deferral is made.

(p) "Designated Election" means, with respect to a Plan Year Balance, the payment schedule as elected pursuant to Section 4.02(b) or Section 4.01(d), as applicable.

(q) "Director" means a member of the Company's Board of Directors who is not an officer or employee of the Company.

(r) "Domestic Partner" means a person of the same or opposite sex (i) with whom the Participant has a single, dedicated relationship and has shared the same permanent residence for at least six months, (ii) who is not married to another person or part of another domestic partner relationship and is at least age 18, (iii) who, with the Participant, is mutually responsible for the other's welfare, (iv) who, with the Participant, intends for their relationship to be permanent, (v) who is not so closely related to the Participant as to preclude marriage under state law, and (vi) for whom there is an Affirmation of Domestic Partnership on file with the Administrator. In determining whether the requirements of clauses (i) through (v) of the preceding sentence have been satisfied, the Administrator may rely on the Affirmation of Domestic Partnership filed with the Administrator.

(s) "Domestic Relations Order" has the meaning specified in Code Section 414(p)(1)(B).

(t) "Grandfathered Amount" has the meaning specified in Section 1.02.

(u) "Non-Grandfathered Amount" means a benefit under the Plan that is not a Grandfathered Amount.

(v) "Participant" means a Director who agrees to make deferrals under the Plan and to be bound by the provisions of the Plan by means designated by the Administrator and who is, or whose Beneficiaries are, entitled to benefits under the Plan. Once an individual has become a Participant pursuant to the preceding sentence, he shall remain a Participant until his entire benefit under the Plan has been distributed.

(w) "Payment Year" means a Director's annual term of service, which is the period beginning on the day after an annual shareholders meeting of the Company and ending on the date of the subsequent year's annual shareholders meeting.

(x) "Plan" means the "Cummins Inc. Deferred Compensation Plan for Non-Employee Directors," as set out in this document and as it may be amended from time to time.

(y) "Plan Year Balance" means, with respect to a Participant, the bookkeeping account established to reflect the portion of his Deferred Cash Account or Deferred Stock Account attributable to a specific Payment Year. Where the context

permits, “Plan Year Balance” also means the amount credited to such bookkeeping account.

(z) “Quarterly Distribution Month” means, with respect to amounts deferred prior to the Restatement Effective Date, March, June, September, or December and, with respect to amounts deferred on or after the Restatement Effective Date, April, July, October, or January.

(aa) “Spouse” means, as of the date of a Participant’s death, (i) the person to whom the Participant is married in accordance with applicable law of the jurisdiction in which the Participant resides, or (ii) in the case of a Participant not described in clause (i), the Participant’s Domestic Partner.

(bb) “Stock Deferrals” means the stock portion of eligible Compensation deferred by a Director pursuant to the Plan.

(cc) “Terminates Service,” “Termination of Service,” or any variation thereof refers to a separation from service within the meaning of Code Section 409A(a)(2)(A)(i) for a reason other than the Director’s death.

(dd) “Trust” means the grantor trust established by the Company to hold assets for the provision of certain benefits under the Plan as well as other employer benefits.

(ee) “Trustee” means the Trustee of the Trust.

(ff) “Unforeseeable Emergency” has the meaning given to such term by Code Section 409A and the guidance thereunder. In general, the term means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary or a dependent (as defined in Code Section 152(a)) of the Participant; loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising from events beyond the control of the Participant.

Section 2.02. Rules of Interpretation.

(a) The Plan is intended to comply with Code Section 409A, and it shall be interpreted and administered in accordance with such intent. Except as provided in the preceding sentence or as otherwise expressly provided herein, the Plan shall be construed, enforced, and administered, and the validity thereof determined, in accordance with the internal laws of the State of Indiana without regard to conflict of law principles, and the following provisions of this Section.

(b) Words used herein in the masculine shall be construed to include the feminine, where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed to include the plural or singular, where appropriate.

(c) Headings and subheadings are used for convenience of reference only and shall not affect the interpretation of any provision hereof.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed null and void, but the invalidation of that provision shall not otherwise affect the Plan.

(e) Reference to any provision of the Code or other law shall be deemed to include a reference to the successor of such provision.

ARTICLE III PARTICIPATION

Section 3.01. Commencement of Participation. The Board or its designee shall provide each Director with a copy or summary of the Plan and the forms needed to make Cash Deferrals or Stock Deferrals under the Plan. Any such Director shall become a Participant only after completing online enrollment or taking such other action as the Board may prescribe.

Section 3.02. Cessation of Participation. A Participant shall continue to be eligible to make deferrals under the Plan until the Participant ceases to be an eligible Director. Termination of participation shall be effective as of the date on which the Director both Terminates Service and his entire interest in the Plan has been distributed.

ARTICLE IV ELECTIONS TO DEFER

Section 4.01. General Provisions.

(a) A Director newly elected to the Board may elect to defer his or her Compensation attributable to services performed for the balance of the Payment Year in which he or she was elected. The election to defer Compensation may be made until 6:00 P.M. of the day of the Board meeting at which the Director is so elected (the time zone of the location of said Board meeting shall control) or, if the Director is elected by a written consent action in lieu of a meeting, the day on which the written consent action is effective (the time zone of the Company's headquarters shall control). All elections pursuant to this Article IV shall be made by the means designated by the Administrator, which may include completion of an online form or other means.

(b) Before December 31 of any year, an incumbent Director may elect to defer all or a portion of his Compensation for services as a Director during any Payment Year(s) beginning in a later calendar year, in which case the elected deferrals shall be deferred and credited to a Plan Year Balance for the applicable Payment Year established pursuant to the terms of the Plan.

(c) A Participant may change an existing deferral election with respect to future Compensation only by making a new election pursuant to Subsection (b), in which case the

change shall be effective with respect to the Participant's Compensation for services as a Director during the Payment Year beginning after the calendar year in which the election was filed (and later Payment Years, as elected by the Participant).

(d) A Participant may change the Designated Distribution Date and/or Designated Election for a Plan Year Balance only by the means designated by the Administrator, which may include completion of an online form or other means; provided that each Participant may make only one such change with respect to any Plan Year Balance and such change also must meet the following requirements: the Participant's election change shall (i) not be effective until 12 months after it is made, (ii) be valid only if it defers the payment of the relevant Plan Year Balance for a period of not less than five years from the date it otherwise would have been made, and (iii) if the election relates to a payment at a specified time or pursuant to a specified schedule, be valid only if it is made at least 12 months before the date the payment is scheduled to be paid.

(e) A Participant may change the investment option(s) stipulated for crediting earnings on his or her Plan Year Balances pursuant to Article VI of the Plan and such procedures as are prescribed by the Administrator.

(f) A Participant may change his or her designation of Beneficiary(ies) at any time pursuant to Section 7.08.

Section 4.02. Elections. A Director may make an election to defer amounts under the Plan by online enrollment or taking such other action as the Administrator may prescribe within the applicable time as specified in Section 4.01 above. A completed election shall stipulate:

(a) The percentage of the cash portion of eligible Compensation and the common stock portion of eligible Compensation to be deferred.

(b) The method of distribution of the Plan Year Balance. The Participant may elect to receive payment of his Plan Year Balance in either (i) one lump sum payment or (ii) a specified number of annual installments, not to exceed 15.

(c) The date on which distribution is to commence, subject to the provisions of Article VII.

(d) The optional rate(s) for crediting earnings on Cash Deferrals.

ARTICLE V PLAN YEAR BALANCES

Section 5.01. Establishment of Deferred Cash Accounts. At the time of a Participant's initial election to make Cash Deferrals pursuant to Article IV, the Company shall

establish a bookkeeping account (known as the Deferred Cash Account) for such Participant to record his interest under the Plan attributable to Cash Deferrals. Cash Deferrals made by a Participant for a Payment Year shall be credited to the Plan Year Balance for such Payment Year in the Deferred Cash Account as of the last day of the Payment Year, and the Deferred Cash Account shall be adjusted as provided in Article VI.

Section 5.02. Establishment of Deferred Stock Account.

(a) At the time of a Participant's initial election to make Stock Deferrals pursuant to Article IV, the Company shall establish a bookkeeping account (known as the Deferred Stock Account) for such Participant to record his interest under the Plan attributable to Stock Deferrals. Stock Deferrals made by a Participant for a Payment Year (rounded up to the next whole share) shall be credited to the Plan Year Balance for such Payment Year in the Deferred Stock Account as of the last day of the Payment Year. Any part of the stock portion of a Director's Compensation not covered by a Stock Deferral election shall be paid to the Director in accordance with the terms of the Cummins Inc. 2012 Omnibus Incentive Plan (or any successor plan thereto) and the applicable award thereunder.

(b) The Deferred Stock Account shall also be credited with an amount equivalent to the dividends that would have been paid on an equal number of outstanding shares of the Company's common stock then credited to the Participant's Deferred Stock Account. Such amount shall be credited as of the payment date of such dividend and converted into an additional number of whole and partial deferred shares as of such date (based on the closing price of the Company's common stock on such date). Such additional deferred shares shall thereafter be treated in the same manner as any other shares credited to the Participant's Deferred Stock Account.

(c) The number and kinds of shares standing to the credit of a Participant's Deferred Stock Account shall be appropriately adjusted from time to time, as determined by the Administrator in its discretion, in the event of changes in the Company's outstanding common stock by reason of stock dividends, stock splits, spinoffs, or other distributions of assets (other than normal cash dividends), recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in the Company's corporate structure or capitalization. Notwithstanding the foregoing, if the Company shall subdivide the shares of common stock or the Company shall declare a dividend payable in shares of common stock, and if no action is taken by the Administrator, then the adjustments contemplated by this subsection (c) that are proportionate shall nevertheless automatically be made as of the date of such subdivision of the shares or dividend in shares.

Section 5.03. Separate Accounts for Grandfathered Amounts. The Company shall separately account for Grandfathered Amounts and Non-Grandfathered Amounts.

ARTICLE VI ADJUSTMENTS TO DEFERRED CASH ACCOUNTS

As of the end of each business day, the Company shall credit the Participant's Deferred Cash Account with an earnings factor. The earnings factor will equal the amount the Participant's Deferred Cash Account would have earned if it had been invested in the investment options determined from time to time by the Company. The Participant is permitted to select the investment option(s) used to determine the earnings factor and may change the selection at such times as may be prescribed by the Administrator. The Participant may choose more than one investment option in such minimum increments as are prescribed by the Administrator. The Company reserves the right to change or amend any of the investment options at any time. The Company is under no obligation to acquire or provide any of the investments designated by a Participant, and any investments actually made by the Company will be made solely in the name of the Company and will remain the property of the Company. The crediting of an earnings factor shall occur so long as there is a balance in the Participant's Deferred Cash Account, regardless of whether the Participant has Terminated Service.

ARTICLE VII PAYMENT OF DEFERRED AMOUNTS

Section 7.01. Timing of Payments. Each Plan Year Balance within a Participant's Deferred Cash Account and Deferred Stock Account shall be paid (or commence distribution, if paid in installments) to the Participant (or the Participant's Beneficiary, if the Participant is deceased) on the earliest to occur of the following:

- (a) the Participant's death as described in Section 7.05;
- (b) the first month of the calendar quarter following the Participant's Termination of Service;
- (c) a Change of Control as described in Section 7.06; or
- (d) the Designated Distribution Date for the Plan Year Balance.

Section 7.02. Form of Payment. All distributions from a Participant's Deferred Cash Account shall be paid in cash. All distributions from a Participant's Deferred Stock Account shall be paid in shares of Company common stock (other than any fractional share which shall be paid in cash) and such shares shall be issued under, and subject to, the Cummins Inc. 2012 Omnibus Incentive Plan (or a successor plan thereto).

Section 7.03. Amount of Installment Payments.

(a) The amount of each annual cash installment from a Plan Year Balance within a Participant's Deferred Cash Account shall be determined by dividing the credit balance in such Plan Year Balance as of the distribution date by the number of installments then remaining unpaid (including the installment for which the calculation is being made). The credit balance in the Plan Year Balance within the Participant's Deferred Cash Account shall be reduced by the amount of each distribution out of such Account.

(b) The number of shares distributed in each annual installment from a Plan Year Balance within a Participant's Deferred Stock Account shall be determined by dividing the number of stock units in such Plan Year Balance as of the distribution date by the number of installments then remaining unpaid (including the installment for which the calculation is being made) Any fractional stock units to be distributed shall be paid in cash as provided in Section 7.02. The number of stock units in the Plan Year Balance within the Participant's Deferred Stock Account shall be reduced by the number of shares included in each installment.

Section 7.04. Small Amounts. Notwithstanding anything to the contrary herein, if, at the time of the Participant's separation from service, the Participant's entire interest in the Plan, together with any amounts deferred by the Participant under any other arrangements aggregated with the Plan under Treas. Reg. s. 1.409A-1(c)(2), are of less value (determined on the basis of the closing price of the Company's common stock, in the case of any Deferred Stock Account) in total than the applicable dollar amount under Code Section 402(g)(1)(B) for the year, then the Administrator may pay out the Participant's entire interest in the Plan and such other arrangements in a single lump sum at such time.

Section 7.05. Death Benefits. Notwithstanding anything to the contrary herein, in the event of the Participant's death, payment of the entire balance in the Participant's Deferred Cash Account and Deferred Stock Account shall be made to the Participant's designated Beneficiary(ies) in a single lump sum payment within 90 days following the Participant's death.

Section 7.06. Payments Upon a Change of Control. Notwithstanding anything to the contrary herein, upon a Change of Control, the balance in each Participant's Deferred Cash Account and Deferred Stock Account shall be paid to the Participant (or, if the Participant is deceased, Beneficiary) in a single lump sum payment. Such payment shall be made on the date of the Change of Control.

Section 7.07. Payments on Account of Unforeseeable Emergency. Notwithstanding anything to the contrary in Section 7.01, if a Participant demonstrates to the satisfaction of the Chairman of the Board and the Chair of the Compensation Committee of the Board (together, the "Chairs") that he or she has incurred an Unforeseeable Emergency, the amount reasonably necessary to satisfy the emergency need (including any amounts necessary to pay any income taxes or penalties reasonably anticipated to result from the distribution), as determined by the Chairs, shall be distributed to the Participant as soon as administratively feasible after the decision of the Chairs; provided that, in determining whether an Unforeseeable Emergency has been incurred and the amount reasonably necessary to satisfy the emergency need, the Chairs shall take into consideration, among other things, all amounts available to the Participant under the Cummins Inc. and Affiliates Retirement and Savings Plans ("RSP") (including by obtaining a loan under the RSP). If the Chairs grant a request for withdrawal pursuant to this Section, the Administrator shall prospectively cancel the Participant's existing deferral elections, and the Chairs shall take into account the additional compensation that is available as a result of the cancellation of those elections in determining the amount reasonably necessary to satisfy the Participant's emergency need.

Section 7.08. Designating a Beneficiary.

(a) The Participant may designate a Beneficiary only by completing the online designation or other process required by the Administrator for a Beneficiary designation during his life. The Participant's proper completion of the process to designate a Beneficiary in accordance with the Administrator's requirements shall cancel all prior Beneficiary designations. If the Participant does not designate a Beneficiary, or if all properly designated Beneficiaries die before the Participant, then payment of the balance in the Participant's Deferred Cash Account and Deferred Stock Account shall be made to the Participant's estate in the event of the Participant's death.

(b) The following rules shall determine the apportionment of payments due under the Plan among Beneficiaries in the event of the Participant's death:

- (1) If any Beneficiary designated by the Participant as a "Direct Beneficiary" dies before the Participant, his or her interest and the interest of his or her heirs in any payments under the Plan shall terminate and the percentage share of the remaining Beneficiaries designated as Direct Beneficiaries shall be increased on a pro rata basis. If no such Beneficiary survives the Participant, the Participant's entire interest in the Plan shall pass to any Beneficiary designated as a "Contingent Beneficiary."
- (2) If any Beneficiary designated by the Participant as a "Contingent Beneficiary" dies before the Participant, his or her interest and the interest of his or her heirs in any payments under the Plan shall terminate and the percentage share of the remaining Beneficiaries designated as Contingent Beneficiaries shall be increased on a pro rata basis.
- (3) If any Beneficiary dies after the Participant, but before payment is made to such Beneficiary, then the payment shall be made to the Beneficiary's estate.

ARTICLE VIII ADMINISTRATION OF PLAN

Section 8.01. Powers and Responsibilities of the Administrator.

(a) The Administrator shall have full responsibility and discretionary authority to control and manage the operation and administration of the Plan. The Administrator is authorized to accept service of legal process on behalf of the Plan. To the fullest extent permitted by applicable law, any action taken by the Administrator pursuant to a reasonable interpretation of the Plan shall be binding and conclusive on all persons claiming benefits under the Plan, except to the extent that a court of competent jurisdiction determines that such action was arbitrary or capricious.

(b) The Administrator's discretionary powers include, but are not limited to, the following:

- (1) to interpret Plan documents, decide all questions of eligibility, determine whether a Participant has Terminated Service, determine the amount, manner, and timing of distributions under the Plan, and resolve any claims for benefits; to prescribe procedures to be followed by a Participant, Beneficiary, or other person applying for benefits;
- (2) to appoint or employ persons to assist in the administration of the Plan and any other agents as it deems advisable;
- (3) to adopt such rules as it deems necessary or appropriate; and
- (4) to maintain and keep adequate records concerning the Plan, including sufficient records to determine each Participant's eligibility to participate and his interest in the Plan, and its proceedings and acts in such form and detail as it may decide.

Section 8.02. Indemnification. The Company shall indemnify and hold harmless the Administrator, any person serving on a committee that serves as Administrator, and any officer, employee, or director of the Company or any Affiliated Employer to whom any duty or power relating to the administration of the Plan has been properly delegated from and against any cost, expense, or liability arising out of any act or omission in connection with the Plan, unless arising out of such person's own fraud or bad faith.

Section 8.03. Claims and Claims Review Procedure.

(a) All Benefit Claims must be made in accordance with procedures established by the Administrator from time to time. A Benefit Claim and any appeal thereof may be filed by the claimant or his authorized representative.

(b) The Administrator shall provide the claimant with written or electronic notice of its approval or Denial of a properly filed Benefit Claim within 90 days after receiving the claim, unless special circumstances require an extension of the decision period. If special circumstances require an extension of the time for processing the claim, the initial 90-day period may be extended for up to an additional 90 days. If an extension is required, the Administrator shall provide written notice of the required extension before the end of the initial 90-day period, which notice shall (i) specify the circumstances requiring an extension and (ii) the date by which the Administrator expects to make a decision.

(c) If a Benefit Claim is Denied, the Administrator shall provide the claimant with written or electronic notice containing (i) the specific reasons for the Denial, (ii) references to the applicable Plan provisions on which the Denial is based, (iii) a description of any additional material or information needed and why such material or information is necessary, and (iv) a description of the applicable review process and time limits.

(d) A claimant may appeal the Denial of a Benefit Claim by filing a written appeal with the Administrator within 60 days after receiving notice of the Denial. The claimant's appeal shall be deemed filed on receipt by the Administrator. If a claimant does not file a timely appeal, the Administrator's decision shall be deemed final, conclusive, and binding on all persons.

(e) The Administrator shall provide the claimant with written or electronic notice of its decision on appeal within 60 days after receipt of the claimant's appeal request, unless special circumstances require an extension of this time period. If special circumstances require an extension of the time to process the appeal, the processing period may be extended for up to an additional 60 days. If an extension is required, the Administrator shall provide written notice of the required extension to the claimant before the end of the original 60-day period, which shall specify the circumstances requiring an extension and the date by which the Administrator expects to make a decision. If the Benefit Claim is Denied on appeal, the Administrator shall provide the claimant with written or electronic notice containing a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Benefit Claim, as well as the specific reasons for the Denial on appeal and references to the applicable Plan provisions on which the Denial is based. The Administrator's decision on appeal shall be final, conclusive, and binding on all persons.

ARTICLE IX GROSS-UP PAYMENTS

If payment of the lump sum value of the Deferred Amounts pursuant to Section 7.06 ("Accelerated Payment") causes the Accelerated Payment and any other payments made in connection with a Change of Control (together with the Accelerated Payment, the "Total Payments") to be subject to the tax ("Excise Tax") imposed by Code Section 4999, the Company shall pay to the Participant an additional amount ("Gross-Up Payment") such that the net amount retained by the Participant, after deduction of any Excise Tax paid or payable (and not grossed-up under a similar provision of another plan or program sponsored by the Company) on the lump sum and such other Total Payments and any federal, state, and local income tax and Excise Tax upon the payment provided for by this Article, shall be equal to the Accelerated Payment and such other Total Payments. If any of such other Total Payments are subject to the Excise Tax without regard to the Accelerated Payment, a Gross-Up Payment shall be made, but shall be limited to the increase in the Excise Tax (plus any federal, state, and local income tax and Excise Tax on such Gross-Up Payment) arising solely as a result of the Accelerated Payment.

For purposes of determining whether any of the payments described above will be subject to the Excise Tax and the amount of such Excise Tax, (i) any other payments or benefits received or to be received by the Participant in connection with a Change of Control, whether payable pursuant to the terms of the Plan or any other plan, arrangement, or agreement with the Company, its successors, any person whose actions result in a change in control of the Company or any corporation affiliated (or which, as a result of the completion of a transaction causing a change of control, will become affiliated) with the Company within the meaning of Code Section 1504 shall be treated as “parachute payments” within the meaning of Code Section 280G(b)(2), and all “excess parachute payments” within the meaning of Code Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company’s independent auditors, the payments (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Code Section 280G(b)(4) either in their entirety or in excess of the base amount within the meaning of Code Section 280G(b)(3), or are otherwise not subject to the Excise Tax, (ii) the amount of the payments that shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the payments or (B) the amount of excess parachute payments within the meaning of Code Section 280G(b)(1) (after applying clause (i), above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company’s independent auditors and acceptable to the Participant in accordance with the principles of Code Sections 280G(d)(3) and (4). In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of payment, the Participant shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal and state and local income tax imposed on the Gross-Up Payment being repaid by the Participant if such repayment results in a reduction in Excise Tax and/or a federal and state and local income tax deduction) plus interest on the amount of such repayment at the rate provided in Code Section 1274(d). In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest payable with respect to such excess) at the time that the amount of such excess is finally determined.

To the extent that earlier payment is not required by the preceding provisions of this Section, the Company’s payment pursuant to this Section shall be made not later than the end of the calendar year next following the calendar year in which the Participant remits the related taxes.

ARTICLE X AMENDMENT AND TERMINATION

The Plan shall continue in force with respect to any Participant until the completion of any payments due hereunder. The Company may, however, at any time, amend the Plan to provide that no additional benefits shall accrue with respect to any Participant under the Plan or otherwise; provided, however, that no such amendment shall (i) deprive any Participant or

Beneficiary of any benefit that accrued under the Plan before the adoption of such amendment; (ii) result in an acceleration of benefit payments in violation of Code Section 409A and the guidance thereunder, or (iii) result in any other violation of Section 409A or the guidance thereunder. The Company may also, at any time, amend the Plan retroactively or otherwise, if and to the extent that it deems such action appropriate in light of government regulations or other legal requirements.

ARTICLE XI MISCELLANEOUS

Section 11.01. Obligations of the Company. The only obligation of the Company or any Affiliated Employer hereunder shall be a contractual obligation to make payments to Participants, Spouses, or other Beneficiaries entitled to benefits provided for herein when due, and only to the extent that such payments are not made from the Trust.

Section 11.02. Employment Rights. Nothing contain herein shall confer any right on a Participant to be continued in the service of the Company or affect the Participant's right to participate in and receive benefits under and in accordance with any pension, profit-sharing, incentive compensation, or other benefit plan or program of the Company or any Affiliated Employer.

Section 11.03. Non-Alienation. Except as otherwise required by a Domestic Relations Order, no right or interest of a Participant, Spouse, or other Beneficiary under this Plan shall be subject to voluntary or involuntary alienation, assignment, or transfer of any kind.

Section 11.04. Tax Withholding. The Company or the Trustee may withhold from any distribution hereunder amounts that the Company or the Trustee deems necessary to satisfy federal, state, or local tax withholding requirements (or make other arrangements satisfactory to the Company or Trustee with regard to such taxes).

Section 11.05. Other Plans. Amounts and benefits paid under the Plan shall not be considered compensation to the Participant for purposes of computing any benefits to which he may be entitled under any other pension or retirement plan maintained by the Company or any Affiliated Employer.

Section 11.06. Liability of Affiliated Employers. If any payment to be made under the Plan is to be made on account of a Participant who is or was employed by an Affiliated Employer, the cost of such payment shall be borne in such proportion as the Company and the Affiliated Employer agree.

This Amendment and Restatement of the Cummins Inc. Deferred Compensation Plan for Non-Employee Directors has been approved by the Company's duly authorized officer, acting on behalf of the Company, effective as of the 1st day of January, 2026.

CUMMINS INC.

By: /s/ Marvin Boakye
Name: Marvin Boakye
Title: Chief Human Resources Officer

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CUMMINS INC.
EMPLOYEE STOCK PURCHASE PLAN

Shares of Common Stock
(Par Value \$2.50 Per Share)
of Cummins Inc.

This document contains information regarding the Cummins Inc. Employee Stock Purchase Plan and the Common Stock of Cummins Inc. that has been or is to be offered to eligible employees of Cummins Inc. and its subsidiaries under the terms of the Employee Stock Purchase Plan.

Our common stock is traded on the New York Stock Exchange under the symbol “CMI.”

You should consider carefully the information under the caption “Risk Factors” in our most recent Annual Report on Form 10-K.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Dated as of August 1, 2025

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ARTICLE I

GENERAL PROVISIONS

Section 1.01. Restatement. Cummins Inc. ("Cummins") established the Cummins Inc. Employee Stock Purchase Plan ("Plan"), effective November 1, 1998. Cummins restated the Plan, subject to shareholder approval, effective as of May 14, 2019, and again amended the Plan effective January 1, 2020. The Plan was amended and restated effective as of the date of its approval by Cummins' shareholders at Cummins' 2023 annual meeting of shareholders and is being amended and restated again as of August 1, 2025 to include a potential per-Participant limit on the number of Plan Shares that may be purchased at a specified discount in any calendar year and to permit greater flexibility and variability in the specified discount.

Section 1.02. Purpose. The purpose of the Plan is to allow eligible employees of Cummins and its subsidiaries and affiliates ("Employer") to purchase shares of Cummins common stock and receive a matching employer contribution. The Plan is not intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code.

ARTICLE II

DEFINED TERMS AND RULES OF CONSTRUCTION

Section 2.01. Definitions. For purposes of the Plan, the following terms, when capitalized, have the meanings set out below:

- (a) "Account" means, with respect to a Participant, the account established by the Administrator for the Participant pursuant to Section 4.01.
- (b) "Administrator" means Morgan Stanley Smith Barney or such other administrator as Cummins, in its discretion, may designate.
- (c) "Applicable Form" means the form designated and provided by the Employer or Administrator for making an election or providing a notice required by the Plan. To the extent permitted by applicable law, the Employer or Administrator may prescribe an oral, electronic, or telephonic form in lieu of or in addition to a paper form.
- (d) "Base Pay" means, with respect to a Participant, his base salary or hourly wages and includes commission and earnings that are paid in lieu of base salary or hourly wages, such as vacation or holiday pay. Base Pay excludes allowances, incentive pay, bonuses, reimbursed expenses, overtime pay, deferred compensation, fringe benefits, and other similar forms of payment, unless otherwise determined by Cummins.
- (e) "Code" means the United States Internal Revenue Code of 1986, as amended from time to time.
- (f) "Commission" means the United States Securities and Exchange Commission.
- (g) "Common Stock" means the common stock of Cummins.
- (h) "Cummins" means Cummins Inc.
- (i) "Eligible Employee" means a permanent Employee who, in the judgment of Cummins, (i) is employed at a work location having sufficient payroll system capabilities to support the Plan and (ii) if such individual is a citizen or resident of a non-U.S. jurisdiction, is able to participate in the Plan without violating (or causing the Employer to violate) any applicable law or regulation. For purposes of this definition, a "permanent" Employee includes any Employee whom Cummins designates as "permanent," regardless of the Employee's classification in Cummins' payroll or human resources information systems.

(j) "Employee" means a common law employee of an Employer, excluding, however, any person paid through the payroll of an unrelated third party, even if such person is determined to be a common law employee of an Employer.

(k) "Employer" means Cummins and its designated subsidiaries and other affiliates.

(l) "Employer Contribution" means, with respect to a Participant for a month, a contribution from the Employer in a total amount sufficient to result in the Participant receiving the specified discount (as determined pursuant to the rest of this Section 2.01(l)) on the Plan Shares purchased for the Participant on the Purchase Date occurring in the next following month. The specified discount shall be a percentage from 0% to 20% determined by Cummins and communicated to Participants; provided, however, that, unless otherwise determined by Cummins, the specified discount shall be 0% on any additional Plan Shares purchased for such Participant in any calendar year after Plan Shares have been purchased in such calendar year for such Participant for a cumulative aggregate purchase price of \$20,000; and provided, further, that Cummins may, in its sole discretion, change or eliminate the specified discount at any time by providing notice of the change to Participants. The specified discount may differ among Participants or groups of Participants from time to time, as determined by Cummins in its sole and absolute discretion. Notwithstanding any other provision of the Plan, the aggregate amount of Employer Contributions in any calendar year shall not exceed \$30,000,000. If Employer Contributions are limited in any year pursuant to the preceding sentence, the allocation of the limited Employer Contributions in such year shall be determined by Cummins in its sole discretion.

(m) "Participant" means a current or past Eligible Employee who has become a Participant pursuant to Section 3.03 and who has not ceased to be a Participant pursuant to Section 3.04.

(n) "Plan" means the Cummins Inc. Employee Stock Purchase Plan, as set out herein, as amended from time to time.

(o) "Plan Shares" means shares of Common Stock.

(p) "Purchase Date" means the fifth day of a month for U.S. participants and the tenth day of a month for all other participants, or, if in either case the principal exchange on which shares of Common Stock are sold is not open on such date, the immediately preceding business day on which such exchange is open.

Section 2.02. Rules of Interpretation and Governing Law. The following rules shall be applied in interpreting the Plan:

(a) The Plan shall be interpreted, enforced, and administered and the validity thereof determined in accordance with the internal laws of the State of Indiana without regard to conflict of law principles and the following rules.

(b) Words used in the masculine gender shall be construed to include the feminine gender, where appropriate, and words used in the singular or plural shall be construed as being in the plural or singular, where appropriate.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the interpretation of any provision of the Plan.

(d) If any provision of the Plan shall be held to be illegal or invalid for any reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

Section 3.01. Eligibility. Only Eligible Employees may participate in the Plan.

Section 3.02. Participation. To become a Participant, an Eligible Employee must submit to his Employer or the Administrator, as directed, all Applicable Forms (hard copy or electronic) required for participation, including one or more forms (i) authorizing his Employer to withhold payroll deductions to be used for the purchase of Common Stock pursuant to the Plan and (ii) an investment authorization form authorizing his Employer and/or the Administrator to act as his agent for the purposes described therein.

Section 3.03. Effective Date of Participation. An Employee shall become a Participant, effective as of the first available payroll date occurring after he has satisfied the requirements of Section 3.02.

Section 3.04. End of Participation. A Participant shall cease to be such upon his request to withdraw from the Plan. A Participant may terminate his or her participation in the Plan at any time by providing notice to his Employer. A Participant's participation also shall cease if the Participant is no longer an Eligible Employee

ARTICLE IV

ACCOUNTS, CONTRIBUTIONS, AND PURCHASES

Section 4.01. Accounts. The Administrator shall establish an Account for each Participant as that Participant's agent.

Section 4.02. Payroll Deduction Contributions. As a condition of participation, an Eligible Employee must elect on an Applicable Form to have a percentage of his Base Pay withheld from his cash compensation to be used for the purchase of shares of Common Stock pursuant to the Plan. The minimum payroll deduction contribution shall be 1% of Base Pay, and the maximum contribution 15% of Base Pay; provided, however, Cummins may, in its sole discretion, change the minimum and/or maximum contribution amount at any time. A Participant may change his elected payroll deduction contributions at any time by submitting a request to his Employer or the Administrator, as directed, in which case his new election will become effective as soon as administratively feasible after it is received. The Employer shall forward amounts to be used to purchase Plan Shares to the Administrator prior to the time of such purchase.

Section 4.03. Employer Contributions. The Employer shall forward the required Employer Contributions allocated for each Participant on account of his payroll deduction contributions to the Administrator prior to the time of purchase of the Plan Shares.

Section 4.04. Credits to Accounts. Contributions for a Participant shall be credited to a Participant's Account when received by the Administrator. In addition, unless otherwise elected by the Participant, cash dividends on Plan Shares allocated to his Account shall be credited to his Account at the time such dividends are paid. Any stock dividends or shares received as a result of a stock split on any Plan Shares credited to a Participant's Account shall be credited to the Participant's Account when received by the Administrator.

Section 4.05. Application of Cash. All payroll deductions received or held by the Employer under the Plan may be used by the Employer for any corporate purpose, and the Employer is not obligated to segregate such payroll deductions or contributions. Until Plan Shares are issued, Participants will only have the rights of an unsecured creditor.

ARTICLE V

PURCHASE AND SALE OF PLAN SHARES

Section 5.01. Purchase of Plan Shares. The Administrator shall purchase Plan Shares in negotiated transactions or on any securities exchange or other securities trading facility on which Common Stock is traded. The purchases shall be on terms as to price, delivery, and other matters, and shall be executed through those brokers or dealers, as the Administrator may determine. Under certain circumstances, observance of the rules and regulations of the Commission or applicable securities exchange or other securities trading facility may require temporary suspension of purchases by the Administrator or may require that a purchase be spread over a longer period than

indicated in Section 4.05. In that event, purchases shall be made or resumed when permitted by the rules and regulations of the Commission or applicable securities exchange or other securities trading facility; and the Administrator shall not be accountable for its inability to make all purchases within the applicable period. If any Commission, securities exchange, or other securities trading facility suspension of trading in Common Stock remains effective for 90 consecutive days, the Administrator shall remit promptly after the end of such period (i) to the Participant, all cash credited to the Participant's Account other than the Employer Contributions attributable to the Participant's payroll deductions and cash dividends paid on Plan Shares credited to the Participant's Account and (ii) to the Employer, any Employer Contribution credited to the Participant's Account.

Section 5.02. Certificates or Book Entries for Plan Shares. The Administrator shall hold the Plan Shares of all Participants in its name or in the name of its nominee evidenced by appropriate book entry. No book entry shall be made in Participant's name unless and until his Account is terminated.

Section 5.03. Sale of Plan Shares. A Participant may request that the Administrator sell all or any part of his Plan Shares at any time. A Participant who wishes to sell any part of his Plan Shares may do so by providing notice to the Administrator on an Applicable Form. Upon receipt of the notice, the Administrator, as the Participant's agent, shall sell the number of Plan Shares specified in the Participant's notice within five business days after receiving the Participant's notice of instruction to sell and shall deliver to the Participant the proceeds of the sale, less a handling charge, brokerage commissions, and other costs of sale. Whole and fractional shares may be aggregated and sold with those of other Participants, in which case the proceeds for each Participant shall be based on the average sales price of all shares aggregated and sold. Any sale may, but need not, be made by purchase for other Accounts, in which case the price shall be the mean of the high and low selling price of Common Stock as reported by the principal stock exchange on which the stock is traded on the date on which the Administrator receives notice of the Participant's notice of instruction to sell, or, if the stock is not traded on such date, the mean on the next prior date on which the Common Stock was so traded. Any fractional shares that are not sold shall be paid for in cash at a price equal to the mean of the high and low selling prices of Common Stock as reported by the principal stock exchange on which Common Stock is traded on the date on which the Administrator receives notice of the Participant's notice of instruction to sell or, if the stock is not traded on such date, the mean on the next prior date on which the Common Stock was so traded.

ARTICLE VI

VOTING AND TENDER OF PLAN SHARES

Section 6.01. Voting of Plan Shares. The Administrator shall vote Plan Shares credited to a Participant's Account as instructed by the Participant on an Applicable Form provided to the Administrator at least five days (or such shorter period as the law may require) before the meeting at which such Plan Shares are to be voted. The Administrator shall not vote Plan Shares for which no instructions have been received.

Section 6.02. Tender or Exchange Offer. If a tender offer or exchange offer for the Common Stock is initiated, the Administrator, upon receipt of information with respect thereto as the holder of record of the Plan Shares, shall either (i) forward, or provide for forwarding, to each Participant, the information provided by the offeror to holders of record of Common Stock or (ii) provide to the offeror the name and mailing address of each Participant, as reflected on the records of the Administrator, with instructions to mail such material to each Participant. The Administrator shall tender all or part of a Participant's Plan Shares in response to written instructions from the Participant in such form as the Administrator may reasonably require and only if such instructions are received by the Administrator at least five days (or such shorter period as may be required by law) before termination of the offer. Unless the Administrator has received instructions in accordance with the previous sentence, it will not tender a Participant's Plan Shares. Except to the extent that disclosure is required to tender Plan Shares pursuant to proper written instructions, the Administrator shall maintain the confidentiality of a Participant's election to tender or not tender Plan Shares.

ARTICLE VII

PLAN EXPENSES

Section 7.01. Expenses. Cummins shall pay the service charges, brokerage, costs of mailing and other charges incurred in connection with the purchase of Plan Shares. The cost of selling Plan Shares shall be borne by Participants, as provided herein.

ARTICLE VIII

AMENDMENT AND TERMINATION

Section 8.01. Amendment. Cummins may, in its sole discretion, amend this Plan at any time; provided, however, except as required by law, no amendment shall be retroactive, nor shall any amendment deprive any Participant of amounts credited to his Account.

Section 8.02. Termination. Cummins may, in its sole discretion, terminate the Plan at any time. If Cummins does not earlier terminate the Plan, it shall terminate automatically on the tenth anniversary of its approval by Cummins' shareholders.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01. Non-U.S. Participation. Notwithstanding any provision to the contrary in this Plan, Cummins may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the U.S. Without limiting the generality of the foregoing, Cummins specifically is authorized to adopt rules, procedures and sub-plans regarding, without limitation, eligibility to participate, the definition of Base Pay, handling of payroll deductions, making of contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest on amounts held pending the purchase of Shares, conversion of local currency, obligations to pay payroll tax, determination of beneficiary-designation requirements, withholding procedures and handling of Plan Share issuances, which may vary according to local requirements.

Section 9.02. Statements. The Administrator shall provide or make available to Participants periodic statements summarizing the transactions in the Participant's Account since the most recent available statement.

Section 9.03. Tax Matters. Each Participant is responsible for all taxes (whether local, state or federal) due because of Employer Contributions, the payment of a dividend, or the sale of Plan Shares credited to his Account. Prior to the time that any federal, state, or any other tax liability becomes payable by the Employer with respect to Employer Contributions or Plan Shares as a result of participation in the Plan to any authority, national insurance, social security, payment-on-account or other taxing authority, including any liability of the Participant to pay an employer tax or social insurance contribution obligation, the affected Participant shall make adequate provision for payment of such taxes. At any time, the Employer may, but is not obligated to, withhold from the Participant's compensation the amount necessary for the Employer to meet applicable withholding obligations, including any withholding required to make available to the Employer any tax deductions or benefits attributable to sale or early disposition of Plan Shares by the Participant. In addition, the Employer may withhold from the proceeds of the sale of Plan Shares (i) a sufficient whole number of Plan Shares otherwise issuable following purchase having an aggregate fair market value equal to the applicable withholding obligations or (ii) by any other means set forth in the Applicable Form. Where necessary to avoid negative accounting treatment, the Employer will withhold taxes at the applicable statutory minimum withholding rates. The Administrator shall timely prepare and forward to the United States Internal Revenue Service, the appropriate state and local authorities, and Participants the information returns required by the Code and applicable state or local statutes. All Employer Contributions shall constitute taxable income to the Participant to whose Account they are credited and shall be reported to the applicable taxing authority.¹

Section 9.04. Limitation on the Employers' and the Administrator's Liability. The Employers and the Administrator shall not be liable for any action that is in compliance with the terms and conditions of this Plan taken or omitted in good faith, including without limitation, any claim of liability:

(a) Arising out of failure to terminate a Participant's Account upon the Participant's death or otherwise before the receipt of written notice of the event causing termination, accompanied by documentation deemed satisfactory by the Administrator;

(b) With respect to the prices at which Plan Shares are purchased or sold for a Participant's Account and the timing and terms on which the purchase or sale is made; or

(c) For the market value, or any fluctuation in the market value, after purchase or sale of Plan Shares for a Participant's Account.

Section 9.05. Transfer; Assignment. Except as is expressly provided in this Plan, no Participant may sell, pledge, hypothecate, or otherwise assign or transfer his Account, any interest in his Account, or any cash or stock credited to his Account. Any attempt to sell, pledge, hypothecate, assign, or transfer his Account, any interest in his Account, or any cash or stock credited to his Account shall be void.

OTHER INFORMATION

1. This document serves as the Plan and the prospectus for the Plan.
2. The Plan is not required to be qualified under Section 401(a) of the Internal Revenue Code of 1986 and is not subject to the provisions of the Employee Retirement Income Security Act of 1974, commonly known as ERISA.
3. Cummins files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934. The SEC maintains a website that contains reports, proxy statements and other information regarding issuers who file electronically with the SEC. The address of that website is www.sec.gov. Investors may also consult Cummins’s website for more information about Cummins. Cummins’s website is www.cummins.com. Information included on these websites is not incorporated by reference herein.
4. Cummins has filed a Registration Statement on Form S-8 under the Securities Act of 1933 with the SEC covering the Plan Shares being offered and sold under the Plan. This document contains some information concerning the Company, the Plan Shares and the Plan, but does not contain all of the information set forth in the Registration Statement and its exhibits. Cummins will provide without charge, upon written or oral request, copies of the documents incorporated by reference in Item 3 of Part II of the Registration Statement, which include Cummins’s periodic filings made with the SEC. Cummins incorporates these periodic filings by reference into this document. Cummins will also provide without charge, upon written or oral request, copies of all other documents it is required to deliver under Rule 428(b) under the Securities Act of 1933. These requests and other requests for additional information regarding the Plan should be directed to:

Cummins Inc.
500 Jackson Street
P.O. Box 3005
Columbus, Indiana 47202-3005
Attention: Corporate Secretary
Telephone: (812) 377-3609

5. The following is a general discussion of the current U.S. federal income tax consequences of purchasing Plan Shares under the Plan, is not intended to be complete and is subject to change. State and local tax treatment (including tax treatment in countries outside the U.S.) may vary from the U.S. federal income tax treatment discussed below and is not discussed in this summary. Participants should consult their tax advisors about their particular transactions in connection with the Plan.
 - Participants’ contributions under the Plan will be “after tax” contributions; i.e., they will be taxed under the normal rules that apply to compensation.
 - Employer Contributions and dividends will also be taxable as compensation to the Participant to whose Account they are credited.
 - When Plan Shares are sold upon the request of a Participant, the Participant will recognize long or short-term capital gain or loss on the Plan Shares, depending on the Participant’s tax basis in the Plan Shares and the length of time the Participant has held the Plan Shares.
 - Additional information concerning taxes is provided in Section 10.03 of the Plan.
6. Cummins may, as a condition of accepting any purchase of Plan Shares, require the purchasing Participant to represent to Cummins that he or she is purchasing the Plan Shares for investment and not with a view to resale or distribution.

Certification

I, Jennifer Rumsey, certify that:

1. I have reviewed this report on Form 10-Q of Cummins Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ JENNIFER RUMSEY

Jennifer Rumsey

Chair and Chief Executive Officer

Certification

I, Mark A. Smith, certify that:

1. I have reviewed this report on Form 10-Q of Cummins Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ MARK A. SMITH

Mark A. Smith

Vice President and Chief Financial Officer

Cummins Inc.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cummins Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 5, 2025

/s/ JENNIFER RUMSEY

Jennifer Rumsey
Chair and Chief Executive Officer

August 5, 2025

/s/ MARK A. SMITH

Mark A. Smith
Vice President and Chief Financial Officer