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 September 30, 2026

Commission File Number 1-4949

CUMMINS INC.

(Exact name of registrant as specified in its charter)

Indiana	**35-0257090**
(State of Incorporation)	(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	x	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

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 September 30, 2026, there were 137,077,890 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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
NET SALES (Notes 1 and 2)	**$ 9,438**	$ 8,317	**$ 27,293**	$ 25,134
Cost of sales	**6,823**	6,188	**19,970**	18,569
GROSS MARGIN	**2,615**	2,129	**7,323**	6,565
OPERATING EXPENSES AND INCOME				
Selling, general and administrative expenses	**868**	789	**2,606**	2,339
Research, development and engineering expenses	**400**	345	**1,143**	1,046
Equity, royalty and interest income from investees (Note 4)	**127**	104	**429**	353
Other operating expense, net (Note 14)	**30**	247	**331**	321
OPERATING INCOME	**1,444**	852	**3,672**	3,212
Interest expense	**81**	83	**237**	247
Other income, net	**57**	61	**212**	207
INCOME BEFORE INCOME TAXES	**1,420**	830	**3,647**	3,172
Income tax expense (Note 5)	**251**	271	**830**	835
CONSOLIDATED NET INCOME	**1,169**	559	**2,817**	2,337
Less: Net income attributable to noncontrolling interests	**29**	23	**91**	87
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	**$ 1,140**	$ 536	**$ 2,726**	$ 2,250
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.				
Basic	**$ 8.29**	$ 3.88	**$ 19.77**	$ 16.33
Diluted	**$ 8.25**	$ 3.86	**$ 19.70**	$ 16.23
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING				
Basic	**137.5**	138.0	**137.9**	137.8
Dilutive effect of stock compensation awards	**0.6**	0.8	**0.5**	0.8
Diluted	**138.1**	138.8	**138.4**	138.6

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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
CONSOLIDATED NET INCOME	**$ 1,169**	$ 559	**$ 2,817**	$ 2,337
Other comprehensive (loss) income, net of tax (Note 12)				
Change in pension and other postretirement defined benefit plans	**9**	8	**2**	(12)
Foreign currency translation adjustments	**(35)**	(67)	**(121)**	247
Unrealized gain (loss) on derivatives	**5**	(3)	**10**	(15)
Total other comprehensive (loss) income, net of tax	**(21)**	(62)	**(109)**	220
COMPREHENSIVE INCOME	**1,148**	497	**2,708**	2,557
Less: Comprehensive income attributable to noncontrolling interests	**23**	5	**59**	73
COMPREHENSIVE INCOME ATTRIBUTABLE TO CUMMINS INC.	**$ 1,125**	$ 492	**$ 2,649**	$ 2,484

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	September 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,571**	$ 2,845
Marketable securities (Note 6)	**614**	764
Total cash, cash equivalents and marketable securities	**4,185**	3,609
Accounts and notes receivable, net	**6,638**	5,818
Inventories (Note 7)	**6,811**	5,822
Prepaid expenses and other current assets	**1,741**	1,676
Total current assets	**19,375**	16,925
Long-term assets		
Property, plant and equipment	**13,500**	12,919
Accumulated depreciation	**(6,386)**	(5,961)
Property, plant and equipment, net	**7,114**	6,958
Investments and advances related to equity method investees	**2,384**	2,133
Goodwill	**2,221**	2,224
Other intangible assets, net	**2,012**	2,167
Pension assets	**1,011**	1,033
Other assets (Note 8)	**2,469**	2,552
Total assets	**$ 36,586**	$ 33,992
LIABILITIES		
Current liabilities		
Accounts payable (principally trade)	**$ 4,879**	$ 3,800
Loans payable (Note 9)	**383**	313
Commercial paper (Note 9)	**348**	353
Current maturities of long-term debt (Note 9)	**154**	94
Accrued compensation, benefits and retirement costs	**965**	825
Current portion of accrued product warranty (Note 10)	**664**	693
Current portion of deferred revenue (Note 2)	**1,690**	1,606
Other accrued expenses (Note 8)	**2,049**	1,926
Total current liabilities	**11,132**	9,610
Long-term liabilities		
Long-term debt (Note 9)	**6,634**	6,792
Deferred revenue (Note 2)	**1,167**	1,054
Other liabilities (Note 8)	**3,307**	3,128
Total liabilities	**$ 22,240**	$ 20,584
Commitments and contingencies (Note 11)		
EQUITY		
Cummins Inc. shareholders' equity		
Common stock, $2.50 par value, 500 shares authorized, 222.5 and 222.5 shares issued	**$ 2,649**	$ 2,673
Retained earnings	**24,488**	22,616
Treasury stock, at cost, 85.5 and 84.4 shares	**(11,451)**	(10,662)
Accumulated other comprehensive loss (Note 12)	**(2,355)**	(2,278)
Total Cummins Inc. shareholders' equity	**13,331**	12,349
Noncontrolling interests	**1,015**	1,059
Total equity	**$ 14,346**	$ 13,408
Total liabilities and equity	**$ 36,586**	$ 33,992

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	Nine months ended September 30, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	**$ 2,817**	$ 2,337
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	**851**	825
Deferred income taxes	**48**	68
Equity in income of investees, net of dividends	**(147)**	(38)
Pension and OPEB expense (Note 3)	**56**	60
Pension contributions and OPEB payments (Note 3)	**(41)**	(38)
Changes in current assets and liabilities, net of acquisitions and divestitures		
Accounts and notes receivable	**(851)**	(466)
Inventories	**(1,030)**	(446)
Other current assets	**(153)**	(146)
Accounts payable	**1,087**	(147)
Accrued expenses	**467**	(201)
Other, net	**109**	279
Net cash provided by operating activities	**3,213**	2,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(741)**	(691)
Investments in marketable securities—acquisitions	**(899)**	(1,133)
Investments in marketable securities—liquidations (Note 6)	**1,031**	1,131
Other, net	**(54)**	(153)
Net cash used in investing activities	**(663)**	(846)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**454**	2,232
Net payments of commercial paper	**(5)**	(906)
Payments on borrowings and finance lease obligations	**(444)**	(827)
Dividend payments on common stock	**(854)**	(778)
Repurchases of common stock	**(827)**	—
Payments for purchase of redeemable noncontrolling interests	**—**	(55)
Other, net	**(157)**	(69)
Net cash used in financing activities	**(1,833)**	(403)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**9**	57
Net increase in cash and cash equivalents	**726**	895
Cash and cash equivalents at beginning of year	**2,845**	1,671
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 3,571**	$ 2,566

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)

	Three months ended							
In millions, except per share amounts	**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 JUNE 30, 2026	**$ 556**	**$ 2,070**	**$ 23,650**	**$ (11,089)**	**$ (2,340)**	**$ 12,847**	**$ 1,059**	**$ 13,906**
Net income			**1,140**			**1,140**	**29**	**1,169**
Other comprehensive loss, net of tax (Note 12)					**(15)**	**(15)**	**(6)**	**(21)**
Issuance of common stock		**2**				**2**	**—**	**2**
Repurchases of common stock				**(365)**		**(365)**	**—**	**(365)**
Cash dividends on common stock, $2.20 per share			**(302)**			**(302)**	**—**	**(302)**
Distributions to noncontrolling interests						**—**	**(67)**	**(67)**
Share-based awards		**(1)**		**1**		**—**	**—**	**—**
Other shareholder transactions		**22**		**2**		**24**	**—**	**24**
BALANCE AT SEPTEMBER 30, 2026	**$ 556**	**$ 2,093**	**$ 24,488**	**$ (11,451)**	**$ (2,355)**	**$ 13,331**	**$ 1,015**	**$ 14,346**
BALANCE AT JUNE 30, 2025	$ 556	$ 2,068	$ 22,040	$ (10,708)	$ (2,167)	$ 11,789	$ 1,084	$ 12,873
Net income			536			536	23	559
Other comprehensive loss, net of tax (Note 12)					(44)	(44)	(18)	(62)
Issuance of common stock		1				1	—	1
Cash dividends on common stock, $2.00 per share			(276)			(276)	—	(276)
Distributions to noncontrolling interests						—	(52)	(52)
Share-based awards		8		31		39	—	39
Other shareholder transactions		18		1		19	(3)	16
BALANCE AT SEPTEMBER 30, 2025	$ 556	$ 2,095	$ 22,300	$ (10,676)	$ (2,211)	$ 12,064	$ 1,034	$ 13,098

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

In millions, except per share amounts	Nine 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, 2025	**$ 556**	**$ 2,117**	**$ 22,616**	**$ (10,662)**	**$ (2,278)**	**$ 12,349**	**$ 1,059**	**$ 13,408**
Net income			**2,726**			**2,726**	**91**	**2,817**
Other comprehensive loss, net of tax (Note 12)					**(77)**	**(77)**	**(32)**	**(109)**
Issuance of common stock		**3**				**3**	**—**	**3**
Repurchases of common stock				**(833)**		**(833)**	**—**	**(833)**
Cash dividends on common stock, $6.20 per share			**(854)**			**(854)**	**—**	**(854)**
Distributions to noncontrolling interests						**—**	**(103)**	**(103)**
Share-based awards		**(28)**		**40**		**12**	**—**	**12**
Other shareholder transactions		**1**		**4**		**5**	**—**	**5**
BALANCE AT SEPTEMBER 30, 2026	**$ 556**	**$ 2,093**	**$ 24,488**	**$ (11,451)**	**$ (2,355)**	**$ 13,331**	**$ 1,015**	**$ 14,346**
BALANCE AT DECEMBER 31, 2024	$ 556	$ 2,080	$ 20,828	$ (10,748)	$ (2,445)	$ 10,271	$ 1,037	$ 11,308
Net income			2,250			2,250	87	2,337
Other comprehensive income (loss), net of tax (Note 12)					234	234	(14)	220
Issuance of common stock		2				2	—	2
Cash dividends on common stock, $5.64 per share			(778)			(778)	—	(778)
Distributions to noncontrolling interests						—	(84)	(84)
Share-based awards		(10)		67		57	—	57
Other shareholder transactions		23		5		28	8	36
BALANCE AT SEPTEMBER 30, 2025	$ 556	$ 2,095	$ 22,300	$ (10,676)	$ (2,211)	$ 12,064	$ 1,034	$ 13,098

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 leader committed to powering a more prosperous world. Since 1919, we have delivered innovative solutions that move people, goods and economies forward. Our five reportable segments - Engine, Components, Distribution, Power Systems and Accelera - offer a broad portfolio, including advanced diesel, electric and hybrid powertrains; integrated power generation systems; critical components such as aftertreatment, turbochargers, fuel systems, controls, transmissions, axles and brakes; and zero emissions technologies like battery and electric powertrain systems. With a global footprint, deep technical expertise and an extensive service network, we deliver dependable, cutting-edge solutions tailored to our customers' needs, supporting them through the energy transition with our Destination Zero strategy. We sell our products to original equipment manufacturers (OEMs), distributors, dealers and other customers worldwide. We serve our customers through a service network of approximately 640 wholly-owned, joint venture and independent distributor locations and more than 13,000 Cummins certified dealer locations in approximately 190 countries and territories.

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, 2025. Our interim period financial results for the three and nine 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 September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Options excluded	**6,525**	1,333	**2,803**	5,083

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:

	Three months ended September 30,		Nine months ended September 30,	
In millions	2026	2025	2026	2025
Sales to nonconsolidated equity investees	**$ 430**	$ 411	**$ 1,341**	$ 1,210
Purchases from nonconsolidated equity investees	**828**	485	**2,107**	1,649

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

In millions	September 30, 2026	December 31, 2025	Balance Sheet Location
Accounts receivable from nonconsolidated equity investees	**$ 472**	$ 523	Accounts and notes receivable, net
Accounts payable to nonconsolidated equity investees	**546**	263	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 (generally with 60 to 90 day payment terms). 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. The maximum amount that we could have outstanding under these programs was $564 million at September 30, 2026. 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 September 30, 2026 and December 31, 2025, were $244 million and $153 million, respectively.

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 September 30, 2026, was $8.1 billion. We expect to recognize the related revenue of $4.8 billion over the next 12 months and $3.3 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	September 30, 2026	December 31, 2025
Unbilled revenue	**$ 345**	$ 439
Deferred revenue	**2,857**	2,660

We recognized revenue of $235 million and $1,059 million for the three and nine months ended September 30, 2026, compared with $222 million and $814 million for the comparable periods in 2025, 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 nine months ended September 30, 2026 or 2025.

Disaggregation of Revenue

Consolidated Revenue

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

	Three months ended September 30,		Nine months ended September 30,	
In millions	**2026**	**2025**	**2026**	**2025**
United States	**$ 5,427**	$ 4,663	**$ 15,229**	$ 14,278
China	**974**	844	**3,048**	2,449
India	**466**	447	**1,383**	1,288
Other international	**2,571**	2,363	**7,633**	7,119
Total net sales	**$ 9,438**	$ 8,317	**$ 27,293**	$ 25,134

Segment Revenue

Engine segment external sales by market were as follows:

	Three months ended September 30,		Nine months ended September 30,	
In millions	**2026**	**2025**	**2026**	**2025**
Heavy-duty truck	**$ 803**	$ 540	**$ 2,105**	$ 1,921
Medium-duty truck and bus	**767**	533	**2,152**	1,909
Light-duty automotive	**496**	583	**1,434**	1,490
Total on-highway	**2,066**	1,656	**5,691**	5,320
Off-highway	**323**	266	**1,013**	804
Total sales	**$ 2,389**	$ 1,922	**$ 6,704**	$ 6,124

Components segment external sales by business were as follows:

	Three months ended September 30,		Nine months ended September 30,	
In millions	**2026**	**2025**	**2026**	**2025**
Drivetrain and braking systems	**$ 1,107**	$ 916	**$ 3,144**	$ 3,066
Emission solutions	**837**	702	**2,497**	2,270
Components and software	**308**	281	**968**	888
Automated transmissions	**145**	87	**357**	327
Total sales	**$ 2,397**	$ 1,986	**$ 6,966**	$ 6,551

Distribution segment external sales by region were as follows:

In millions	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
North America	**$ 2,302**	$ 2,200	**$ 6,823**	$ 6,373
Asia Pacific	**367**	311	**1,013**	831
Europe	**285**	273	**888**	865
China	**143**	121	**393**	357
India	**95**	93	**271**	256
Africa and Middle East	**69**	74	**195**	193
Latin America	**46**	98	**153**	231
Total sales	**$ 3,307**	$ 3,170	**$ 9,736**	$ 9,106

Distribution segment external sales by product line were as follows:

In millions	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Power generation	**$ 1,328**	$ 1,246	**$ 3,976**	$ 3,536
Parts	**1,049**	1,014	**3,190**	3,051
Service	**482**	494	**1,385**	1,349
Engines	**448**	416	**1,185**	1,170
Total sales	**$ 3,307**	$ 3,170	**$ 9,736**	$ 9,106

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

In millions	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Power generation	**$ 742**	$ 623	**$ 2,126**	$ 1,652
Industrial	**301**	323	**892**	905
Generator technologies	**207**	180	**542**	495
Total sales	**$ 1,250**	$ 1,126	**$ 3,560**	$ 3,052

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 September 30, 2026	2025	Nine months ended September 30, 2026	2025
Defined benefit pension contributions	**$ 11**	$ 11	**$ 35**	$ 34
OPEB payments, net	**2**	1	**6**	4
Defined contribution pension plans	**25**	24	**94**	100

We anticipate making additional defined benefit pension contributions during the remainder of 2026 of $12 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 2026 annual net periodic pension cost to approximate $75 million.

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

	Pension					
	U.S. Plans		U.K. Plans		OPEB	
	Three months ended September 30,					
In millions	2026	2025	2026	2025	2026	2025
Service cost	**$ 35**	$ 34	**$ 4**	$ 4	**$ —**	$ —
Interest cost	**45**	43	**19**	20	**2**	2
Expected return on plan assets	**(71)**	(67)	**(25)**	(23)	**—**	—
Recognized net actuarial loss (gain)	**3**	2	**9**	7	**(2)**	(1)
Net periodic benefit expense	**$ 12**	$ 12	**$ 7**	$ 8	**$ —**	$ 1

	Pension					
	U.S. Plans		U.K. Plans		OPEB	
	Nine months ended September 30,					
In millions	2026	2025	2026	2025	2026	2025
Service cost	**$ 104**	$ 100	**$ 11**	$ 11	**$ —**	$ —
Interest cost	**133**	130	**58**	58	**4**	5
Expected return on plan assets	**(211)**	(201)	**(75)**	(68)	**—**	—
Amortization of prior service cost	**1**	1	**1**	1	**—**	—
Recognized net actuarial loss (gain)	**8**	7	**26**	20	**(4)**	(4)
Net periodic benefit expense	**$ 35**	$ 37	**$ 21**	$ 22	**$ —**	$ 1

NOTE 4. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEES

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

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

Our Amplify Cell Technologies LLC (Amplify) joint venture was formed in May 2024 and 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. Accelera, Daimler Trucks and Buses U.S. 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.

During the first quarter of 2026, expectations on electric vehicle demand in the commercial vehicle market continued to change. As a result, the joint venture partners agreed to finish building out the facility while delaying the timing for installing the manufacturing capacity. At this time, the production start date is uncertain. We evaluated the recoverability of our investment for a potential impairment and concluded that no impairment currently exists. As of September 30, 2026, we contributed $464 million and are contractually committed to future contributions of $366 million. The timing of those future contributions is uncertain. Our investment balance at September 30, 2026, net of operating losses, was $398 million. We will continue to monitor future events and developments that could impact our assessment of fair value which could result in an impairment in the future.

NOTE 5. INCOME TAXES

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

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

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

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

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

NOTE 6. MARKETABLE SECURITIES

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

In millions	September 30, 2026 Cost	Gross unrealized gains/(losses) [1]	Estimated fair value	December 31, 2025 Cost	Gross unrealized gains/(losses) [1]	Estimated fair value
Equity securities						
Level 1						
Publicly-traded shares	**$ —**	**$ —**	**$ —**	$ 7	$ (7)	$ —
Level 2						
Debt mutual funds	**304**	**9**	**313**	416	10	426
Certificates of deposit	**264**	**—**	**264**	280	—	280
Equity mutual funds	**9**	**13**	**22**	13	11	24
Debt securities	**15**	**—**	**15**	34	—	34
Marketable securities	**$ 592**	**$ 22**	**$ 614**	$ 750	$ 14	$ 764

[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 nine months ended September 30, 2026, or the year ended December 31, 2025. All debt securities are Level 2 and 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	Nine months ended September 30, 2026	2025
Proceeds from sales of marketable securities	**$ 888**	$ 977
Proceeds from maturities of marketable securities	**143**	154
Investments in marketable securities - liquidations	**$ 1,031**	$ 1,131

NOTE 7. INVENTORIES

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

In millions	September 30, 2026	December 31, 2025
Finished products	**$ 3,560**	$ 3,091
Work-in-process and raw materials	**3,472**	2,987
Inventories at FIFO cost	**7,032**	6,078
Excess of FIFO over LIFO	**(221)**	(256)
Inventories	**$ 6,811**	$ 5,822

NOTE 8. SUPPLEMENTAL BALANCE SHEET DATA

Other assets included the following:

In millions	September 30, 2026	December 31, 2025
Deferred income taxes	**$ 1,025**	$ 1,063
Operating lease assets	**575**	537
Corporate-owned life insurance	**431**	454
Other	**438**	498
Other assets	**$ 2,469**	$ 2,552

Other accrued expenses included the following:

In millions	September 30, 2026	December 31, 2025
Marketing accruals	**$ 392**	$ 346
Other taxes payable	**304**	318
Income taxes payable	**181**	156
Current portion of operating lease liabilities	**142**	138
Other	**1,030**	968
Other accrued expenses	**$ 2,049**	$ 1,926

Other liabilities included the following:

In millions	September 30, 2026	December 31, 2025
Accrued product warranty	**$ 966**	$ 887
Operating lease liabilities	**459**	424
Pensions	**443**	443
Deferred income taxes	**380**	388
Accrued compensation	**198**	210
Long-term derivative liabilities	**195**	72
Other postretirement benefits	**91**	94
Other	**575**	610
Other liabilities	**$ 3,307**	$ 3,128

NOTE 9. DEBT

Loans Payable and Commercial Paper

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

In millions	September 30, 2026	December 31, 2025
Loans payable [1]	**$ 383**	$ 313
Commercial paper [2]	**348**	353

[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 3.36 percent and 3.20 percent at September 30, 2026 and December 31, 2025, respectively.

We can issue up to $4.0 billion of unsecured, short-term promissory notes (commercial paper) pursuant to the Board of Directors (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

Our committed credit facilities provide access up to $4.0 billion from our $2.0 billion 3-year credit facility and our $2.0 billion 5-year facility. 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 September 30, 2026 and December 31, 2025. At September 30, 2026, the $348 million of outstanding commercial paper effectively reduced the $4.0 billion of revolving credit capacity to $3.7 billion.

At September 30, 2026, we also had an additional $531 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	September 30, 2026	December 31, 2025
Long-term debt			
Debentures, due 2027	6.75%	**$ 58**	$ 58
Debentures, due 2028	7.125%	**250**	250
Senior notes, due 2028	4.25%	**300**	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**	700
Senior notes, due 2034	5.15%	**750**	750
Senior notes, due 2035	5.30%	**1,000**	1,000
Senior notes, due 2043	4.875%	**500**	500
Senior notes, due 2050	2.60%	**650**	650
Senior notes, due 2054 [1]	5.45%	**1,000**	1,000
Debentures, due 2098 [2]	5.65%	**165**	165
Other debt		**166**	175
Unamortized discount and deferred issuance costs		**(85)**	(91)
Fair value adjustments due to hedge on indebtedness		**(144)**	(57)
Finance leases		**128**	136
Total long-term debt		**6,788**	6,886
Less: Current maturities of long-term debt		**154**	94
Long-term debt		**$ 6,634**	$ 6,792

[1] We entered into interest rate swaps on the noted debt instruments to effectively convert from a fixed rate to a floating rate. See "Interest Rate Risk" in NOTE 13, “DERIVATIVES,” for additional information.

[2] The effective interest rate is 7.48 percent.

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

In millions	2026	2027	2028	2029	2030
Principal payments	$ 22	$ 157	$ 634	$ 542	$ 865

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.

Interest Rate Risk

In the first nine months of 2026, we entered into a series of interest rate swaps to convert $550 million of our senior notes, due in 2054, from a fixed rate of 5.45 percent to a floating rate equal to the daily Secured Overnight Financing Rate (SOFR) plus a spread. See NOTE 13, “DERIVATIVES,” for additional information.

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	September 30, 2026	December 31, 2025
Fair value of total debt [1]	**$ 6,836**	$ 7,337
Carrying value of total debt	**7,519**	7,552

[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:

	Nine months ended September 30,	
In millions	2026	2025
Balance at beginning of year	**$ 2,778**	$ 2,623
Provision for base warranties issued	**512**	468
Deferred revenue on extended warranty contracts sold	**293**	313
Provision for product campaigns issued	**53**	30
Payments made during period	**(566)**	(538)
Amortization of deferred revenue on extended warranty contracts	**(237)**	(220)
Changes in estimates for pre-existing product warranties and campaigns	**52**	54
Foreign currency translation adjustments and other	**—**	(8)
Balance at end of period	**$ 2,885**	$ 2,722

We recognized supplier recoveries of $4 million and $22 million for the three and nine months ended September 30, 2026, compared with zero and $19 million for the comparable periods in 2025.

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

In millions	September 30, 2026	December 31, 2025	Balance Sheet Location
Deferred revenue related to extended coverage programs			
Current portion	**$ 307**	$ 303	Current portion of deferred revenue
Long-term portion	**948**	895	Deferred revenue
Total	**$ 1,255**	$ 1,198	
Product warranty			
Current portion	**$ 664**	$ 693	Current portion of accrued product warranty
Long-term portion	**966**	887	Other liabilities
Total	**$ 1,630**	$ 1,580	
Total warranty accrual	**$ 2,885**	$ 2,778	

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 September 2026, two wholly-owned subsidiaries, Hydrogenics Corporation and Hydrogenics Europe N.V. (Hydrogenics), issued a stop-use recommendation to customers of HyLYZER electrolyzer products following a planned review of operational data from the installed fleet (Electrolyzer Matter). At this time, Hydrogenics has not initiated a recall campaign and continues to evaluate, which, if any, modifications are required with respect to returning the electrolyzers to service. While we have not been able to estimate the costs associated with the Electrolyzer Matter, there can be no assurance that the final resolution of the Electrolyzer Matter will not have a material adverse effect on results of operations or cash flows.

In December 2023, we reached an agreement in principle with the U.S. Environmental Protection Agency, the California Air Resources Board, the Environmental and Natural Resources Division of the Department of Justice (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 approximately one million of our 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 2023 to resolve the matters addressed by the Settlement Agreements and made $1.9 billion of required payments in 2024. 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. Subsequently we recorded additional immaterial amounts related to stipulated penalties we determined to be probable and estimable. Any future non-compliance with the Settlement Agreements will likely subject us to further stipulated penalties and other adverse consequences.

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.

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.

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 September 30, 2026, the maximum potential loss related to these guarantees was $53 million.

We have arrangements with certain suppliers or other third parties that require us to purchase minimum volumes or be subject to monetary penalties. At September 30, 2026, if we were to stop purchasing from each of these suppliers, the aggregate amount of the penalty would be approximately $537 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 September 30, 2026, the total commitments under these contracts were $56 million. These arrangements enable us to guarantee the purchase 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 $235 million at September 30, 2026.

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 (loss) income by component for the three and nine months ended:

	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 June 30, 2026	**$ (919)**	**$ (1,520)**	**$ 99**	**$ (2,340)**		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	**—**	**(34)**	**12**	**(22)**	**$ (6)**	**$ (28)**
Tax benefit (expense)	**—**	**5**	**(3)**	**2**	**—**	**2**
After-tax amount	**—**	**(29)**	**9**	**(20)**	**(6)**	**(26)**
Amounts reclassified from accumulated other comprehensive income (loss) [1]	**9**	**—**	**(4)**	**5**	**—**	**5**
Net current period other comprehensive income (loss)	**9**	**(29)**	**5**	**(15)**	**$ (6)**	**$ (21)**
Balance at September 30, 2026	**$ (910)**	**$ (1,549)**	**$ 104**	**$ (2,355)**		
Balance at June 30, 2025	$ (863)	$ (1,407)	$ 103	$ (2,167)		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	(1)	(45)	2	(44)	$ (18)	$ (62)
Tax benefit (expense)	2	(4)	—	(2)	—	(2)
After-tax amount	1	(49)	2	(46)	(18)	(64)
Amounts reclassified from accumulated other comprehensive income (loss) [1]	7	—	(5)	2	—	2
Net current period other comprehensive income (loss)	8	(49)	(3)	(44)	$ (18)	$ (62)
Balance at September 30, 2025	$ (855)	$ (1,456)	$ 100	$ (2,211)		

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

In millions	Nine months ended					
	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, 2025	**$ (912)**	**$ (1,460)**	**$ 94**	**$ (2,278)**		
Other comprehensive income (loss) before reclassifications						
Before-tax amount	**(32)**	**(92)**	**22**	**(102)**	**$ (32)**	**$ (134)**
Tax benefit (expense)	**7**	**3**	**(5)**	**5**	**—**	**5**
After-tax amount	**(25)**	**(89)**	**17**	**(97)**	**(32)**	**(129)**
Amounts reclassified from accumulated other comprehensive income (loss) [1]	**27**	**—**	**(7)**	**20**	**—**	**20**
Net current period other comprehensive income (loss)	**2**	**(89)**	**10**	**(77)**	**$ (32)**	**$ (109)**
Balance at September 30, 2026	**$ (910)**	**$ (1,549)**	**$ 104**	**$ (2,355)**		
Balance at December 31, 2024	$ (843)	$ (1,717)	$ 115	$ (2,445)		
Other comprehensive (loss) income before reclassifications						
Before-tax amount	(45)	232	3	190	$ (14)	$ 176
Tax benefit	12	29	—	41	—	41
After-tax amount	(33)	261	3	231	(14)	217
Amounts reclassified from accumulated other comprehensive income (loss) [1]	21	—	(18)	3	—	3
Net current period other comprehensive (loss) income	(12)	261	(15)	234	$ (14)	$ 220
Balance at September 30, 2025	**$ (855)**	**$ (1,456)**	**$ 100**	$ (2,211)		

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

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. 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 $5.5 billion at September 30, 2026, with the following currencies comprising 83 percent of outstanding foreign currency forward contracts: British pound, Chinese renminbi, Australian dollar, Euro and Canadian dollar. We had foreign currency forward contracts with notional amounts of $5.2 billion at December 31, 2025, with the following currencies comprising 82 percent of outstanding foreign currency forward contracts: British pound, Chinese renminbi, Euro, Australian dollar and Canadian dollar.

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 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 September 30, 2026, was $1.6 billion. We also enter 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 September 30, 2026, was $500 million.

The following table summarizes the (losses) gains recognized in accumulated other comprehensive loss (AOCL):

	Three months ended September 30,		Nine months ended September 30,	
In millions	**2026**	**2025**	**2026**	**2025**
Foreign exchange forwards [1]	**$ (18)**	$ 4	**$ (20)**	$ (65)
Cross-currency interest rate swaps [1]	**(9)**	5	**(18)**	(3)

[1] There were no material gains or losses reclassified from AOCL into earnings for the three and nine months ended September 30, 2026.

Interest Rate Risk

In 2021, we 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 currently equal to the three-month SOFR.

In the fourth quarter of 2025 and the first nine months of 2026, we entered into $150 million and $550 million, respectively, of interest rate swaps. These series of swaps effectively convert a portion of our senior notes, due in 2054, from a fixed rate of 5.45 percent to a floating rate equal to the daily SOFR plus a spread, of which $50 million matures in 2036, $250 million matures in 2041 and $400 million matures in 2046.

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 interest rate swaps on our 2030 debt and 2054 debt had notional amounts outstanding at September 30, 2026 of $680 million and $700 million, respectively.

The following table summarizes the gains and losses:

	Three months ended September 30,				Nine months ended September 30,			
In millions	2026		2025		2026		2025	
Type of Swap	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]	**$ (73)**	**$ 67**	$ 4	$ (2)	**$ (86)**	**$ 85**	$ 31	$ (28)

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

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:

	Three months ended September 30,		Nine months ended September 30,	
In millions	2026	2025	2026	2025
Loss recognized in income - Cost of sales [1]	**$ —**	$ —	**$ —**	$ (4)
Gain (loss) recognized in income - Other income, net [1]	**8**	(80)	**3**	70

[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*:

	Derivatives Designated as Hedging Instruments		Derivatives Not Designated as Hedging Instruments	
In millions	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Notional amount	**$ 5,320**	$ 3,241	**$ 3,900**	$ 4,316
Derivative assets				
Prepaid expenses and other current assets [1]	**$ 43**	$ 16	**$ 9**	$ 39
Derivative liabilities				
Other accrued expenses	**$ 20**	$ 29	**$ 3**	$ 3
Other liabilities	**195**	72	**—**	—
Total derivative liabilities [1]	**$ 215**	$ 101	**$ 3**	$ 3

[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 nine months ended September 30, 2026, or the year ended December 31, 2025.

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 $11 million and $20 million and derivatives in a net liability position of $177 million and $69 million at September 30, 2026 and December 31, 2025, respectively.

NOTE 14. ACCELERA ACTIONS

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

During the third quarter of 2025, in our Accelera segment, we observed rapidly deteriorating conditions in our electrolyzer markets and overall hydrogen markets, along with significant uncertainty in the alternative power markets resulting from reductions in government incentives. As a result, we determined that a triggering event occurred for our electrolyzer reporting unit, warranting an interim impairment test of goodwill and the related asset group. We also re-evaluated the recoverability of certain inventory in this business due to the declining customer demand, resulting in a $30 million excess and obsolete inventory write-down. We concluded

that the undiscounted cash flows exceeded the carrying value of the related asset group and thus an impairment did not exist for the related long-lived assets. However, we determined that on a fair value basis our goodwill was fully impaired and recorded a charge of $210 million in other operating expense, net. The fair value of this reporting unit was determined using primarily a discounted cash flow model (a form of the income approach). This model incorporated a number of assumptions and judgements surrounding current market and economic conditions, internal forecasts of future business performance including short and long-term growth rates, earnings or losses before interest expense, income taxes, depreciation and amortization and noncontrolling interests (EBITDA) margins and discount rates. The $240 million of charges were non-deductible for income taxes purposes. These non-cash charges were reflected in net cash provided by operating activities as a change in inventory of $30 million and other, net of $210 million.

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 and electric powertrain 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. We continue to serve all our markets as they adopt electrification, meeting the needs of our OEM partners and end customers.

Our CODM uses segment EBITDA as the basis 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. EBITDA may not be consistent with measures used by other companies.

Summarized financial information regarding our reportable segments for the three and nine months ended September 30, 2026 and 2025 is shown in the table below:

In millions	Engine	Components	Distribution	Power Systems	Accelera	Total Segments
Three months ended September 30, 2026						
External sales	**$ 2,389**	**$ 2,397**	**$ 3,307**	**$ 1,250**	**$ 95**	**$ 9,438**
Intersegment sales	**741**	**459**	**3**	**1,039**	**8**	**2,250**
Total sales	**3,130**	**2,856**	**3,310**	**2,289**	**103**	**11,688**
Cost of goods sold (excluding warranty expenses)	**2,338**	**2,250**	**2,633**	**1,521**	**109**	**8,851**
Warranty expenses	**98**	**57**	**11**	**29**	**12**	**207**
Selling expenses	**69**	**46**	**168**	**50**	**6**	**339**
Administrative expenses	**173**	**136**	**109**	**102**	**9**	**529**
Research, development and engineering expenses	**186**	**85**	**16**	**85**	**28**	**400**
Equity, royalty and interest income (loss) from investees	**58**	**9**	**29**	**35**	**(4)**	**127**
Other income (expense) [1]	**19**	**(8)**	**22**	**9**	**1**	**43**
Add back: Depreciation and amortization [2]	**79**	**125**	**37**	**36**	**8**	**285**
Segment EBITDA	**$ 422**	**$ 408**	**$ 461**	**$ 582**	**$ (56)**	**$ 1,817**
Interest income [3]	**$ 12**	**$ 11**	**$ 7**	**$ 6**	**$ 1**	**$ 37**
Three months ended September 30, 2025						
External sales	$ 1,922	$ 1,986	$ 3,170	$ 1,126	$ 113	$ 8,317
Intersegment sales	683	343	2	870	8	1,906
Total sales	2,605	2,329	3,172	1,996	121	10,223
Cost of goods sold (excluding warranty expenses)	2,030	1,868	2,489	1,357	172 [4]	7,916
Warranty expenses	97	29	5	37	18	186
Selling expenses	57	43	151	42	7	300
Administrative expenses	141	132	93	105	18	489
Research, development and engineering expenses	159	70	14	62	40	345
Equity, royalty and interest income (loss) from investees	54	7	23	26	(6)	104
Other income (expense) [1]	15	(24)	17	2	(209) [4]	(199)
Add back: Depreciation and amortization [2]	71	122	32	36	13	274
Segment EBITDA	$ 261	$ 292	$ 492	$ 457	$ (336) [4]	$ 1,166
Interest income [3]	$ 11	$ 8	$ 6	$ 4	$ —	$ 29

In millions	Engine	Components	Distribution	Power Systems	Accelera	Total Segments
Nine months ended September 30, 2026						
External sales	**$ 6,704**	**$ 6,966**	**$ 9,736**	**$ 3,560**	**$ 327**	**$ 27,293**
Intersegment sales	**2,182**	**1,311**	**16**	**2,940**	**22**	**6,471**
Total sales	**8,886**	**8,277**	**9,752**	**6,500**	**349**	**33,764**
Cost of goods sold (excluding warranty expenses)	**6,749**	**6,574**	**7,729**	**4,265**	**381**	**25,698**
Warranty expenses	**291**	**146**	**32**	**71**	**55**	**595**
Selling expenses	**207**	**145**	**507**	**148**	**17**	**1,024**
Administrative expenses	**508**	**411**	**323**	**309**	**31**	**1,582**
Research, development and engineering expenses	**531**	**254**	**46**	**230**	**82**	**1,143**
Equity, royalty and interest income (loss) from investees	**217**	**29**	**91**	**105**	**(13)**	**429**
Other income (expense) [1]	**42**	**(29)**	**44**	**22**	**(197)** [5]	**(118)**
Add back: Depreciation and amortization [2]	**228**	**379**	**106**	**107**	**25**	**845**
Segment EBITDA	**$ 1,087**	**$ 1,126**	**$ 1,356**	**$ 1,711**	**$ (402)** [5]	**$ 4,878**
Interest income [3]	**$ 32**	**$ 33**	**$ 20**	**$ 16**	**$ 1**	**$ 102**
Nine months ended September 30, 2025						
External sales	$ 6,124	$ 6,551	$ 9,106	$ 3,052	$ 301	$ 25,134
Intersegment sales	2,151	1,153	14	2,482	28	5,828
Total sales	8,275	7,704	9,120	5,534	329	30,962
Cost of goods sold (excluding warranty expenses)	6,234	6,168	7,240	3,737	425 [4]	23,804
Warranty expenses	301	83	16	95	38	533
Selling expenses	177	124	462	129	21	913
Administrative expenses	425	372	273	311	45	1,426
Research, development and engineering expenses	465	222	42	188	129	1,046
Equity, royalty and interest income (loss) from investees	187	24	77	82	(17)	353
Other income (expense) [1]	53	(59)	53	16	(214) [4]	(151)
Add back: Depreciation and amortization [2]	206	371	96	104	38	815
Segment EBITDA	$ 1,119	$ 1,071	$ 1,313	$ 1,276	$ (522) [4]	$ 4,257
Interest income [3]	$ 29	$ 25	$ 18	$ 12	$ 1	$ 85

[1] Other income (expense) includes other operating expense, net and other income, net (excluding unallocated corporate expenses) 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. 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 a $30 million inventory write-down in cost of goods sold and a $210 million goodwill impairment charge in other income (expense). See NOTE 14, “ACCELERA ACTIONS,” for additional information.

[5] Included a $199 million net charge in other income (expense) related to the sale of our low pressure fuel cell business and settlement of current and future customer obligations. See NOTE 14, “ACCELERA ACTIONS,” 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 September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
TOTAL SEGMENT EBITDA	**$ 1,817**	$ 1,166	**$ 4,878**	$ 4,257
Intersegment eliminations and other [1]	**(31)**	21	**(149)**	(23)
Less:				
Interest expense	**81**	83	**237**	247
Depreciation and amortization	**285**	274	**845**	815
INCOME BEFORE INCOME TAXES	**$ 1,420**	$ 830	**$ 3,647**	$ 3,172

[1] Included intersegment sales, intersegment profit in inventory and unallocated corporate expenses.

NOTE 16. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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. The only impact to our *Condensed Consolidated Financial Statements* will be the additional required disclosures in the footnotes.

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)", to modernize the accounting guidance for costs to develop software for internal use. The new guidance amends the existing standard to remove references to various stages of a software development project to better align with current software methodologies such as agile development. The types of costs required to be capitalized have not significantly changed. In addition, the new standard requires costs to begin capitalization when (1) management has authorized and committed to funding the project and (2) it is probable that the project will be completed and the software will be used to perform its intended function. The new standard is effective for us beginning January 1, 2028, with early adoption permitted. The adoption of this standard is not expected to have a material impact on our *Condensed Consolidated Financial Statements.*

In December 2025, the FASB issued ASU 2025-10, "Accounting for Government Grants Received by Business Entities (Topic 832)", which establishes accounting requirements for grants received by a business entity. A government grant is defined as a transfer of a monetary asset or a tangible non-monetary asset, other than in an exchange transaction. The scope does not include income taxes or guarantees. The amendments are effective for us beginning January 1, 2029. Early adoption is permitted. The ASU may be adopted prospectively or retrospectively. As the standard is largely consistent with our current policy on accounting for government grants (as disclosed in NOTE 1, "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES," of the Notes to the Consolidated Financial Statements of our 2025 Form 10-K), we do not expect implementation of the new standard to have a material impact on our *Condensed Consolidated Financial Statements.*

In May 2026, the FASB issued ASU 2026-02, "Environmental Credits and Environmental Credit Obligations (Topic 818)", which establishes accounting and disclosure requirements for environmental credits and related environmental obligations as current GAAP does not contain specific guidance. Under this standard, environmental credits are generally recognized at cost while environmental obligations are generally recognized at the cost of the related environmental credits. To the extent an entity does not have enough credits to satisfy the obligation, the difference is generally recognized at fair value. The new standard requires assets and obligations to be recorded on a gross basis on our *Condensed Consolidated Balance Sheets*, whereas our current practice is to record them on a net basis. The new standard is effective for us beginning January 1, 2028. While we are still evaluating the impact of the new standard on our *Condensed Consolidated Financial Statements*, we do not expect a material impact to our *Condensed Consolidated Statements of Net Income*.

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 resulting from entering into agreements with the U.S. Environmental Protection Agency (EPA), California Air Resources Board (CARB), the Environmental and Natural Resources Division of the U.S. Department of Justice (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), including required additional mitigation projects, adverse reputational impacts and potential resulting legal actions;
- increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emission standards around the world;
- evolving environmental and climate change legislation and regulatory initiatives;
- any adverse consequences from changes in tariffs and other trade disruptions;
- changes in international, national and regional trade laws, regulations and policies;
- emissions deregulation;
- changes in taxation;
- global legal and ethical compliance costs and risks;
- future bans or limitations on the use of diesel-powered products;

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 or not successfully developing new technologies and products to effectively address the energy transition;
- lower than expected acceptance of new or existing products or services;

- product liability claims;
- our sales mix of products;

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 (AI) in our business and in our products, services and features, and challenges with properly managing its use;
- political, economic and other risks from operations among, between and within numerous countries including political, economic and social uncertainty and the evolving globalization of our business;
- competitor activity;
- increasing competition, including increased global competition among our customers in emerging markets;
- failure to meet sustainability expectations or standards, or achieve our sustainability goals;
- labor relations or work stoppages;
- foreign currency exchange rate changes;
- the performance of our pension plan assets and volatility of discount rates;
- the price and availability of energy;
- continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and
- other risk factors described in Part II, Item 1A in this quarterly report and our 2025 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 2025 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 leader committed to powering a more prosperous world. Since 1919, we have delivered innovative solutions that move people, goods and economies forward. Our five reportable segments - Engine, Components, Distribution, Power Systems and Accelera - offer a broad portfolio, including advanced diesel, electric and hybrid powertrains; integrated power generation systems; critical components such as aftertreatment, turbochargers, fuel systems, controls, transmissions, axles and brakes; and zero emissions technologies like battery and electric powertrain systems. With a global footprint, deep technical expertise and an extensive service network, we deliver dependable, cutting-edge solutions tailored to our customers' needs, supporting them through the energy transition with our Destination Zero strategy. We 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 640 wholly-owned, joint venture and independent distributor locations and more than 13,000 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 and electric powertrain 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. We continue to serve all our markets as they adopt electrification, 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, customer or the economy of any single country on our consolidated results.

Global Trade Environment

As disclosed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, 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, trade disruptions (such as embargoes, sanctions and export controls) and broader geopolitical tensions, could adversely impact the demand for our products and our competitive position. In 2025, the U.S. imposed tariffs on certain countries and products, which was followed by retaliatory tariffs and other trade actions against U.S. goods and services. On February 20, 2026, the U.S. Supreme Court ruled that U.S. tariffs imposed under the International Emergency Economic Powers Act (IEEPA) on goods imported into the U.S. were unauthorized. After this ruling, new tariffs were subsequently imposed under different statutes. The global trade environment has contributed to ongoing market volatility and heightened 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 supply availability. These factors could lead to a decline in business confidence, reduced demand for our products and increased product costs. We continue to pursue mitigation strategies, including leveraging available government tariff offset programs, engaging with our suppliers, exploring alternative sourcing and negotiating agreements with our customers to recover tariff-related costs. The financial impact of tariffs, net of mitigation actions and U.S. government tariff refunds (net of amounts to be returned to customers), was immaterial to our profitability and operating cash flows during the three and nine months ended September 30, 2026. However, continued and increasing tariff costs, the effectiveness of our mitigation efforts and ongoing market volatility could materially and adversely affect our results of operations, financial condition and cash flows in the future. We continue to monitor developments and take actions 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 2026.

2026 Third Quarter Results

A summary of our results is as follows:

	Three months ended September 30,		Nine months ended September 30,	
In millions, except per share amounts	**2026**	**2025**	**2026**	**2025**
Net sales	**$ 9,438**	$ 8,317	**$ 27,293**	$ 25,134
Net income attributable to Cummins Inc.	**1,140**	536	**2,726**	2,250
Earnings per common share attributable to Cummins Inc.				
Basic	**$ 8.29**	$ 3.88	**$ 19.77**	$ 16.33
Diluted	**8.25**	3.86	**19.70**	16.23

Net income attributable to Cummins Inc. was $1.1 billion, or $8.25 per diluted share, on sales of $9.4 billion for the three months ended September 30, 2026, versus the comparable prior year period net income attributable to Cummins Inc. of $536 million, or $3.86 per diluted share, on sales of $8.3 billion. The increases in net income attributable to Cummins Inc. and earnings per diluted share were primarily driven by higher sales leading to improved gross margin and the absence of the Accelera goodwill impairment charge and inventory write-down recorded during the third quarter of 2025, partially offset by higher compensation expenses. Diluted earnings per common share for the three months ended September 30, 2026, benefited $0.01 from fewer weighted-average shares outstanding due to the stock repurchase program.

Net income attributable to Cummins Inc. was $2.7 billion, or $19.70 per diluted share, on sales of $27.3 billion for the nine months ended September 30, 2026, versus the comparable prior year period net income attributable to Cummins Inc. of $2.3 billion, or $16.23 per diluted share, on sales of $25.1 billion. The increases in net income attributable to Cummins Inc. and earnings per diluted share were primarily driven by higher sales leading to improved gross margin and the absence of the Accelera goodwill impairment charge and inventory write-down recorded during the third quarter of 2025, partially offset by higher compensation expenses and the loss on the sale of our low pressure fuel cell business and settlement of current and future customer obligations. Diluted earnings per common share for the nine months ended September 30, 2026, benefited $0.09 from fewer weighted-average shares outstanding due to stock repurchase programs. See NOTE 14, "ACCELERA ACTIONS" to our *Condensed Consolidated Financial Statements* for additional information on the Accelera goodwill impairment charge and inventory write-down and the sale of our low pressure fuel cell business.

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

In millions	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
United States and Canada	**$ 5,730**	$ 4,972	$ 758	15 %	**$ 16,098**	$ 15,215	$ 883	6 %
International	**3,708**	3,345	363	11 %	**11,195**	9,919	1,276	13 %
Total net sales	**$ 9,438**	$ 8,317	$ 1,121	13 %	**$ 27,293**	$ 25,134	$ 2,159	9 %

Worldwide revenues increased by 13 percent in the three months ended September 30, 2026, compared to the same period in 2025, primarily due to improved demand in North American medium and heavy-duty truck markets and higher demand for power generation equipment, especially in data center applications. Net sales in the U.S. and Canada improved 15 percent driven by higher demand in medium and heavy-duty truck and power generation markets. International sales (excludes the U.S. and Canada) improved 11 percent mainly due to higher sales in China, Asia Pacific and Latin America. The increase in international sales was primarily due to higher demand for power generation equipment.

Worldwide revenues increased by 9 percent in the nine months ended September 30, 2026, compared to the same period in 2025, mainly due to higher demand for power generation equipment, especially in data center applications, and in North American medium and heavy-duty truck and international construction markets. International sales (excludes the U.S. and Canada) improved 13 percent primarily due to higher sales in China, Asia Pacific and Europe. The increase in international sales was driven by higher demand for power generation and construction equipment as well as favorable foreign currency fluctuations of 3 percent (primarily the Chinese renminbi, Euro and Brazilian real, partially offset by Indian rupee). Net sales in the U.S. and Canada improved 6 percent mainly due to higher demand in power generation and medium and heavy-duty truck markets.

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 nine months ended September 30, 2026 and 2025. 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 September 30, 2026			2025			Percent change 2026 vs. 2025	
In millions	Sales	Percent of Total	EBITDA	Sales	Percent of Total	EBITDA	Sales	EBITDA
Engine	**$ 3,130**	**27 %**	**$ 422**	$ 2,605	25 %	$ 261	20 %	62 %
Components	**2,856**	**24 %**	**408**	2,329	23 %	292	23 %	40 %
Distribution	**3,310**	**28 %**	**461**	3,172	31 %	492	4 %	(6)%
Power Systems	**2,289**	**20 %**	**582**	1,996	20 %	457	15 %	27 %
Accelera	**103**	**1 %**	**(56)**	121	1 %	(336) [1]	(15)%	83 %
Total segments	**11,688**	**100 %**	**1,817**	10,223	100 %	1,166	14 %	56 %
Intersegment eliminations	**(2,250)**		**(31)**	(1,906)		21	18 %	NM
Total	**$ 9,438**		**$ 1,786**	$ 8,317		$ 1,187	13 %	50 %

“NM” - not meaningful information

[1] Included a $210 million goodwill impairment charge and a $30 million inventory write-down. See NOTE 14, “ACCELERA ACTIONS,” to our *Condensed Consolidated Financial Statements* for additional information.

Reportable Segments	Nine months ended September 30, 2026			2025			Percent change 2026 vs. 2025	
In millions	Sales	Percent of Total	EBITDA	Sales	Percent of Total	EBITDA	Sales	EBITDA
Engine	**$ 8,886**	**26 %**	**$ 1,087**	$ 8,275	27 %	$ 1,119	7 %	(3)%
Components	**8,277**	**25 %**	**1,126**	7,704	25 %	1,071	7 %	5 %
Distribution	**9,752**	**29 %**	**1,356**	9,120	29 %	1,313	7 %	3 %
Power Systems	**6,500**	**19 %**	**1,711**	5,534	18 %	1,276	17 %	34 %
Accelera	**349**	**1 %**	**(402)** [1]	329	1 %	(522) [2]	6 %	23 %
Total segments	**33,764**	**100 %**	**4,878**	30,962	100 %	4,257	9 %	15 %
Intersegment eliminations	**(6,471)**		**(149)**	(5,828)		(23)	11 %	NM
Total	**$ 27,293**		**$ 4,729**	$ 25,134		$ 4,234	9 %	12 %

"NM" - not meaningful information

[1] Included a $199 million net charge related to the sale of our low pressure fuel cell business and settlement of current and future obligations. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

[2] Included a $210 million goodwill impairment charge and a $30 million inventory write-down. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

2026 Highlights

We generated $3.2 billion in cash from operations for the nine months ended September 30, 2026, compared to $2.1 billion for the comparable period in 2025. 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 September 30, 2026, was 34.4 percent, compared to 36.0 percent at December 31, 2025. The decrease was primarily due to an increased equity balance from strong earnings since December 31, 2025. At September 30, 2026, we had $4.2 billion in cash and marketable securities on hand and access to our $4.0 billion credit facilities (net of $348 million of commercial paper outstanding), if necessary, to meet working capital, investment, acquisition and funding needs.

In July 2026, the Board of Directors (the Board) authorized an increase to our quarterly dividend of 10 percent from $2.00 per share to $2.20 per share.

In the first nine months of 2026, we repurchased $833 million, or 1.4 million shares, of common stock.

In the first nine months of 2026, we entered into a series of interest rate swaps to convert $550 million of our senior notes, due in 2054, from a fixed rate of 5.45 percent to a floating rate equal to the daily Secured Overnight Financing Rate (SOFR) plus a spread. See NOTE 13, "DERIVATIVES," to our *Condensed Consolidated Financial Statements.*

On March 31, 2026, we sold our low pressure fuel cell business to a customer, cancelled future commitments and resolved certain claims against us with that customer resulting in a net payment by us of $175 million. These transactions resulted in a net charge of $199 million, which is reflected in other operating expense, net in our *Condensed Consolidated Statements of Net Income.*

As of the date of this filing, our credit ratings and outlooks from the credit rating agencies remain unchanged. See the section titled "Credit Ratings" in the "LIQUIDITY AND CAPITAL RESOURCES" section for our current ratings.

RESULTS OF OPERATIONS

In millions, except per share amounts	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
NET SALES	**$ 9,438**	$ 8,317	$ 1,121	13 %	**$ 27,293**	$ 25,134	$ 2,159	9 %
Cost of sales	**6,823**	6,188	(635)	(10)%	**19,970**	18,569	(1,401)	(8)%
GROSS MARGIN	**2,615**	2,129	486	23 %	**7,323**	6,565	758	12 %
OPERATING EXPENSES AND INCOME								
Selling, general and administrative expenses	**868**	789	(79)	(10)%	**2,606**	2,339	(267)	(11)%
Research, development and engineering expenses	**400**	345	(55)	(16)%	**1,143**	1,046	(97)	(9)%
Equity, royalty and interest income from investees	**127**	104	23	22 %	**429**	353	76	22 %
Other operating expense, net	**30**	247	217	88 %	**331**	321	(10)	(3)%
OPERATING INCOME	**1,444**	852	592	69 %	**3,672**	3,212	460	14 %
Interest expense	**81**	83	2	2 %	**237**	247	10	4 %
Other income, net	**57**	61	(4)	(7)%	**212**	207	5	2 %
INCOME BEFORE INCOME TAXES	**1,420**	830	590	71 %	**3,647**	3,172	475	15 %
Income tax expense	**251**	271	20	7 %	**830**	835	5	1 %
CONSOLIDATED NET INCOME	**1,169**	559	610	NM	**2,817**	2,337	480	21 %
Less: Net income attributable to noncontrolling interests	**29**	23	(6)	(26)%	**91**	87	(4)	(5)%
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	**$ 1,140**	$ 536	$ 604	NM	**$ 2,726**	$ 2,250	$ 476	21 %
Diluted Earnings Per Common Share Attributable to Cummins Inc.	**$ 8.25**	$ 3.86	$ 4.39	NM	**$ 19.70**	$ 16.23	$ 3.47	21 %

"NM" - not meaningful information

Percent of sales	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Percentage Points	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Percentage Points
Gross margin	**27.7 %**	25.6 %	2.1	**26.8 %**	26.1 %	0.7
Selling, general and administrative expenses	**9.2 %**	9.5 %	0.3	**9.5 %**	9.3 %	(0.2)
Research, development and engineering expenses	**4.2 %**	4.1 %	(0.1)	**4.2 %**	4.2 %	—

Net Sales

Net sales for the three months ended September 30, 2026, increased by $1.1 billion versus the comparable period in 2025. The primary drivers were as follows:

- Components segment sales increased 23 percent mainly due to higher demand in North American truck markets.
- Engine segment sales increased 20 percent largely due to increased demand in North American truck markets.
- Power Systems segment sales increased 15 percent primarily due to higher demand for power generation equipment, especially in North America and China.
- Distribution segment sales increased 4 percent principally due to higher demand for power generation equipment, especially in North America.

Net sales for the nine months ended September 30, 2026, increased $2.2 billion versus the comparable period in 2025. The primary drivers were as follows:

- Power Systems segment sales increased 17 percent primarily due to higher demand for power generation equipment, especially in China and North America.
- Distribution segment sales increased 7 percent principally due to higher demand for power generation equipment, especially in North America.
- Engine segment sales increased 7 percent largely due to increased demand in construction markets in China and medium-duty truck markets in North America.

- Components segment sales increased 7 percent mainly due to higher demand in emission solutions and components and software markets in North America, China and India.

Sales to international markets (excludes the U.S. and Canada), based on location of customers, for the three and nine months ended September 30, 2026, were 39 percent and 41 percent of total net sales compared with 40 percent and 39 percent of total net sales for the comparable periods in 2025. 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; net tariff costs; production and warehousing facility property insurance and rent for production facilities and other production overhead.

Gross Margin

Gross margin increased $486 million and $758 million, and increased 2.1 and 0.7 points as a percentage of sales, respectively, for the three and nine months ended September 30, 2026, versus the comparable periods in 2025. The increases in gross margin and gross margin as a percentage of sales were primarily due to higher volumes and favorable pricing, partially offset by increased compensation expenses.

The provision for base warranties issued as a percentage of sales for the three and nine months ended September 30, 2026, was 1.9 percent and 1.9 percent, respectively, compared to 1.8 percent and 1.9 percent for the comparable periods in 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $79 million for the three months ended September 30, 2026, and decreased 0.3 points as a percentage of net sales, versus the comparable period in 2025. The increase in selling, general and administrative expenses was primarily due to higher compensation expenses. The decrease in selling, general and administrative expenses as a percentage of net sales was due to sales increasing faster than selling, general and administrative expenses, despite higher compensation expenses. Compensation and related expenses included salaries, fringe benefits and variable compensation.

Selling, general and administrative expenses increased $267 million for the nine months ended September 30, 2026, and increased 0.2 points as a percentage of net sales, versus the comparable period in 2025. The increases were primarily due to higher compensation expenses and increased consulting costs.

Research, Development and Engineering Expenses

Research, development and engineering expenses increased $55 million for the three months ended September 30, 2026, and increased 0.1 points as a percentage of net sales, versus the comparable period in 2025. The increases were primarily due to higher spending on prototypes, increased consulting expenses and higher compensation expenses. Compensation and related expenses included salaries, fringe benefits and variable compensation.

Research, development and engineering expenses increased $97 million for the nine months ended September 30, 2026, and remained flat as a percentage of net sales, versus the comparable periods in 2025. The increase in research, development and engineering expenses was primarily due to higher compensation expenses and increased spending on prototypes.

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.

Equity, Royalty and Interest Income from Investees

Equity, royalty and interest income from investees increased $23 million for the three months ended September 30, 2026, versus the comparable period in 2025, primarily due to increased earnings at Chongqing Cummins Engine Co., Ltd. and Tata Cummins Ltd.

Equity, royalty and interest income from investees increased $76 million for the nine months ended September 30, 2026, versus the comparable period in 2025, mainly due to increased earnings at Chongqing Cummins Engine Co., Ltd., Dongfeng Cummins Engine Co., Ltd. and Beijing Foton Cummins Engine Co., Ltd.

Other Operating Expense, Net

Other operating expense, net for the three months ended September 30, 2026, decreased $217 million, versus the comparable period in 2025, primarily due to absence of the Accelera goodwill impairment charge, recorded in the third quarter of 2025. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

Other operating expense, net for the nine months ended September 30, 2026, was relatively flat versus the comparable period in 2025, as the loss on the sale of our low pressure fuel cell business was offset by the absence of the Accelera goodwill impairment charge, recorded in the third quarter of 2025. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

Income Tax Expense

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

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

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

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

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

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

Comprehensive Income - Foreign Currency Translation Adjustment

The foreign currency translation adjustment was a net loss of $35 million and $121 million for the three and nine months ended September 30, 2026, respectively, compared to a net loss of $67 million and a net gain of $247 million for the three and nine months ended September 30, 2025, respectively, driven by the following:

	Three months ended September 30,			
	2026		2025	
In millions	Translation adjustment	Primary currency driver vs. U.S. dollar	Translation adjustment	Primary currency driver vs. U.S. dollar
Wholly-owned subsidiaries	**$ (37)**	Indian rupee, Brazilian real, Euro and Swedish krona	$ (49)	Indian rupee
Equity method investments	**8**	Chinese renminbi, partially offset by Brazilian real	—	
Consolidated subsidiaries with a noncontrolling interest	**(6)**	Indian rupee	(18)	Indian rupee
Total	**$ (35)**		$ (67)	

	Nine months ended September 30,			
	2026		2025	
In millions	Translation adjustment	Primary currency driver vs. U.S. dollar	Translation adjustment	Primary currency driver vs. U.S. dollar
Wholly-owned subsidiaries	**$ (107)**	Indian rupee, Euro and British pound, partially offset by Brazilian real	$ 241	Euro, Brazilian real and British pound
Equity method investments	**18**	Chinese renminbi, partially offset by Indian rupee	20	Chinese renminbi
Consolidated subsidiaries with a noncontrolling interest	**(32)**	Indian rupee	(14)	Indian rupee
Total	**$ (121)**		$ 247	

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 and recoveries 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 and recoveries. The net impact of tariff costs and related recoveries were immaterial to each reportable segment's EBITDA, unless specifically noted.

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

Engine Segment Results

Financial data for the Engine segment was as follows:

	Three months ended September 30,		Favorable/ (Unfavorable)		Nine months ended September 30,		Favorable/ (Unfavorable)	
In millions	**2026**	**2025**	**Amount**	**Percent**	**2026**	**2025**	**Amount**	**Percent**
External sales	**$ 2,389**	$ 1,922	$ 467	24 %	**$ 6,704**	$ 6,124	$ 580	9 %
Intersegment sales	**741**	683	58	8 %	**2,182**	2,151	31	1 %
Total sales	**3,130**	2,605	525	20 %	**8,886**	8,275	611	7 %
Research, development and engineering expenses	**186**	159	(27)	(17)%	**531**	465	(66)	(14)%
Equity, royalty and interest income from investees	**58**	54	4	7 %	**217**	187	30	16 %
Interest income	**12**	11	1	9 %	**32**	29	3	10 %
Segment EBITDA	**422**	261	161	62 %	**1,087**	1,119	(32)	(3)%
			Percentage Points				**Percentage Points**	
Segment EBITDA as a percentage of total sales	**13.5 %**	10.0 %		3.5	**12.2 %**	13.5 %		(1.3)

Sales for our Engine segment by market were as follows:

	Three months ended September 30,		Favorable/ (Unfavorable)		Nine months ended September 30,		Favorable/ (Unfavorable)	
In millions	**2026**	**2025**	**Amount**	**Percent**	**2026**	**2025**	**Amount**	**Percent**
Heavy-duty truck	**$ 1,016**	$ 772	$ 244	32 %	**$ 2,783**	$ 2,669	$ 114	4 %
Medium-duty truck and bus	**1,045**	784	261	33 %	**2,946**	2,720	226	8 %
Light-duty automotive	**500**	583	(83)	(14)%	**1,439**	1,490	(51)	(3)%
Total on-highway	**2,561**	2,139	422	20 %	**7,168**	6,879	289	4 %
Off-highway	**569**	466	103	22 %	**1,718**	1,396	322	23 %
Total sales	**$ 3,130**	$ 2,605	$ 525	20 %	**$ 8,886**	$ 8,275	$ 611	7 %
			Percentage Points				**Percentage Points**	
On-highway sales as percentage of total sales	**82 %**	82 %		—	**81 %**	83 %		(2)

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

	Three months ended September 30,		Favorable/ (Unfavorable)		Nine months ended September 30,		Favorable/ (Unfavorable)	
	2026	2025	Amount	Percent	2026	2025	Amount	Percent
Heavy-duty	**33,200**	22,400	10,800	48 %	**88,000**	78,700	9,300	12 %
Medium-duty	**85,700**	63,100	22,600	36 %	**250,900**	211,700	39,200	19 %
Light-duty	**44,800**	49,600	(4,800)	(10)%	**130,300**	132,700	(2,400)	(2)%
Total unit shipments [1]	**163,700**	135,100	28,600	21 %	**469,200**	423,100	46,100	11 %

[1] Unit shipments exclude aftermarket parts.

Sales

Engine segment sales for the three months ended September 30, 2026, increased $525 million versus the comparable period in 2025. The following were the primary drivers by market:

- Medium-duty truck and bus sales increased $261 million primarily due to higher truck demand, especially in North America, with shipments up 88 percent.
- Heavy-duty truck sales increased $244 million principally due to higher demand in North America with shipments up 68 percent.

Engine segment sales for the nine months ended September 30, 2026, increased $611 million versus the comparable period in 2025. The following were the primary drivers by market:

- Off-highway sales increased $322 million mainly due to higher international construction demand, especially in China.
- Medium-duty truck and bus sales increased $226 million primarily due to higher truck demand, especially in North America, with shipments up 15 percent.

Segment EBITDA

Engine segment EBITDA for the three months ended September 30, 2026, increased $161 million versus the comparable period in 2025, primarily due to higher volumes.

Engine segment EBITDA for the nine months ended September 30, 2026, decreased $32 million versus the comparable period in 2025, primarily due to higher compensation expenses, partially offset by increased volumes.

Components Segment Results

Financial data for the Components segment was as follows:

	Three months ended September 30,		Favorable/ (Unfavorable)		Nine months ended September 30,		Favorable/ (Unfavorable)	
In millions	2026	2025	Amount	Percent	2026	2025	Amount	Percent
External sales	**$ 2,397**	$ 1,986	$ 411	21 %	**$ 6,966**	$ 6,551	$ 415	6 %
Intersegment sales	**459**	343	116	34 %	**1,311**	1,153	158	14 %
Total sales	**2,856**	2,329	527	23 %	**8,277**	7,704	573	7 %
Research, development and engineering expenses	**85**	70	(15)	(21)%	**254**	222	(32)	(14)%
Equity, royalty and interest income from investees	**9**	7	2	29 %	**29**	24	5	21 %
Interest income	**11**	8	3	38 %	**33**	25	8	32 %
Segment EBITDA	**408**	292	116	40 %	**1,126**	1,071	55	5 %
			Percentage Points				Percentage Points	
Segment EBITDA as a percentage of total sales	**14.3 %**	12.5 %	1.8		**13.6 %**	13.9 %	(0.3)	

Sales for our Components segment by business were as follows:

In millions	Three months ended September 30, 2026	Three months ended September 30, 2025	Favorable/ (Unfavorable) Amount	Favorable/ (Unfavorable) Percent	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Favorable/ (Unfavorable) Amount	Favorable/ (Unfavorable) Percent
Drivetrain and braking systems	**$ 1,109**	$ 917	$ 192	21 %	**$ 3,150**	$ 3,068	$ 82	3 %
Emission solutions	**956**	788	168	21 %	**2,859**	2,590	269	10 %
Components and software	**646**	537	109	20 %	**1,911**	1,719	192	11 %
Automated transmissions	**145**	87	58	67 %	**357**	327	30	9 %
Total sales	**$ 2,856**	$ 2,329	$ 527	23 %	**$ 8,277**	$ 7,704	$ 573	7 %

Sales

Components segment sales for the three months ended September 30, 2026, increased $527 million versus the comparable period in 2025. The following were the primary drivers by business:

- Drivetrain and braking systems sales increased $192 million principally due to improved demand in North American medium and heavy-duty truck markets.
- Emission solutions sales increased $168 million primarily due to higher demand in North American medium and heavy-duty truck markets.
- Components and software sales increased $109 million mainly due to increased demand in North American medium and heavy-duty truck markets.

Components segment sales for the nine months ended September 30, 2026, increased $573 million versus the comparable period in 2025. The following were the primary drivers by business:

- Emission solutions sales increased $269 million primarily due to higher demand in North America, India, China and Western Europe.
- Components and software sales increased $192 million mainly due to improved demand in North America, China and India.
- Favorable foreign currency fluctuations, primarily in the Euro and Chinese renminbi.

Segment EBITDA

Components segment EBITDA for the three and nine months ended September 30, 2026, increased $116 million and $55 million, respectively, versus the comparable periods in 2025, mainly due to increased volumes, partially offset by higher compensation expenses.

Distribution Segment Results

Financial data for the Distribution segment was as follows:

In millions	Three months ended September 30, 2026	Three months ended September 30, 2025	Favorable/ (Unfavorable) Amount	Favorable/ (Unfavorable) Percent	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Favorable/ (Unfavorable) Amount	Favorable/ (Unfavorable) Percent
External sales	**$ 3,307**	$ 3,170	$ 137	4 %	**$ 9,736**	$ 9,106	$ 630	7 %
Intersegment sales	**3**	2	1	50 %	**16**	14	2	14 %
Total sales	**3,310**	3,172	138	4 %	**9,752**	9,120	632	7 %
Research, development and engineering expenses	**16**	14	(2)	(14)%	**46**	42	(4)	(10)%
Equity, royalty and interest income from investees	**29**	23	6	26 %	**91**	77	14	18 %
Interest income	**7**	6	1	17 %	**20**	18	2	11 %
Segment EBITDA	**461**	492	(31)	(6)%	**1,356**	1,313	43	3 %
			Percentage Points				Percentage Points	
Segment EBITDA as a percentage of total sales	**13.9 %**	15.5 %	(1.6)		**13.9 %**	14.4 %	(0.5)	

Sales for our Distribution segment by region were as follows:

In millions	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
North America	**$ 2,302**	$ 2,202	$ 100	5 %	**$ 6,823**	$ 6,379	$ 444	7 %
Asia Pacific	**368**	312	56	18 %	**1,015**	832	183	22 %
Europe	**285**	273	12	4 %	**890**	868	22	3 %
China	**143**	122	21	17 %	**398**	361	37	10 %
India	**96**	93	3	3 %	**273**	258	15	6 %
Africa and Middle East	**70**	74	(4)	(5)%	**200**	193	7	4 %
Latin America	**46**	96	(50)	(52)%	**153**	229	(76)	(33)%
Total sales	**$ 3,310**	$ 3,172	$ 138	4 %	**$ 9,752**	$ 9,120	$ 632	7 %

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

In millions	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
Power generation	**$ 1,328**	$ 1,247	$ 81	6 %	**$ 3,981**	$ 3,537	$ 444	13 %
Parts	**1,049**	1,013	36	4 %	**3,193**	3,059	134	4 %
Service	**483**	495	(12)	(2)%	**1,388**	1,350	38	3 %
Engines	**450**	417	33	8 %	**1,190**	1,174	16	1 %
Total sales	**$ 3,310**	$ 3,172	$ 138	4 %	**$ 9,752**	$ 9,120	$ 632	7 %

Sales

Distribution segment sales for the three and nine months ended September 30, 2026, increased $138 million and $632 million, respectively, versus the comparable periods in 2025, primarily due to increased demand for power generation equipment in North America, especially in data center applications.

Segment EBITDA

Distribution segment EBITDA for the three months ended September 30, 2026, decreased $31 million versus the comparable period in 2025, primarily due to higher compensation expenses, partially offset by increased volumes.

Distribution segment EBITDA for the nine months ended September 30, 2026, increased $43 million versus the comparable period in 2025, primarily due to favorable mix and increased volumes, partially offset by higher compensation expenses.

Power Systems Segment Results

Financial data for the Power Systems segment was as follows:

In millions	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
External sales	**$ 1,250**	$ 1,126	$ 124	11 %	**$ 3,560**	$ 3,052	$ 508	17 %
Intersegment sales	**1,039**	870	169	19 %	**2,940**	2,482	458	18 %
Total sales	**2,289**	1,996	293	15 %	**6,500**	5,534	966	17 %
Research, development and engineering expenses	**85**	62	(23)	(37)%	**230**	188	(42)	(22)%
Equity, royalty and interest income from investees	**35**	26	9	35 %	**105**	82	23	28 %
Interest income	**6**	4	2	50 %	**16**	12	4	33 %
Segment EBITDA	**582**	457	125	27 %	**1,711**	1,276	435	34 %

			Percentage Points			Percentage Points
Segment EBITDA as a percentage of total sales	**25.4 %**	22.9 %	2.5	**26.3 %**	23.1 %	3.2

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

In millions	Three months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
Power generation	**$ 1,557**	$ 1,280	$ 277	22 %	**$ 4,376**	$ 3,486	$ 890	26 %
Industrial	**518**	531	(13)	(2)%	**1,562**	1,535	27	2 %
Generator technologies	**214**	185	29	16 %	**562**	513	49	10 %
Total sales	**$ 2,289**	$ 1,996	$ 293	15 %	**$ 6,500**	$ 5,534	$ 966	17 %

Sales

Power Systems segment sales for the three and nine months ended September 30, 2026, increased $293 million and $966 million, respectively, versus the comparable periods in 2025, primarily due to increased power generation sales resulting from higher demand in North America and China.

Segment EBITDA

Power Systems segment EBITDA for the three months ended September 30, 2026, increased $125 million versus the comparable period in 2025, mainly due to higher volumes and favorable pricing, partially offset by increased compensation expenses.

Power Systems segment EBITDA for the nine months ended September 30, 2026, increased $435 million versus the comparable period in 2025, 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 September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent	Nine months ended September 30, 2026	2025	Favorable/ (Unfavorable) Amount	Percent
External sales	**$ 95**	$ 113	$ (18)	(16)%	**$ 327**	$ 301	$ 26	9 %
Intersegment sales	**8**	8	—	— %	**22**	28	(6)	(21)%
Total sales	**103**	121	(18)	(15)%	**349**	329	20	6 %
Research, development and engineering expenses	**28**	40	12	30 %	**82**	129	47	36 %
Equity, royalty and interest loss from investees	**(4)**	(6)	2	33 %	**(13)**	(17)	4	24 %
Interest income	**1**	—	1	NM	**1**	1	—	— %
Segment EBITDA	**(56)**	(336) [1]	280	83 %	**(402)** [2]	(522) [1]	120	23 %

"NM" - not meaningful information

[1] Included a $210 million goodwill impairment charge and a $30 million inventory write-down. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

[2] Included a $199 million net charge related to the sale of our low pressure fuel cell business and settlement of current and future obligations. See NOTE 14, "ACCELERA ACTIONS," to our *Condensed Consolidated Financial Statements* for additional information.

Accelera segment sales for the three months ended September 30, 2026, decreased $18 million versus the comparable period in 2025, mainly due to lower sales of electrolyzers.

Accelera segment sales for the nine months ended September 30, 2026, increased $20 million versus the comparable period in 2025, primarily due to improved sales of electrolyzers and favorable foreign currency fluctuations related mainly to the Euro.

OUTLOOK

The global trade environment, characterized by tariffs, export controls and broader geopolitical tensions, 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 uncertain duration of these global trade measures, our outlook presented below could be negatively impacted by policy-driven 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.

2026 Outlook

Our outlook reflects the following positive trends and challenges to our business that could impact our revenue and earnings potential in 2026.

Positive Trends

- We expect demand within markets served by our Power Systems business to remain strong, including the power generation and industrial markets.
- We anticipate our aftermarket business will remain stable, driven primarily by demand in our Engine and Power Systems businesses.
- We expect strong demand for medium-duty and heavy-duty trucks in North America to continue for the remainder of 2026.

Challenges

- Increases in costs, tariffs, as well as other inflationary pressures, could negatively impact earnings.
- The potential for trade disruptions (including embargoes, sanctions, export controls and the ongoing conflict in Iran) could disrupt production, contribute to elevated prices for oil and other inputs, and negatively impact earnings.
- The slower adoption of zero emissions solutions reduced Accelera's near-term revenue outlook, prompting significant restructuring actions in 2024 and 2025 and a refined strategic investment approach. While we anticipate these actions will gradually improve the cost structure, we expect ongoing investments in priority technologies to result in continued near-term operating losses.

Current Regulatory Challenges for 2026 and Beyond

- Changes in government policies (such as reduced incentives, delayed infrastructure mandates or revised emissions standards) may impact Accelera's ability to compete, scale or recover investments in zero emissions technologies.
- We are navigating a dynamic regulatory environment in the U.S. that could impact future product launches, and we are actively engaged with customers, regulators and suppliers to ensure product development and certification requirements are met while delivering high-quality, dependable products that align with customer needs.
- On July 1, 2026, the U.S. declined to extend the United States-Mexico-Canada Agreement (USMCA). The U.S. is reportedly negotiating new terms with Canada and Mexico that would either maintain the current tri-lateral agreement structure or form new, bi-lateral agreements with each country. We are actively monitoring negotiations, but are currently unable to determine how future agreement revisions may impact our business.
- Our engines are subject to extensive statutory and regulatory requirements governing emissions, including greenhouse gas (GHG) standards set by the EPA and fuel consumption standards set by the National Highway Traffic Safety Administration (NHTSA). To comply with these regulations, we utilize banking and trading of regulatory compliance credits. In June 2025, NHTSA published an interpretive rule questioning the current regulatory framework of allowing credits as a compliance vehicle. In July 2025, the EPA published a proposed rule that would repeal GHG emissions standards and thus remove the requirement for vehicle and engine manufacturers to measure, control and report these emissions from vehicles. In February 2026, the EPA finalized the rescission of the 2009 Greenhouse Gas Endangerment Finding and repealed all GHG emission standards for on-highway vehicles and engines with an effective date of April 20, 2026. NHTSA rules currently still allow credits as a compliance vehicle. Depending on NHTSA's future rulemaking as indicated by the June 2025 interpretive rule, we may no longer utilize emission compliance credits on future engines sales and the credits could have a minimal, if any value to us. While the rules will likely be subject to legal challenges, in the period NHTSA finalizes a rule, we could be required to incur a non-cash expense up to the value of our existing credits. At September 30, 2026, we had $89 million of GHG emission compliance credits.

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	September 30, 2026	December 31, 2025
Working capital [1]	**$ 8,243**	$ 7,315
Current ratio	**1.74**	1.76
Accounts and notes receivable, net	**$ 6,638**	$ 5,818
Days' sales in receivables	**62**	60
Inventories	**$ 6,811**	$ 5,822
Inventory turnover	**4.1**	4.2
Accounts payable (principally trade)	**$ 4,879**	$ 3,800
Days' payable outstanding	**58**	58
Total debt	**$ 7,519**	$ 7,552
Total debt as a percent of total capital	**34.4 %**	36.0 %

[1] Working capital included cash and cash equivalents.

Cash Flows

Cash and cash equivalents were impacted as follows:

In millions	Nine months ended September 30, 2026	2025	Change
Net cash provided by operating activities	**$ 3,213**	$ 2,087	$ 1,126
Net cash used in investing activities	**(663)**	(846)	183
Net cash used in financing activities	**(1,833)**	(403)	(1,430)
Effect of exchange rate changes on cash and cash equivalents	**9**	57	(48)
Net increase in cash and cash equivalents	**$ 726**	$ 895	$ (169)

Net cash provided by operating activities increased $1,126 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to lower working capital requirements of $926 million. The lower working capital requirements resulted in a cash outflow of $480 million compared to a cash outflow of $1,406 million in the comparable period of 2025, mainly due to favorable changes in accounts payable and accrued expenses, partially offset by unfavorable changes in inventories and accounts and notes receivable.

Net cash used in investing activities decreased $183 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to lower net investments in marketable securities.

Net cash used in financing activities increased $1,430 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to lower proceeds from borrowings of $1,778 million and higher repurchases of common stock of $827 million, partially offset by lower payments of commercial paper of $901 million and lower payments on borrowings and finance lease obligations of $383 million.

The effect of exchange rate changes on cash and cash equivalents for the nine months ended September 30, 2026, versus the comparable period in 2025, declined $48 million primarily due to unfavorable fluctuations in the British pound and Euro, partially offset by Chinese renminbi.

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:

	September 30, 2026			
In millions	**Total**	**U.S.**	**International**	**Primary location of international balances**
Cash and cash equivalents	**$ 3,571**	**$ 1,520**	**$ 2,051**	China, Singapore, Australia, Mexico, Romania, Belgium, India and United Kingdom
Marketable securities [1]	**614**	**79**	**535**	India and Brazil
Total	**$ 4,185**	**$ 1,599**	**$ 2,586**	
Available credit capacity				
Revolving credit facilities [2]	**$ 3,652**			
International and other uncommitted domestic credit facilities	**$ 531**			

[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 September 30, 2026, we had $348 million of commercial paper outstanding, which effectively reduced our available capacity under our revolving credit facilities to $3.7 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

Our committed credit facilities provide access up to $4.0 billion from our $2.0 billion 3-year credit facility and our $2.0 billion 5-year facility. 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 September 30, 2026.

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 September 30, 2026, we had $348 million of commercial paper outstanding, which effectively reduced our available capacity under our revolving credit facilities to $3.7 billion. See NOTE 9, “DEBT,” to our *Condensed Consolidated Financial Statements* for additional information.

In the first nine months of 2026, we entered into a series of interest rate swaps to convert $550 million of our senior notes, due in 2054, from a fixed rate of 5.45 percent to a floating rate equal to the daily SOFR plus a spread. See NOTE 13, “DERIVATIVES,” 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 (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.

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 (generally with 60 to 90 day payment terms). 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. The maximum amount that we could have outstanding under these programs was $564 million at September 30, 2026. 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*. The amount due to the financial intermediaries reflected in accounts payable at September 30, 2026, was $244 million.

Uses of Cash

Dividends

We paid dividends of $854 million during the nine months ended September 30, 2026. In July 2026, the Board authorized an increase to our quarterly dividend of 10 percent from $2.00 per share to $2.20 per share.

Capital Expenditures

Capital expenditures for the nine months ended September 30, 2026, were $741 million versus $691 million in the comparable period in 2025. We continue to invest in new product lines and targeted capacity expansions. We plan to spend an estimated $1.35 billion to $1.45 billion in 2026 on capital expenditures with approximately 60 percent of these expenditures expected to be invested in North America.

Current Maturities of Short and Long-Term Debt

We had $348 million of commercial paper outstanding at September 30, 2026, that matures in less than one year. Required annual long-term debt principal payments range from $22 million to $865 million over the next five years (including the remainder of 2026). See NOTE 9, “DEBT,” to our *Condensed Consolidated Financial Statements* for additional information.

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, which was completed in the first quarter of 2026. In the first nine months of 2026, we made the following purchases under our stock repurchase programs:

In millions (except per share amounts) For each quarter ended	Shares Purchased	Average Cost Per Share	Total Cost of Repurchases	Remaining Authorized Capacity
December 2019, $2 billion repurchase program				
March 31	0.4	$ 539.09	$ 218	$ —
December 2021, $2 billion repurchase program				
March 31	0.1	519.00	25	1,975
June 30	0.3	623.69	225	1,750
September 30	0.6	600.79	365	1,385
Subtotal	1.0	605.11	615	
Total	1.4	586.33	$ 833	

We intend to repurchase outstanding shares from time to time during 2026 to enhance shareholder value.

Settlement of Current and Future Customer Obligations

In the first quarter of 2026, we sold our low pressure fuel cell business to a customer, cancelled future commitments and resolved certain claims against us with that customer resulting in a net payment by us of $175 million. See NOTE 14, “ACCELERA ACTIONS,” to our *Condensed Consolidated Financial Statements* for additional information.

Pensions

Our global pension plans, including our unfunded and non-qualified plans, were 112 percent funded at December 31, 2025. Our U.S. defined benefit plans (qualified and non-qualified), which represented approximately 70 percent of the worldwide pension obligation, were 115 percent funded, and our U.K. defined benefit plans were 105 percent funded at December 31, 2025. The funded status of our pension plans is dependent upon a variety of variables and assumptions including returns on pension assets subject to active investment management, market interest rates and levels of voluntary contributions to the plans. In the first nine months of 2026, the investment gain on our U.S. pension trust was 3.4 percent, while our U.K. pension trusts' actively managed pension assets had a loss of 0.8 percent. We anticipate making additional defined benefit pension contributions during the remainder of 2026 of $12 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 2026 annual net periodic pension cost to approximate $75 million.

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:

	Long-Term	Short-Term	
Credit Rating Agency [1]	Senior Debt Rating	Debt Rating	Outlook
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 dividend payments, targeted capital expenditures, debt service obligations, common stock repurchases, projected pension obligations, joint venture contributions and acquisitions through 2026 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 2025 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, assessing goodwill impairment and 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 2025 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 nine months of 2026.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See NOTE 16, "RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS," in our *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 2025 Form 10-K. There have been no material changes in this information since the filing of our 2025 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 September 30, 2026, 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, 2025, which could materially affect our business, financial condition or future results. The risks described in our 2025 Annual Report on Form 10-K or the "CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION" in this Quarterly report are not the only risks we face. 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.

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

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

	Issuer Purchases of Equity Securities			
Period	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]
July 1 - July 31	103,635	$ 641.67	103,635	$ 1,683
August 1 - August 31	338,152	615.92	338,152	1,475
September 1 - September 30	165,035	544.13	165,035	1,385
Total	606,822	600.79	606,822	

[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, which was completed in the first quarter of 2026. During the three months ended September 30, 2026, we repurchased $365 million of common stock under the 2021 authorization. The dollar value remaining available for future purchases under the 2021 program at September 30, 2026, was $1.4 billion.

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 third quarter of 2026, 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	8/25/2026	Rule 10b5-1 trading arrangement	12/24/2026	11,292 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
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 nine months ended September 30, 2026 and 2025*, (ii) the *Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2026 and 2025*, (iii) the *Condensed Consolidated Balance Sheets at September 30, 2026 and December 31, 2025*, (iv) the *Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2026 and 2025*, (v) the *Condensed Consolidated Statements of Changes in Equity for the three and nine months ended September 30, 2026 and 2025,* (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: November 5, 2026

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

EXHIBIT 31(a)

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: November 5, 2026

/s/ JENNIFER RUMSEY

Jennifer Rumsey

Chair and Chief Executive Officer

EXHIBIT 31(b)

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: November 5, 2026

/s/ MARK A. SMITH

Mark A. Smith

Vice President and Chief Financial Officer

EXHIBIT 32

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 September 30, 2026, 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.

November 5, 2026

/s/ JENNIFER RUMSEY

Jennifer Rumsey

Chair and Chief Executive Officer

November 5, 2026

/s/ MARK A. SMITH

Mark A. Smith

Vice President and Chief Financial Officer