



# Together Towards Tomorrow and Beyond

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Confidential



**100**  
**YEARS**

# A history rooted in innovation



## Founded in 1919

Cummins was founded by Clessie Cummins and W.G. Irwin, who believed in the power of ideas and had a shared vision of what ingenuity and hard work could achieve.



## The power of diesel

Cummins took the available technology and transformed diesel into a reliable and everyday use of transformation power source.

[See a timeline of our history in the Sustainability Progress Report](#)

# J. Irwin Miller: A visionary

- Laid foundation for future global growth
- Embraced the stakeholder model
- Integrated values into the fabric of our business





**190+**

Countries and territories



**58,600+**

Employees worldwide



**6**

Continents where we develop,  
design and manufacture products

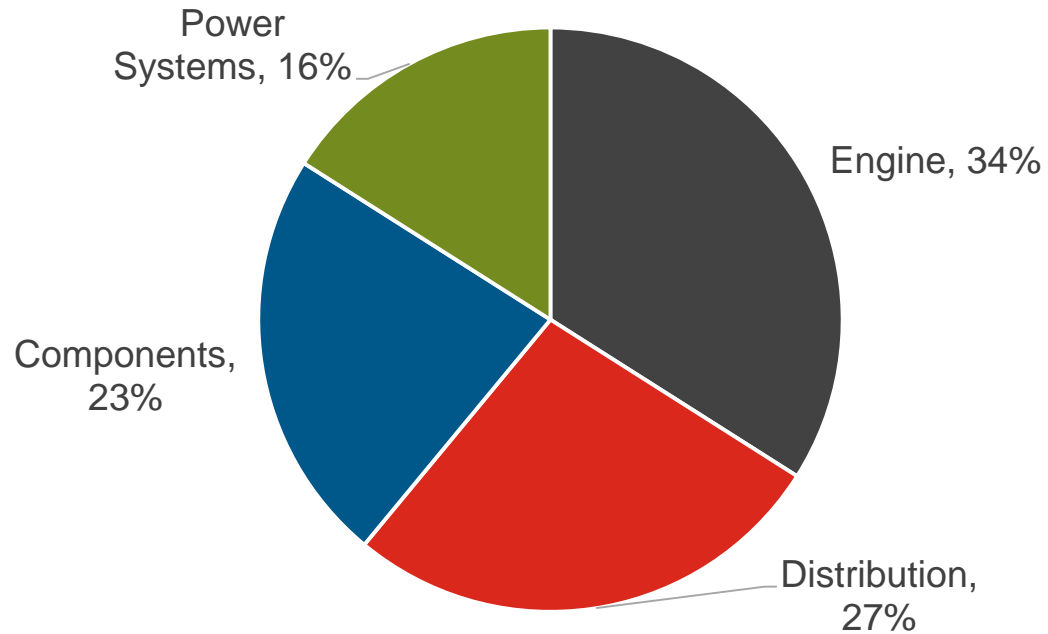


**\$20.4 billion**

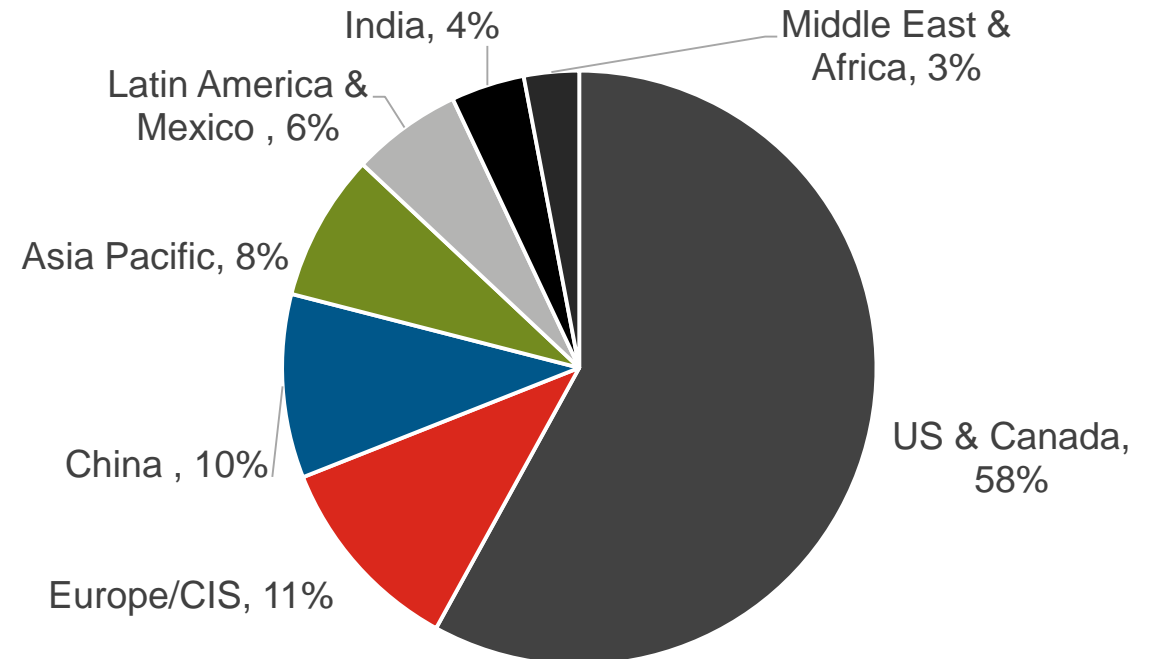
CMI 2017 revenue

# 2017 financial performance

## Revenue by operating segment



## Revenue by marketing territory



**2017 Sales: \$20.4B**

**2017 EBIT<sup>1</sup>: \$2.5B**

**2017 EBIT %: 12.2%**

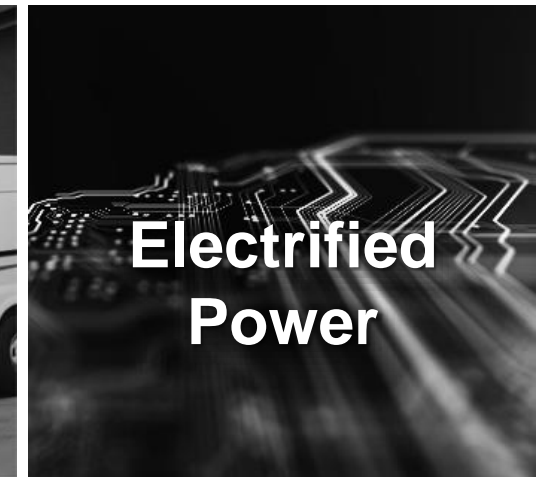
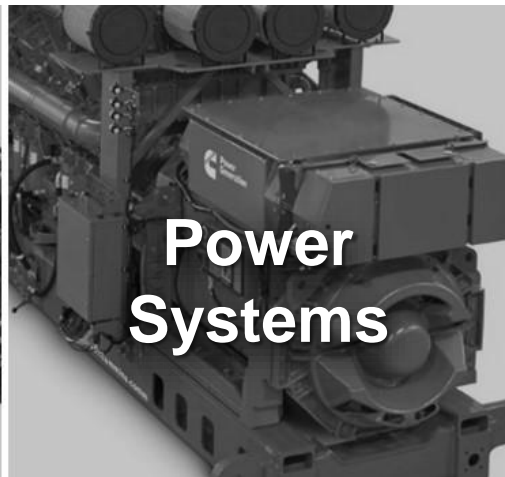
<sup>1</sup>2017 EBIT excludes \$39 million of tax charges related to the Tax Cuts and Jobs Act.

# Our growth strategy

CORE		CAPABILITIES		GROWTH PLATFORMS	
Engine	Power Systems	Technology Leadership	Build on our strength in Powertrain	Leverage our Global Distribution Channel	
		Scale Advantage			
Components	Distribution	Distribution Network	Data-Enabled Services	Increase Participation in Attractive Markets	
		Partnerships & Customers			
NEW TECHNOLOGIES					

# Five operating segments

Cummins has a nearly 100-year-long track record of delivering leading power solutions. As we look ahead, we know our industries and markets will continue to change, and we are committed to bringing our customers the right technology at the right time.






# Power Systems business overview

Founded in 2016 with the merger of Cummins High Horsepower business and Power Generation business




  
**~10,000**  
Employees  
globally



  
Engines up to  
**5,500 HP**



  
Gensets up to  
**3,800 HP**

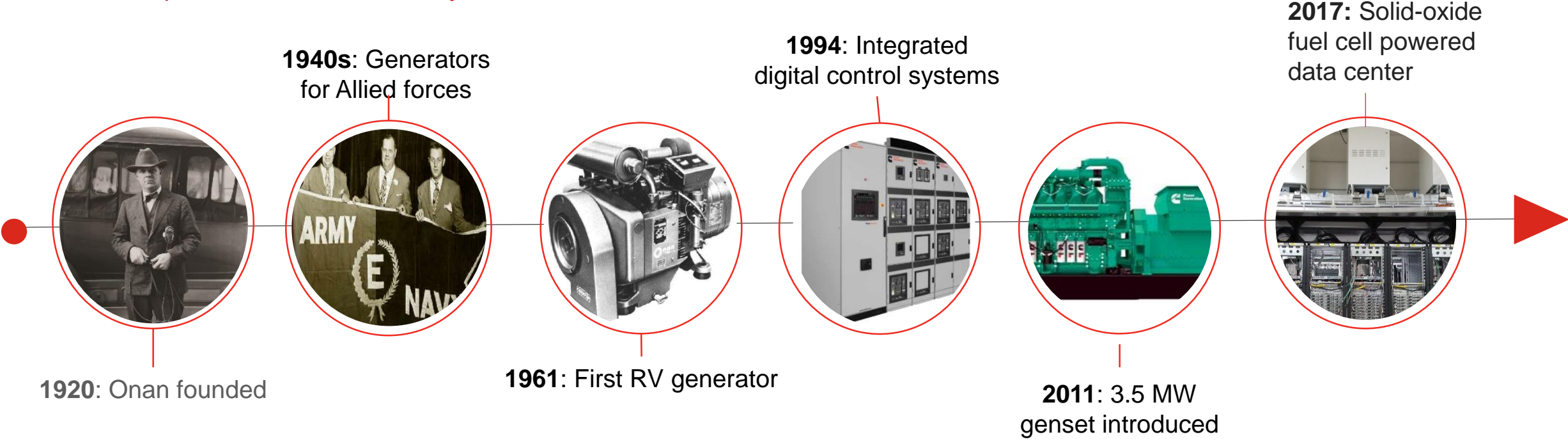


  
**\$4.1**  
Billion  
2017 sales



# Legacy of innovation in Power Generation

*A few examples across our rich history*



## LOOKING AHEAD:



**HSK 78G:** Next generation lean burn natural gas



Advancements in **distributed generation**



**Energy storage units** for stationary applications

# Distribution Segment



## KEY CAPABILITIES

Sales – Offering a complete range of Cummins Genuine Parts

Service – Full warranty repairs by highly qualified factory trained technicians

Support – Parts availability, customer engineering and expert support 24/7

## PRODUCT PORTFOLIO

Parts  
Engines  
Power generation  
Service

## NETWORK

Consists of independent, partially-owned and wholly-owned distributors

# Electrified Power Segment

## INVESTMENT

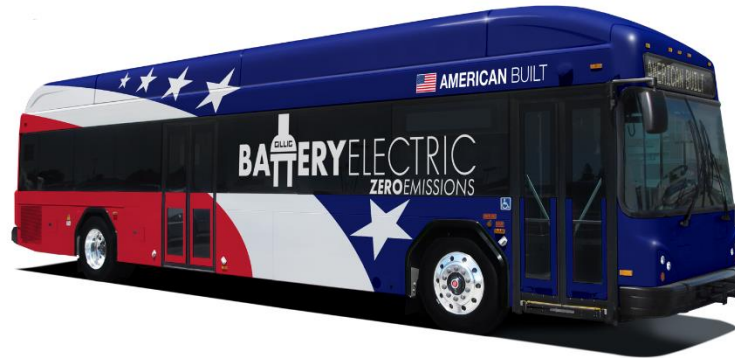
Committed to investing \$500M over three years into electrification innovation

## ELECTRIC SYSTEMS

Currently in development are the Cummins Electric Power Battery (EPB) and the Cummins Hybrid Plug-In (HPP) systems for urban bus, which are expected to launch in 2019 and 2020 respectively

## BATTERY SYSTEMS

Added battery pack design capability with acquisitions of Brammo & Johnson Matthey Battery Systems





# Cummins Homes and Small Business Strategy

## Objective

Grow the dealer business and achieve **Sustainable** profitability in revenue and attain **#2 position in 5 years** in the market

**BY**

Offering an elevated dealer partner experience and growing the dealer channel to provide a bigger foot print to **the end user**

## Key initiatives

Continued Market Alignment

Dealer Coverage Strategy

Ensure ALL Dealer Partners Have the Proper Support

Product line

Richer Loyalty Program

Evolution of the Sales Team

Emerging Trends

# HSB Market



Agriculture –  
Confinement House

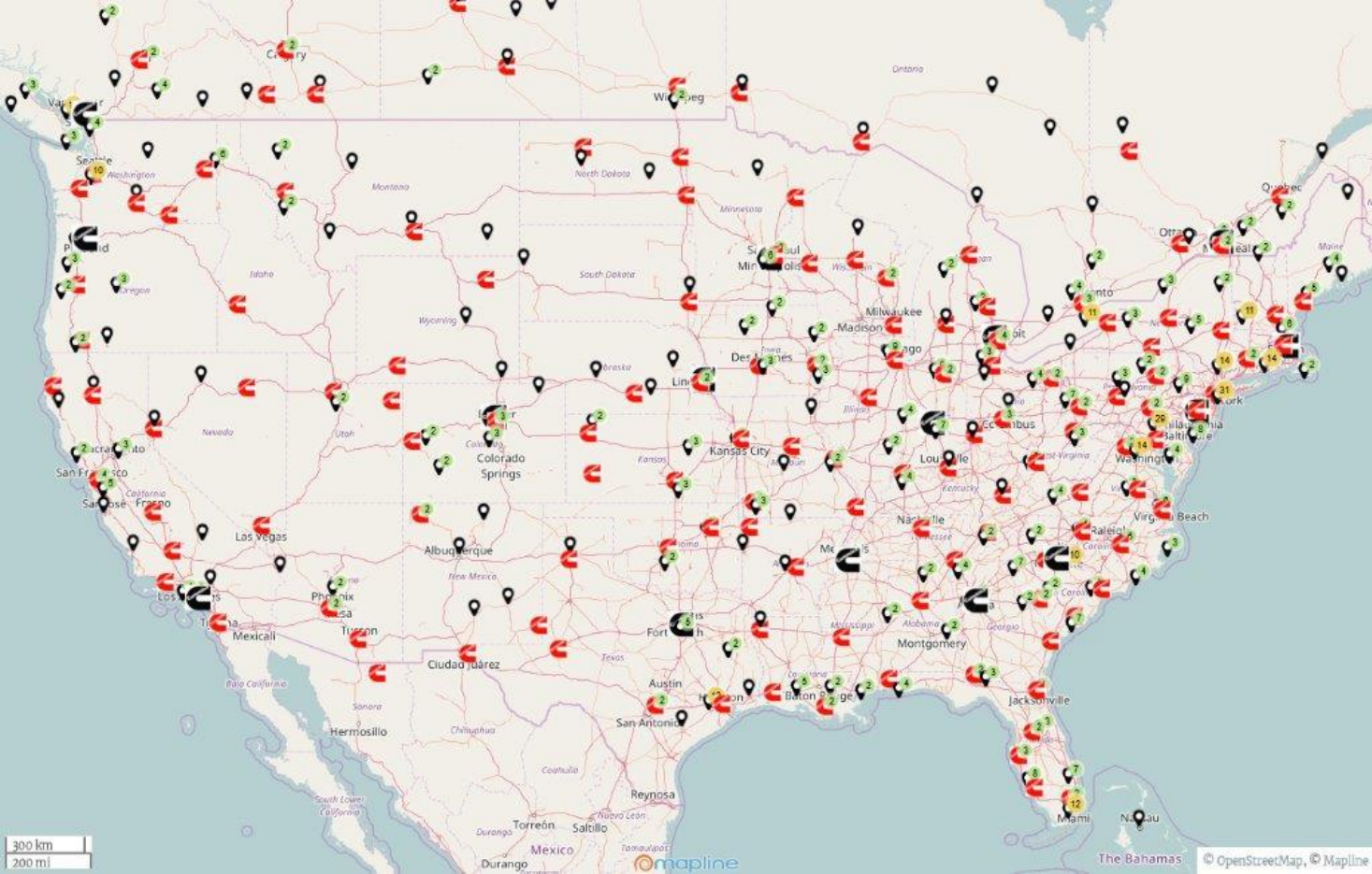


Hog Farms



Chicken Farms

# Cummins ChannelOne Coverage Strategy



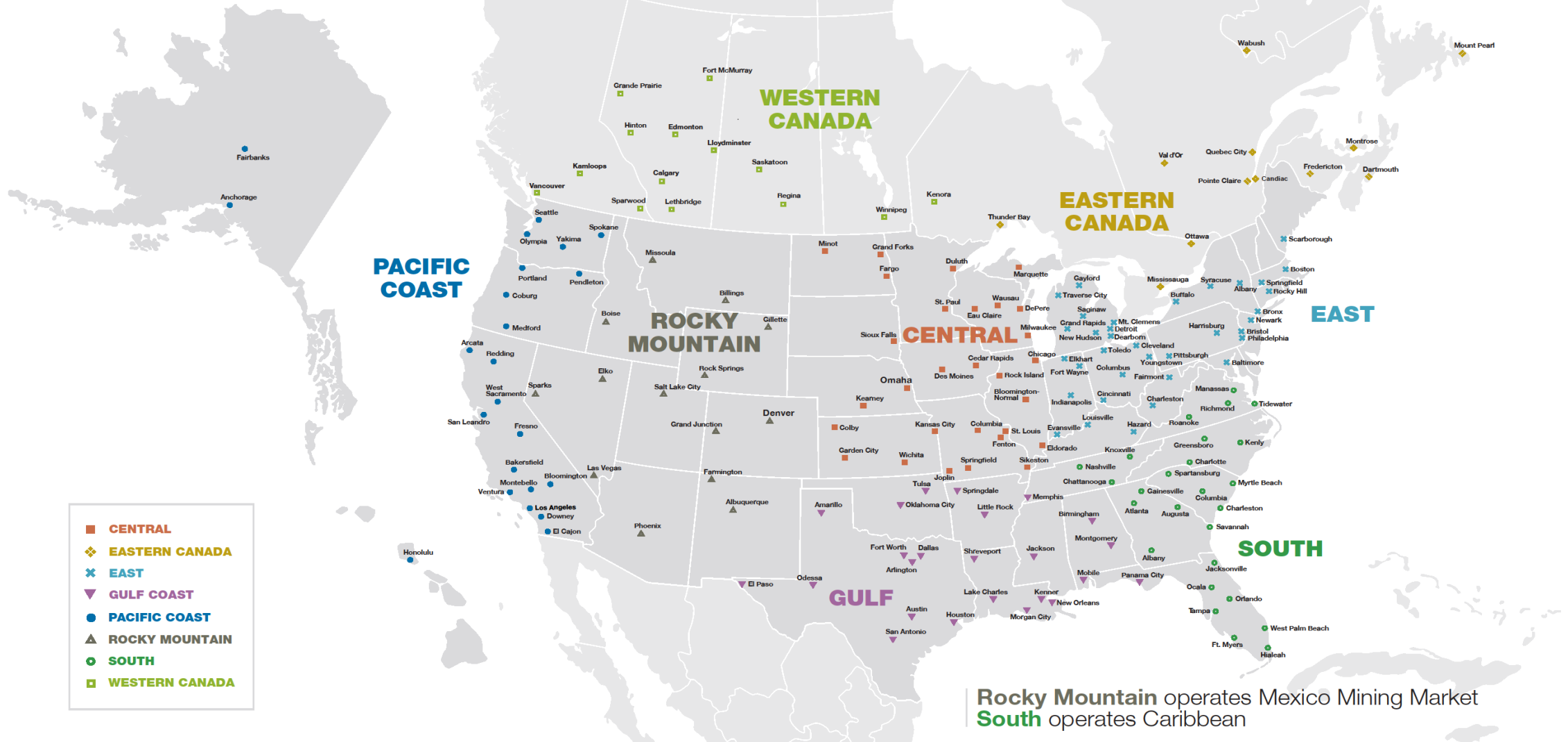


# 1-800-Cummins





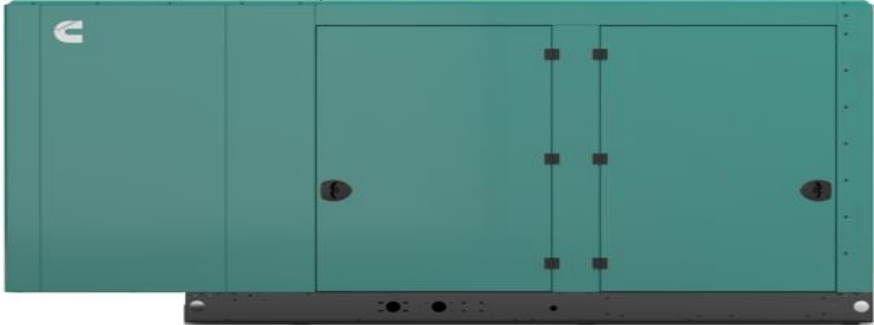
# NORTH AMERICAN Distribution Regions



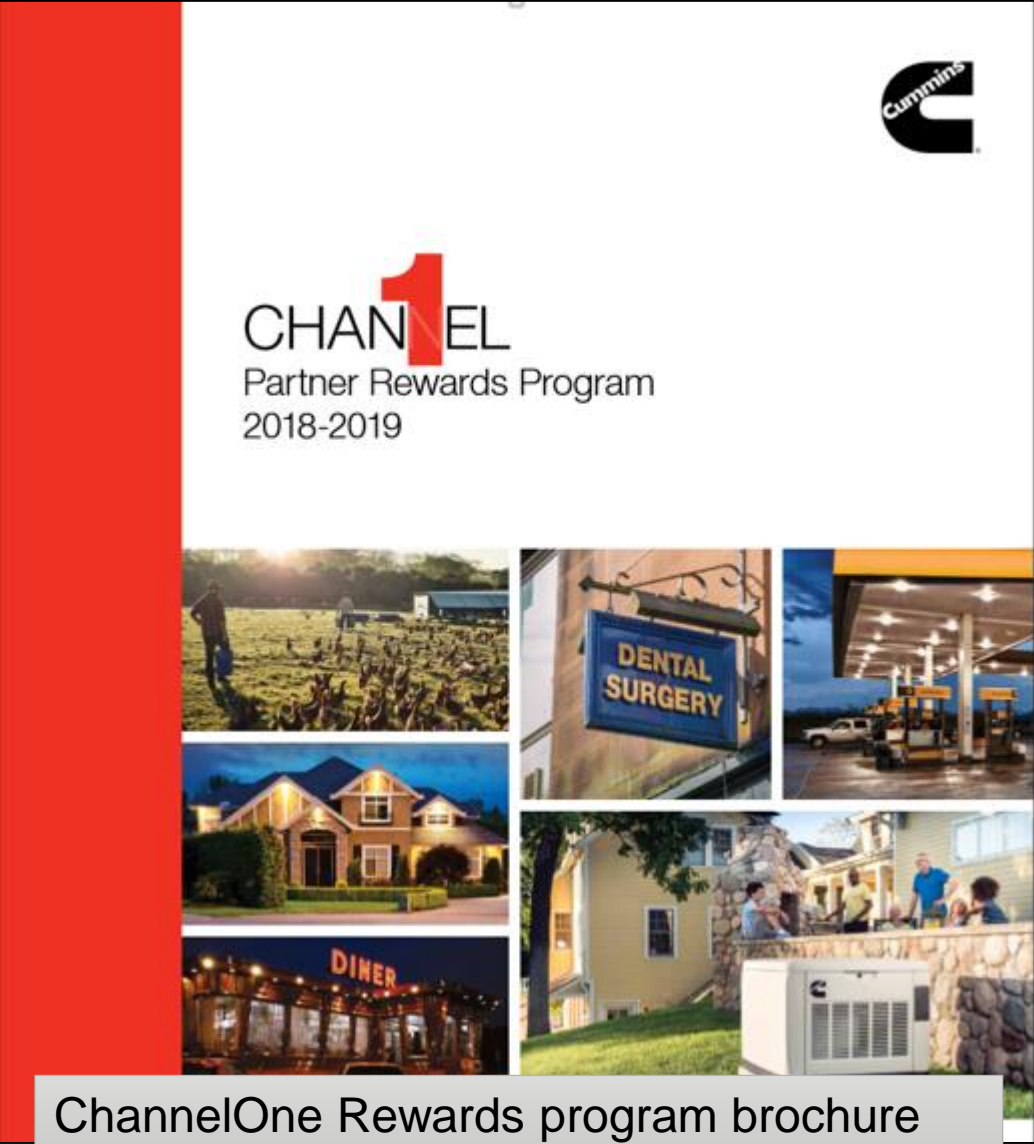
- CENTRAL
- ◆ EASTERN CANADA
- × EAST
- ▼ GULF COAST
- PACIFIC COAST
- ▲ ROCKY MOUNTAIN
- SOUTH
- WESTERN CANADA

Rocky Mountain operates Mexico Mining Market  
 South operates Caribbean

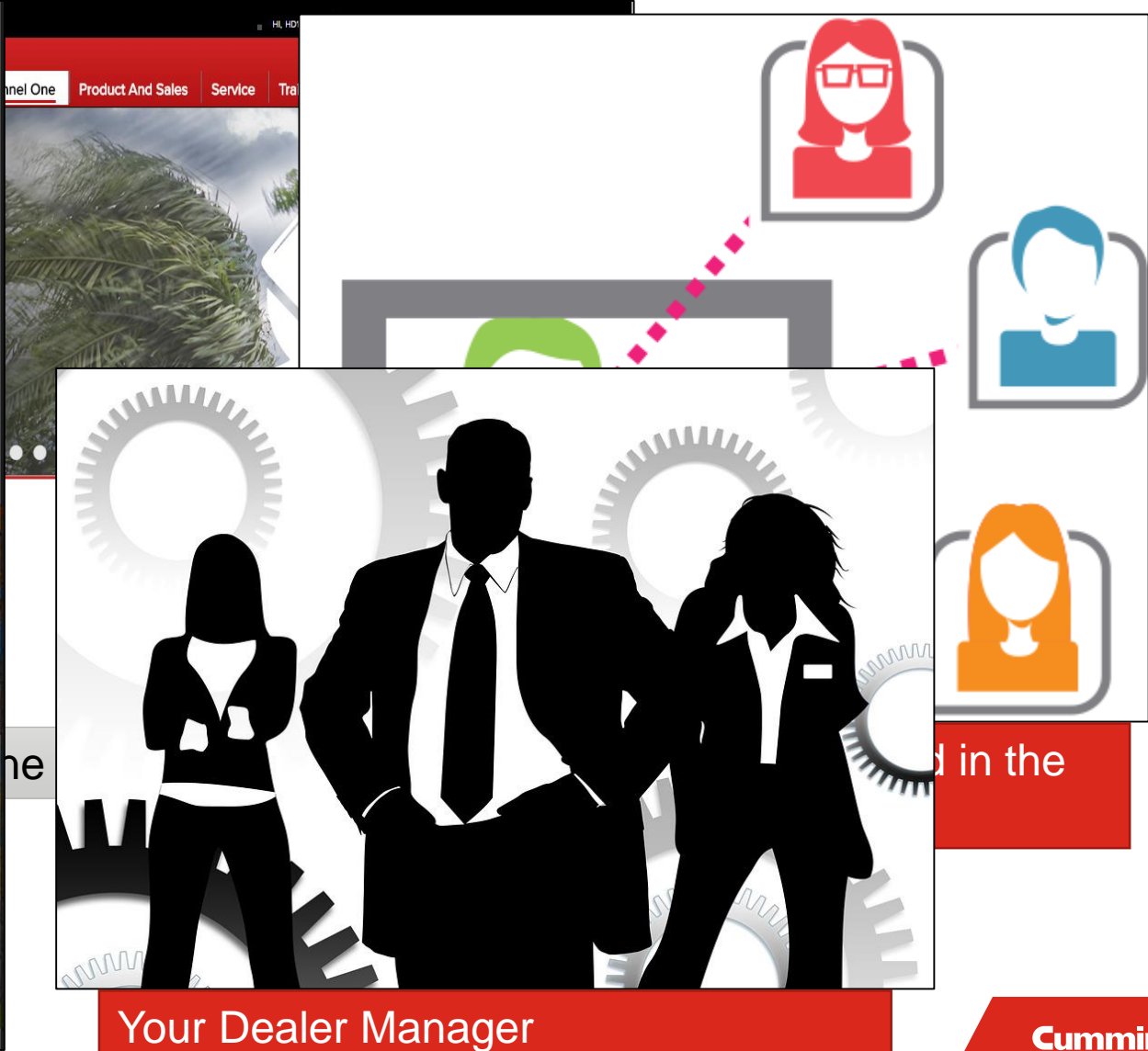
# Homes & Small Business Product Line



# The New and Improved ChannelOne Rewards Program



The brochure cover features the Cummins logo at the top right. The main title is "CHANNEL Partner Rewards Program 2018-2019", with "CHANNEL" in a large font where the "1" is red. Below the title is a collage of six images: a field of crops, a dental surgery sign, a gas station at night, a house at night, a diner at night, and a house with a Cummins generator unit.



This graphic features a central silhouette of three business professionals (two women and one man) standing in front of large gears. To the right, there are three stylized icons of people's heads in colored boxes (red, blue, orange). A red dashed line connects the top icon to the central group. At the bottom, a red banner contains the text "Your Dealer Manager".

ChannelOne Rewards program brochure

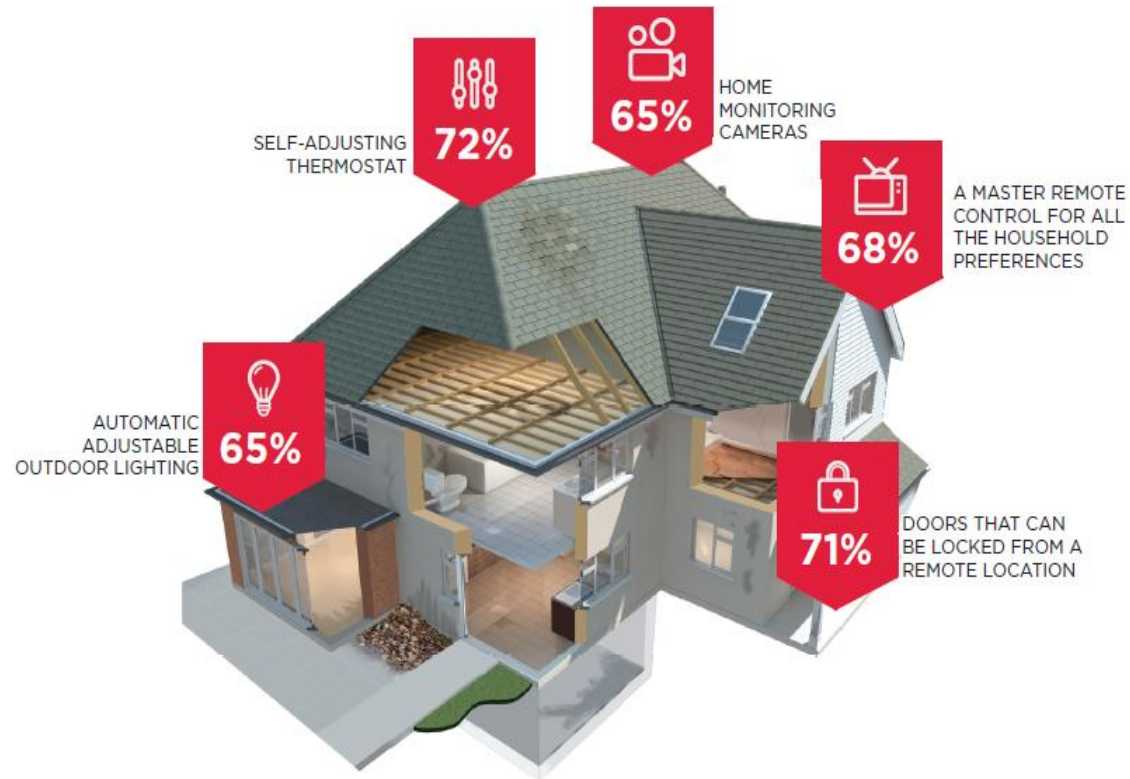
Your Dealer Manager

**“Cummins is at its best when the industry is changing. We take advantage of opportunities to innovate and differentiate ourselves against the competition. We’ve done that for the last 100 years and will continue in the future.”**

**VICE PRESIDENT & CHIEF TECHNICAL OFFICER JENNIFER RUMSEY**

# Powering The 'Connected Home'!

## Smart Home devices desired by a home owner



Back-up power to operate a smart home  
Cummins Connect Cloud™ similar to other connected devices

**90%** of consumers say personal and family security remains one of the top reasons to purchase a connected device

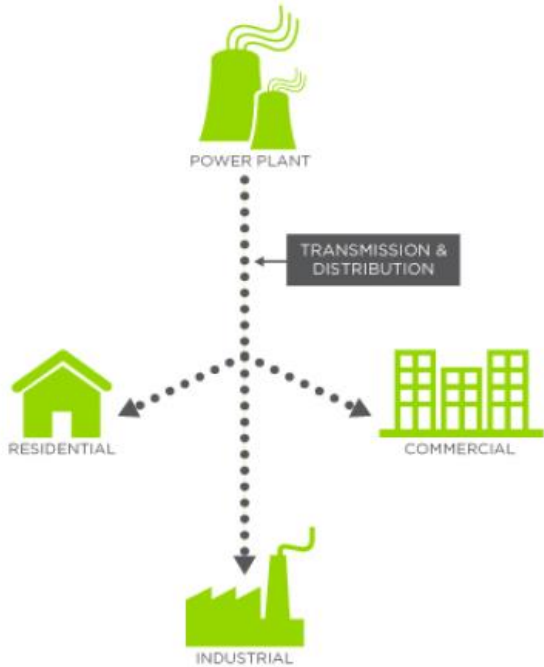
**50%** of consumers say they plan to buy at least one smart home product in the next year

Home owners are seeking **simple, easy** to use technology that is capable to solve their real everyday problems

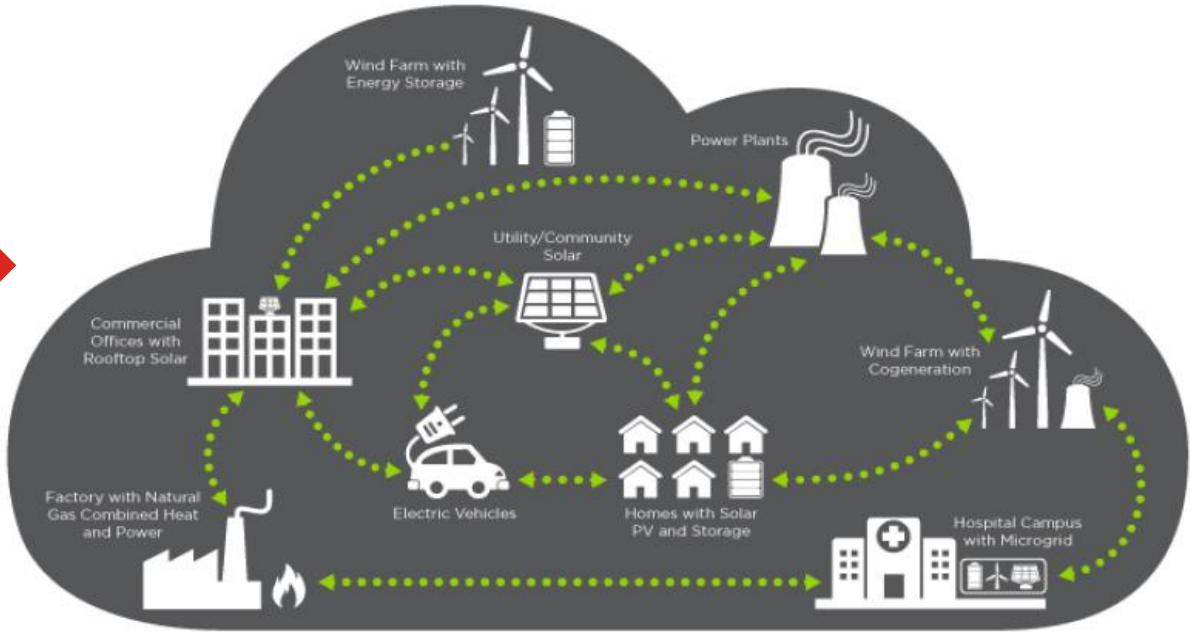
The more connected a home becomes the more reliant they become on having a **backup power source.**

# Emergence of Market Disruptors in form of Renewables: Changing landscape of Power System

TODAY: ONE-WAY POWER SYSTEM



EMERGING: THE ENERGY CLOUD



Battery



Solar



Wind

## The Energy Cloud



THE  
**POWER**  
OF CUMMINS





