

CNH INDUSTRIAL

Q4 & FY 2019 Results Review

February 7, 2020

CASE IH AGRICULTURE · STEYR TRAKTOREN · CASE CONSTRUCTION · NEW HOLLAND AGRICULTURE · NEW HOLLAND CONSTRUCTION · IVECO · IVECO ASTRA · IVECO BUS · HEULIEZBUS · MAGIRUS · IVECO DEFENCE VEHICLES · FPT POWERTRAIN TECHNOLOGIES

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All statements other than statements of historical fact contained in this presentation including statements regarding our competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. These statements may include terminology such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "outlook", "continue", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "prospects", "plan", or similar terminology. Forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict. If any of these risks and uncertainties materialize or other assumptions underlying any of the forward-looking statements prove to be incorrect, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products; general economic conditions in each of our markets; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly relating to capital goods-related issues such as agriculture, the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, trade wars; actions of competitors in the various industries in which we compete; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects of our products; production difficulties, including capacity and supply constraints and excess inventory levels; labor relations; interest rates and currency exchange rates; inflation and deflation; energy prices; prices for agricultural commodities; housing starts and other construction activity; our ability to obtain financing or to refinance existing debt; a decline in the price of used vehicles; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, follow-on private litigation in various jurisdictions after the settlement of the EU antitrust investigation announced on July 19, 2016, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; our pension plans and other post-employment obligations; political and civil unrest; volatility and deterioration of capital and financial markets, including possible effects of "Brexit", pandemics, terror attacks in Europe and elsewhere, our ability to achieve the targets set out in the Strategic Business Plan announced on September 3, 2019 at our Capital Markets Day event; our ability to successfully implement the planned spin-off of the Company's On-Highway business; and other similar risks and uncertainties and our success in managing the risks involved in the foregoing. Further information concerning factors, risks, and uncertainties that could materially affect the Company's financial results is included in our annual report on Form 20-F for the year ended December 31, 2018, prepared in accordance with U.S. GAAP and in the Company's EU Annual Report at December 31, 2018, prepared in accordance with EU-IFRS. Investors should refer to and consider the incorporated information on risks, factors, and uncertainties in addition to the information presented here.

Forward-looking statements are based upon assumptions relating to the factors described in this presentation, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Our actual results could differ materially from those anticipated in such forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made, and we undertake no obligation to update or revise publicly our forward-looking statements. Further information concerning CNH Industrial and its businesses, including factors that potentially could materially affect CNH Industrial's financial results, is included in CNH Industrial's reports and filings with the U.S. Securities and Exchange Commission ("SEC"), the Autoriteit Financiële Markten ("AFM") and Commissione Nazionale per le Società e la Borsa ("CONSOB").

All future written and oral forward-looking statements by CNH Industrial or persons acting on the behalf of CNH Industrial are expressly qualified in their entirety by the cautionary statements contained herein or referred to above.

FY 2019 | Highlights

INDUSTRIAL ACTIVITIES

Net Sales

$26.1bn ↓ **(2.1%)** (*)

(*) % change at constant currency

Adj. EBIT Margin (1)

At 5.3% down 40 bps

Net Debt (1)

$(0.9)bn

CONSOLIDATED

Adj. EPS (1)

$0.84 ↑ **5.0%**

Available Liquidity

$11.2bn

Dividend per Share (**)

€0.18

(1) Non-GAAP measures (definition and reconciliation in appendix)

(**) Subject to the approval of shareholders at the upcoming Annual General Meeting (expected on April 16, 2020), the ex-dividend date would be set at April 20, 2020

Note: All figures are provided herein on a US GAAP $ basis unless otherwise indicated

Q4 2019 | Industry and Company Unit Performances

TRACTORS		NA	EU	SA	RoW	WW
	0-140 HP	(5%)	(6%)	(19%)	(7%)	**(7%)**
	140+ HP	1%				

COMBINES						
		(5%)	(5%)	(26%)	(10%)	**(12%)**

COMPACT AND SERVICE EQ.	NA	EU	SA	RoW	WW
	8%	(14%)	27%	Flat	**1%**

GENERAL CONSTRUCTION | ROAD BUILDING AND SITE PREPARATION						
	General CE	6%	(19%)	7%	(3%)	**(3%)**
	R&S	1%	(24%)	7%	(12%)	**(9%)**

TRUCKS > 3.5T		NA	EU	SA	RoW	WW
	LCV	-	2%	(14%)	3%	**1%**
	M&H	-	(16%)	15%	(4%)	**(7%)**

BUSES					
	-	2%	17%	Flat	**4%**

CNH INDUSTRIAL UNITS STATISTICS

- Worldwide **deliveries down 3%** in Tractors and **down 15%** in Combines vs. last year
- Worldwide **production down 16%** vs. last year
  - NA row crop **production down 31%** vs. last year
- Worldwide **inventory was up 22%** in Tractors and **up 11%** in Combines vs. last year
  - NA row crop **inventory down 16%** vs. last year

- Worldwide **deliveries down 12%** (Compact and service down 11%, General Construction down 11% and Road & Site down 14%) vs. last year
- Worldwide **production down 17%** vs. last year (Compact and service down 15%, General Construction down 27% and Road & Site down 18%)
- Worldwide **inventory was up 42%** (mainly NA and RoW) vs. last year

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- Trucks **market share** in EU **at 11.5%** (up 50 bps vs. Q4 2018)
  - LCV broadly Flat at 13.4% and M&H up 100 bps to 7.6%
- Trucks worldwide **production down 13%** vs. last year with **inventory down 5%** vs. last year
- Trucks book-to-bill at 0.95 in EU and 1.02 in SA (orders in Brazil up 51% vs. Q4 '18)
- Buses **market share in EU at ~20%** (up 240 bps vs. last year)

Q4 & FY 2019 | Financial Summary

	Q4 2019	Q4 2018	Δ	FY 2019	FY 2018	Δ
U.S. GAAP						
Revenues ($bn)	**7.7**	8.2	(6.2)%	**28.1**	29.7	(5.5)%
Net Sales | Industrial Activities ($bn)	**7.2**	7.7	(6.8)%	**26.1**	27.8	(6.0)%
Net Income ($mn)	**120**	258	(53.5)%	**1,454**	1,099	32.3%
Diluted EPS ($)	**0.08**	0.19	(57.9)%	**1.05**	0.78	34.6%
Non – GAAP (1)						
Net Sales | Industrial Activities @CC ($bn)	**7.4**	7.7	(4.2)%	**27.2**	27.8	(2.1)%
Adjusted EBIT | Industrial Activities ($mn)	**301**	432	(30.3)%	**1,390**	1,585	(12.3)%
Adjusted EBIT Margin | Industrial Activities (%)	**4.2%**	5.6%	(140) bps	**5.3%**	5.7%	(40) bps
Adjusted EBITDA | Industrial Activities ($mn)	**541**	690	(21.6)%	**2,357**	2,671	(11.8)%
Adjusted EBITDA Margin | Industrial Activities (%)	**7.5%**	9.0%	(150) bps	**9.0%**	9.6%	(60) bps
Adjusted Effective Tax Rate	**9%**	26%	1,700 bps	**22%**	27%	500 bps
Adjusted Net Income ($mn)	**279**	294	(5.1)%	**1,178**	1,117	5.5%
Adjusted Diluted EPS ($)	**0.20**	0.21	(4.8)%	**0.84**	0.80	5.0%
Free Cash Flow | Industrial Activities ($bn)	**1,711**	1,353	358	**21**	552	(531)

	Dec 31,2019	Sep 30,2019	Δ	Dec 31,2019	Dec 31, 2018	Δ
Net Industrial (Debt) ($bn)	**(0.9)**	(2.4)	1.5	**(0.9)**	(0.6)	(0.3)
Available Liquidity ($bn)	**11.2**	9.4	1.8	**11.2**	8.9	2.3

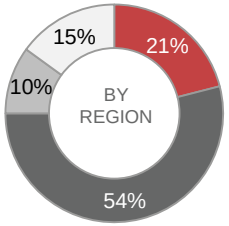
Note: Numbers may not add due to rounding

Note: @CC means at constant currency

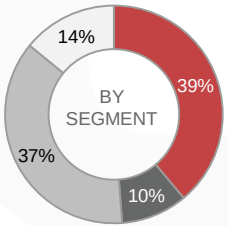
(1) Non-GAAP measures (definition and reconciliation in appendix)

Q4 & FY 2019 | Industrial Activities Net Sales

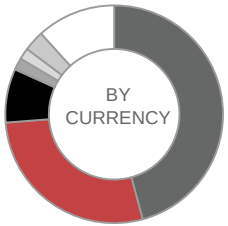
Net Sales split (1)



NA *(North America)*
EU *(Europe)*
SA *(South America)*
RoW *(Rest of World)*



AG
CE
C&SV
PT



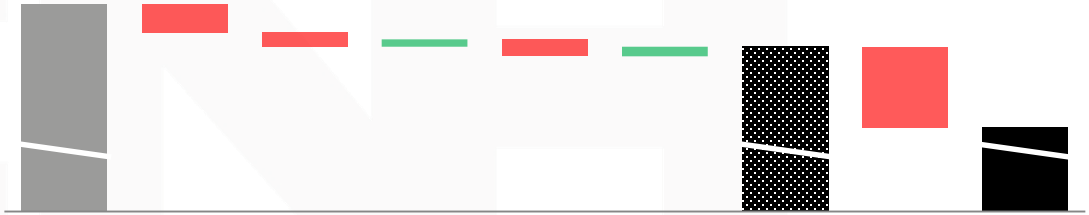
EUR	47%	GBP	1%
USD	26%	AUD	2%
BRL	7%	OTHER	13%
CAD	3%		

($mn)

Net Sales walk

CHANGE IN NET SALES
(1,682)
(6.0)%

CHANGE IN NET SALES AT CONSTANT CURRENCY
(587)
(2.1)%



FY 2018	AG	CE	C&SV	PT	ELIM & OTHER	FY 2019 @ CC (*)	FX TRANSLATION	FY 2019
27,831	(393)	(192)	99	(230)	129	27,244	(1,095)	**26,149**

Q4 2018						Q4 2019 @ CC (*)		Q4 2019
7,707	(167)	(97)	(42)	(151)	132	7,382	(199)	**7,183**

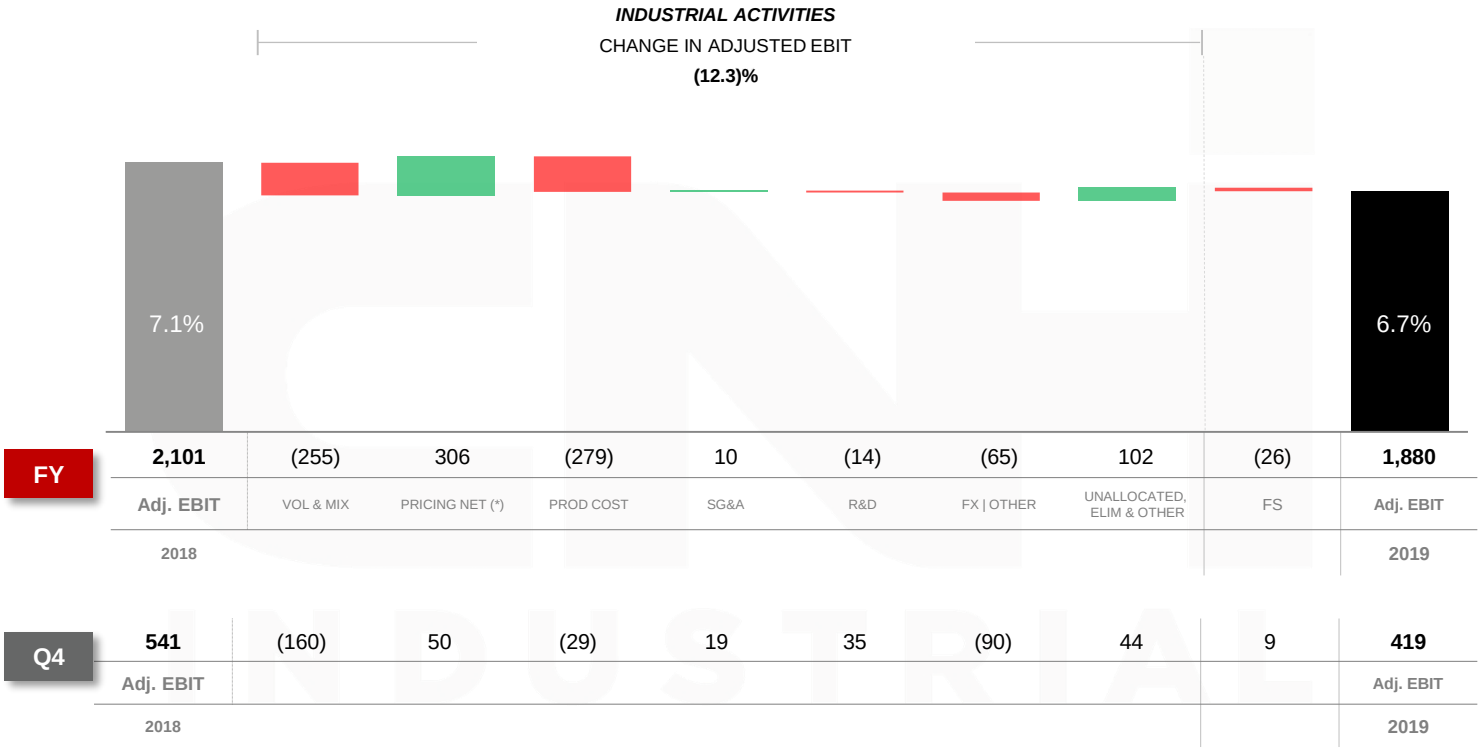
(1) Note: Net Sales: Excluding Other Activities, Unallocated Items and Adjustment & Eliminations

(*) Note: @CC means at constant currency

Note: Numbers may not add due to rounding

Q4 & FY 2019 | Adj. EBIT walk

($mn)



FY	2,101	(255)	306	(279)	10	(14)	(65)	102	(26)	1,880
	Adj. EBIT	VOL & MIX	PRICING NET (*)	PROD COST	SG&A	R&D	FX | OTHER	UNALLOCATED, ELIM & OTHER	FS	Adj. EBIT
	2018									2019
Q4	541	(160)	50	(29)	19	35	(90)	44	9	419
	Adj. EBIT									Adj. EBIT
	2018									2019

Note: Non-GAAP measures (definition and reconciliation in appendix) (*) PT Pricing net within Volume & Mix

AG | Financial Results

($mn)

Net Sales

FY '19 Change vs. prior year

NA ↓ EU ↓ SA ↓ RoW ↓

	2019	2018	Δ	Δ At CC
FY	**10,959**	11,682	(6.2)%	(3.4)%
Q4	**2,928**	3,155	(7.2)%	(5.3)%

FY '19 Change vs. prior year

TRACTORS ↓ COMBINES ↓ OTHERS ↓

Adj. EBITDA & Adj. EBIT walk



- Lower wholesale volume and market and product mix, including negative industrial absorption from the lower production level primarily in H2
- Positive pricing, disciplined cost management initiatives and industrial efficiencies
- Higher product costs as result of increased raw material costs and tariffs

FY	**1,339**	303	**1,036**	(223)	259	(177)	7	-	(5)	**897**	281	**1,178**
	Adj. EBITDA	D&A	**Adj. EBIT**	VOLUME & MIX	PRICING NET	PROD COST	SG&A	R&D	JV | FX | OTHER	**Adj. EBIT**	D&A	**Adj. EBITDA**
		FY 2018									FY 2019	
Q4	**330**	72	**258**	(84)	55	(16)	6	27	(10)	**236**	68	**304**
		Q4 2018	8.2%							8.1%	Q4 2019	

Note: at CC means at constant currency

CE | Financial Results

($mn)

Net Sales

FY '19 Change vs. prior year

	NA	EU	SA	RoW
	↓	↓	=	↓

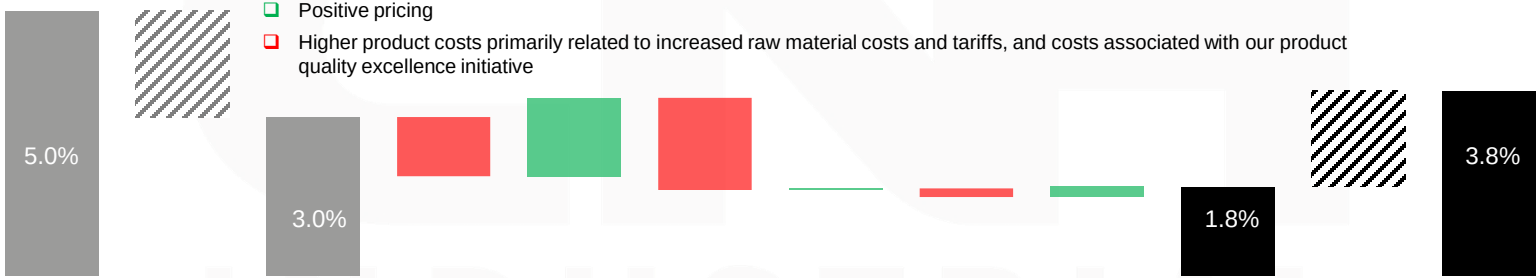
	2019	2018	Δ	Δ At CC
FY	2,768	3,021	(8.4)%	(6.4)%
Q4	707	814	(13.1)%	(11.9)%

FY '19 Change vs. prior year

C&S (*)	General CE (*)	R&S (*)
↓	↓	↓

Adj. EBITDA & Adj. EBIT walk

- Unfavorable volume and mix in North America and Rest of World markets, including negative industrial absorption
- Positive pricing
- Higher product costs primarily related to increased raw material costs and tariffs, and costs associated with our product quality excellence initiative



	Adj. EBITDA	D&A	Adj. EBIT	VOLUME & MIX	PRICING NET	PROD COST	SG&A	R&D	JV | FX | OTHER	Adj. EBIT	D&A	Adj. EBITDA
FY	152	61	91	(34)	45	(53)	1	(5)	6	51	55	106
		FY 2018									FY 2019	
Q4	47	15	32	(19)	(6)	(5)	1	(1)	1	3	13	16
		Q4 2018	3.9%							0.4%	Q4 2019	

(*) **C&S**: Compact and Service Equipment; **General CE**: General Construction; **R&S** : Road building and site preparation Note: at CC means at constant currency

C&SV | Financial Results

($mn)

Net Sales

	2019	2018	Δ	Δ At CC
FY	**10,439**	10,939	(4.6)%	0.9%
Q4	**2,996**	3,151	(4.9)%	(1.3)%

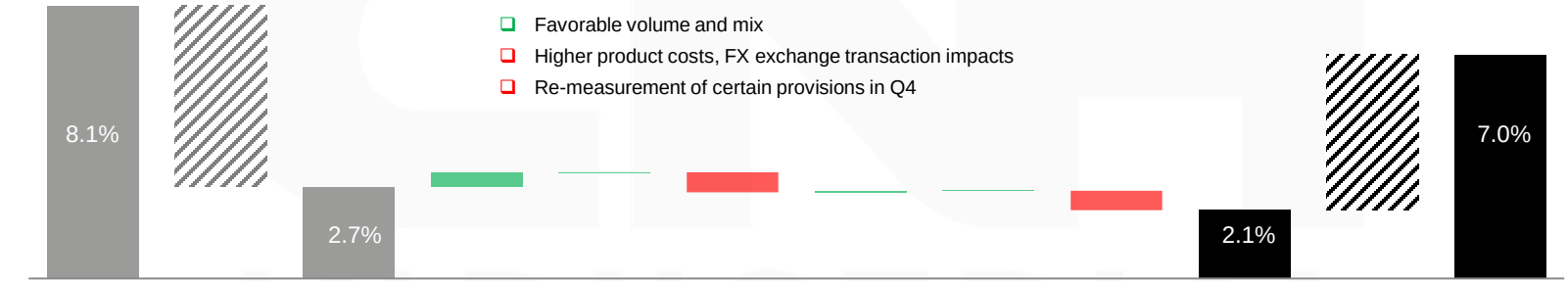
FY '19 Change vs. prior year

NA	EU	SA	RoW
↑	↓	↓	↓

FY '19 Change vs. prior year

TRUCKS	BUSES	SPECIALTY VEHICLES
↓	↑	↑

Adj. EBITDA & Adj. EBIT walk



FY	**890**	591	**299**	45	2	(65)	5	1	(63)	**224**	505	**729**
	Adj. EBITDA	D&A	Adj. EBIT	VOLUME & MIX	PRICING NET	PROD COST	SG&A	R&D	JV | FX | OTHER	Adj. EBIT	D&A	Adj. EBITDA
		FY 2018									FY 2019	
Q4	**229**	139	**90**	(13)	1	(5)	9	8	(87)	**3**	127	**130**
		Q4 2018	2.9%							0.1%	Q4 2019	

Note: at CC means at constant currency

PT | Financial Results

($mn)

Net Sales

FY '19 Change vs. prior year

NA ↓ EU ↓ SA ↓ RoW ↓

	2019	2018	Δ	Δ At CC	
FY	4,117	4,565	(9.8)%	(5.0)%	(*)
Q4	1,008	1,189	(15.2)%	(12.7)%	

FY '19 Change vs. prior year

ENGINES ↓ TRANSM. ↓ AXLES ↓

(*) 3rd Party sales at 51% in 2019 vs. 50% in FY 2018

Adj. EBITDA & Adj. EBIT walk

- Unfavorable volume and mix partially offset by positive pricing
- Product cost efficiencies
- Higher product development spending

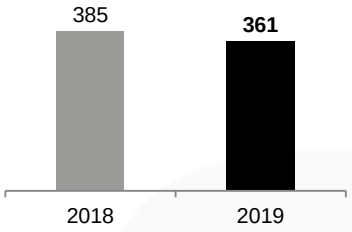


FY	536	130	406	(43)	16	(3)	(10)	(3)	363	124	487
	Adj. EBITDA	D&A	Adj. EBIT	VOLUME & MIX | PRICING NET	PROD COST	SG&A	R&D	JV | FX | OTHER	Adj. EBIT	D&A	Adj. EBITDA
		FY 2018								FY 2019	
Q4	153	32	121	(44)	(3)	3	1	6	84	32	116
		Q4 2018	10.2%						8.3%	Q4 2019	

Note: at CC means at constant currency

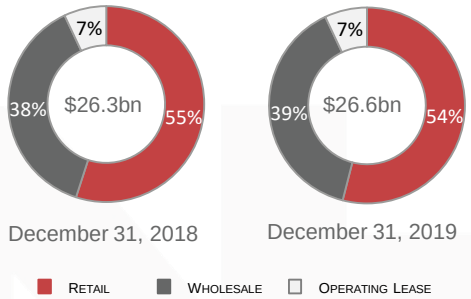
($mn)

Net Income



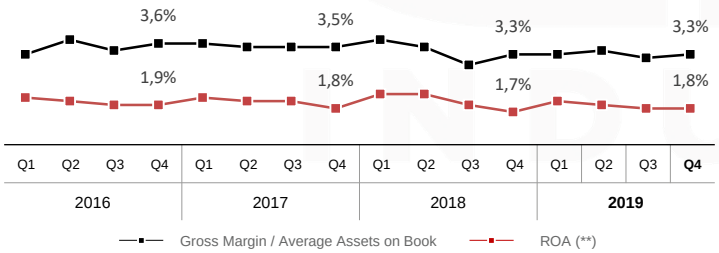
- **Net income** was down $24mn compared to 2018, due to margin reductions in dealer financing activities and higher credit provisions compared to a very favorable 2018

Managed Portfolio (*) & Retail Originations (*)

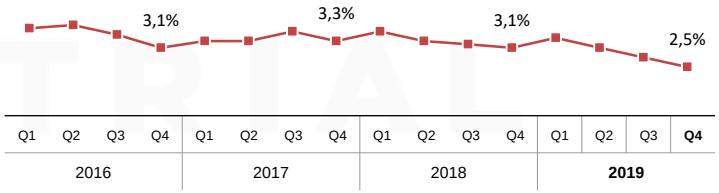


- **FY '19 retail originations at $9.7bn**, down $0.4bn compared to December 31, 2018, (flat on a constant currency basis)
- **Managed portfolio* at $26.6bn**, up $0.3bn compared to December 31, 2018 (up $0.5bn on a constant currency basis)

Profitability Ratios



Delinquencies on Book (>30 Days)



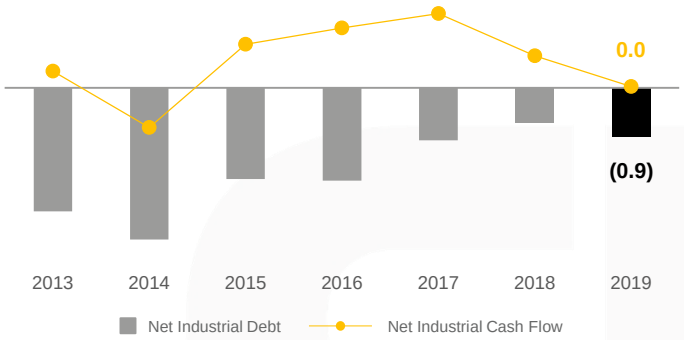
(**) RoA defined as: PBT / average managed assets annualized

(*) Including unconsolidated JVs

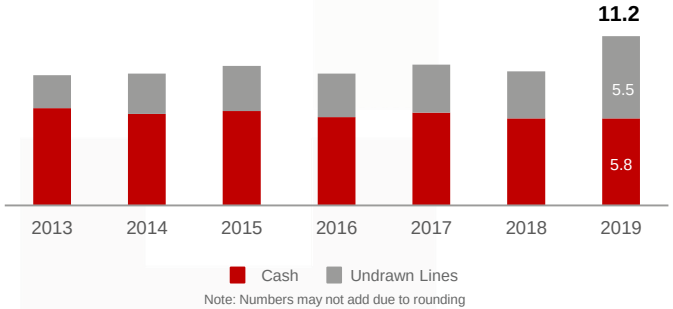
FY 2019 | Net Industrial Cash Flow and Available Liquidity

($bn)

Net Debt and Free Cash Flow
Industrial Activities (1)



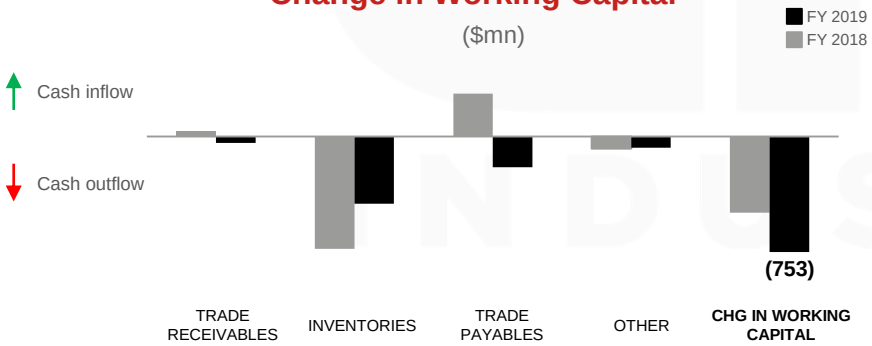
Available Liquidity
Cash and Available Committed Lines



Note: Numbers may not add due to rounding

Change in Working Capital

($mn)



FY 2019 | Ratios

- Liquidity to LTM revenue ratio at **40.1%**
- Industrial Activities Gross debt (*) to Adj. Ind. EBITDA at **2.2x** vs. 2.0x last year
- Industrial Activities Net debt (*) to Adj. Ind. EBITDA at **0.4x** vs. 0.2x last year
- Industrial Activities **ROIC** at **12.7%** vs. 14.0% last year

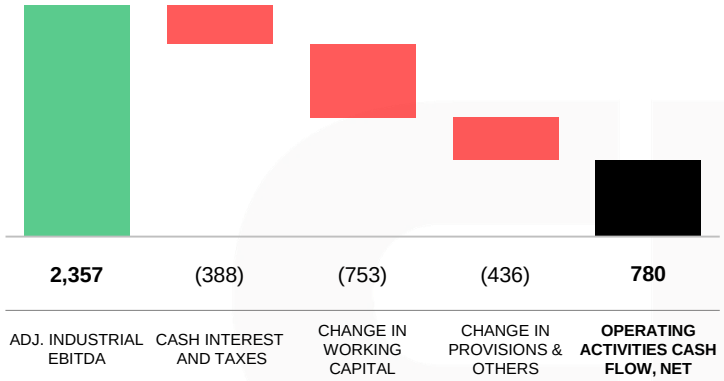
ROIC of Industrial Activities (Twelve Months Rolling)

(1) Non-GAAP measures (reconciliation in appendix) (*) Industrial Gross Debt represents third party debt only. Net Industrial Debt includes net intersegment debt, and is offset by cash and cash equivalents, restricted cash and derivative hedging debt

FY 2019 | Operating Cash Inflow / (Outflow) and Use of Cash

Industrial Activities – Operating Cash Flow

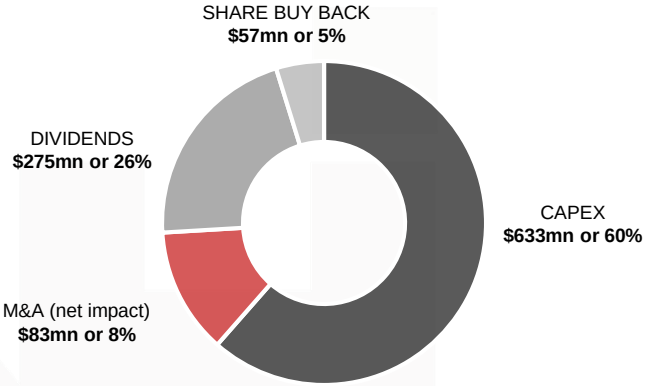
($mn)



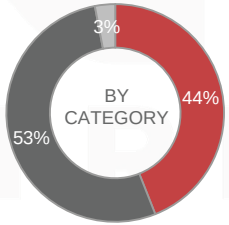
OPERATING ACTIVITIES CASH FLOW, NET	**0.8**
USE OF CASH	**(1.1)**
FX & OTHER	0.1
Change in Net Debt	**(0.3)**

Note: Numbers may not add due to rounding

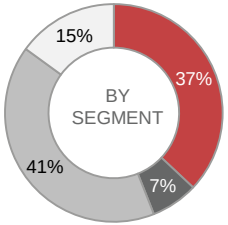
Industrial Activities – Capital Allocation



Capex (1)



- **Capex at $633mn** in FY 2019 up 15% vs. last year.
- Sustainable Investment (*) at 32% of total



- NEW PRODUCT & TECHNOLOGY
- MAINTENANCE & OTHER
- INDUSTRIAL CAPACITY EXPANSION & LT INVESTMENTS

- AG
- CV
- CE
- PT

(1) Excluding assets sold under buy-back commitments and assets under operating leases

(*) Sustainable investment: investment in mega digitalization, automation, alternative propulsion, and regulatory programs



Transform2Win Update

CNH INDUSTRIAL

Transform 2 Win | Update on Selected Strategic Initiatives

TOP LINE GROWTH



Grow

- Inorganic growth initiatives well underway
- New product launches and technologies

PROFITABILITY IMPROVEMENT



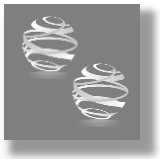
Perform & Simplify

- 80/20 simplification initiative
- WCM productivity
- Organization simplification

Optimize

- Right-size operational footprint
- Asset Optimization

PORTFOLIO TRANSFORMATION



Spin - Off

- Spin off roadmap on track
  - Supported by specialist financial and business advisors

Transform 2 Win | **Grow** Update – Commercial Vehicle & Powertrain

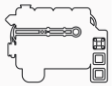
Inorganic Growth

NIKOLA



- Disruptive FCEV and EV HD Trucks start-up
- Ramp-up of production of BEV (2021) and FCEV (2023)

microvast POWER SOLUTION



- Leader in design, development and manufacturing of ultra-fast charging battery power systems

DOLPHIN N2

- Cryo-power breakthrough engine technology – Spin off from Ricardo

Organic Growth

IVECO | New S-WAY

The on-road IVECO S-WAY developed to deliver a complete package of features and services focused on the driver, on sustainability and on an advanced level of connectivity-enabling new customized services



IVECO S-WAY as the product for the turnaround in the Heavy duty Truck sub-segment

IVECO S-WAY Natural Power to provide further opportunities to increase market share

IVECO S-WAY identified as the platform for the development of Nikola Tre

FPT | third-party business growth underway, with new contracts awarded during Q3 2019 (run-rate revenue potential in excess of $150 mn per year)

Inorganic Growth

AgDNA

- Leader in Farm Management Information Systems (FMIS)

AGXTEND

AGXTEND | our aftermarket Precision Farming brand provides access to exclusive productivity enhancing precision farming technologies, recently announced acquisition of a minority stake in Geoprospectors (soil sensing equipment)

ATI Track Systems

- Industry-leading suspension and high-speed track technology

K-LINE AG

- Pioneer in Australian implements with high-speed tillage equipment

Organic Growth



NEW HOLLAND

New Holland unveils the world's first production T6 Methane Power Tractor at Agritechnica 2019

STEYR

Steyr has created an electric hybrid concept which shows our vision for our future Steyr machine offering





CASE CONSTRUCTION

Project TETRA, CASE's first methane powered wheel loader concept

Transform 2 Win | Selected Initiatives Updates

Perform & Simplify

80/20 Simplification

- **CE**: extension to EU in Q4 2019; SKUs reduction in NA at 60% achieved as planned, including focused pricing actions. Positive contribution throughout 2020
- **AG NA**: 60% SKUs reduction identified within the initial scope. SKUs reduction in execution in 2020 at ~50% (considering an extension of scope)
- **CV & PT:** Started process in Q4 2019

Organization Simplification

- Organization simplification through widening span of control well under way – since inception headcount reduced to date ~900 FTEs (white collars)

World Class Manufacturing

- Annual **savings target of 4%** achieved in 2019

Optimize

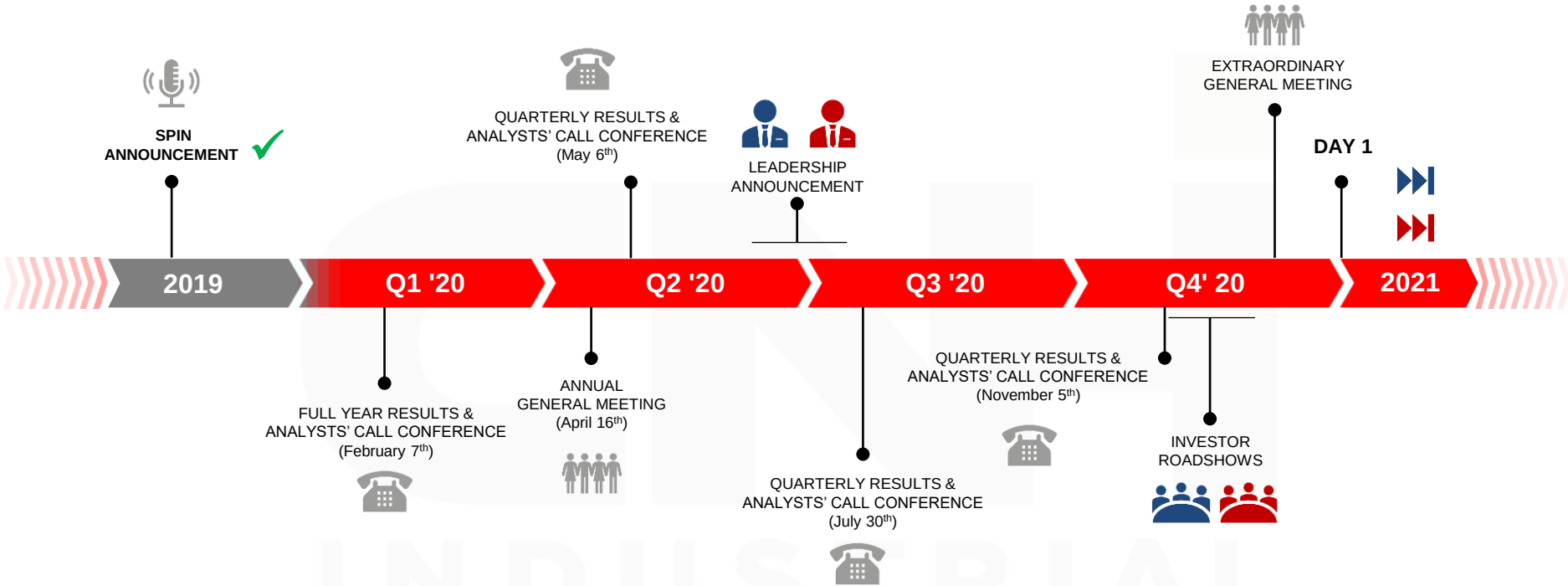
Footprint Rationalization

- Phase 1 of footprint rationalization affecting operations of CE and PT proceeding apace as planned
- Financial benefits will roll into 2020

Asset Optimization

- Executing on asset optimization with **charges** of **$165mn** booked on the Trucks' residual value (including additional $30mn booked in Q4 2019, reflecting worsened pre-owned trucks pricing environment at year end and expected to continue in 2020)

Transform 2 Win | **On track** with Spin Off Roadmap



DELIVER ON PORTFOLIO TRANSFORMATION

Off-Highway On-Highway



FY 2020E

US GAAP Financial Guidance *and* Market Outlook

CNH INDUSTRIAL

FY 2020E | Industry Outlook

TRACTORS		NA	EU	SA	RoW	WW
	0-140 HP	Flat	Flat	Flat	Flat	**Flat**
	140+ HP	(5%)				
COMBINES						
		(5%)	Flat	Flat	Flat	**Flat**

COMPACT AND SERVICE EQ.	NA	EU	SA	RoW	WW
	(5%)	(5%) – (10%)	10%	Flat	**(5%)**

GENERAL CONSTRUCTION | ROAD BUILDING AND SITE PREPARATION						
	General CE	(5%)	(5%)	5%	(5%)	**(5%)**
	R&S	(10%)	(5%)	(5%) – (10%)	Flat	**(5%)**

TRUCKS > 3.5T		NA	EU	SA	RoW	WW
	LCV	-	(5%)	10%	Flat	**Flat**
	M&H	-	(10%) – (15%)	10%	Flat	**(5%) - Flat**
BUSES						
		-	(5%) - Flat	Flat	Flat	Flat

NOTE: Total Industry Volume FY 2020E vs. FY 2019 reflecting aggregate for key markets where Company competes

Company Production vs. Retail

AG | underproduction vs. retail of 10% including for North America Row Crop

CE | underproduction vs. retail around 10%, with North America underproduction vs. retail around 15%

C&SV | Trucks production in line with retail (with TIV in EU expected down 10-15% in M&H); Buses production in line with retail, with SA underproduction vs. retail at 20%

FY 2020E Guidance (1) (*):

Net Sales of Industrial Activities	***Flat to slightly down*** *at constant currency*
Adjusted diluted EPS (2)	***$0.78 - $0.86***
Free cash flow of Industrial Activities	***$400mn - $600m***

Capex and R&D expected slightly up year over year

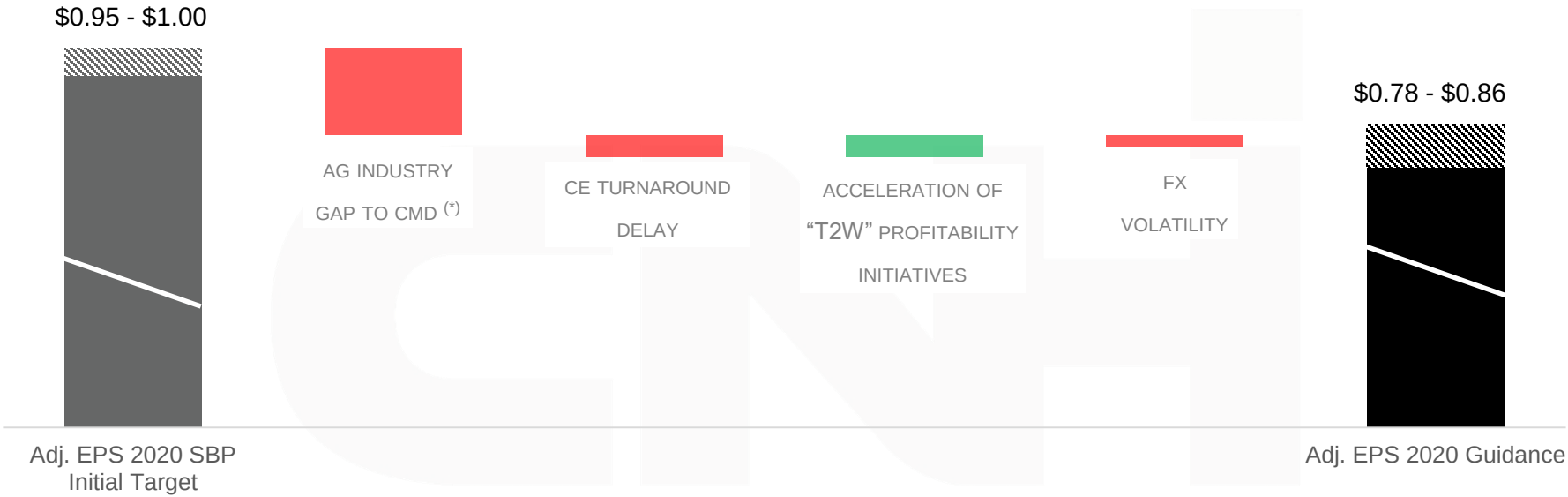
Investments in sustainability programs account for 40% of total

(1) 2020 guidance does not include any impacts deriving from the gain resulting from the modification of the healthcare plan in the U.S. previously mentioned, as this gain has been considered non-recurring and therefore treated as an adjusting item for the purpose of the adjusted diluted EPS calculation. In addition, 2020 guidance does not include any impacts deriving from possible further repurchases of Company's shares under the plan authorized by the AGM on April 12, 2019

(2) Outlook is not provided on diluted EPS, the most comparable GAAP financial measure of this non-GAAP financial measure, as the income or expense excluded from the calculation of adjusted diluted EPS and instead included in the calculation of diluted EPS are, by definition, not predictable and uncertain

(*) 2020 Guidance does not include eventual disruption in the supply chain caused by the Coronavirus outbreak

FY 2020E Financial Guidance vs. FY 2020E SBP Initial Target | Highlights



Firmly committed to our long-term Transform2Win Financial Targets while managing a challenging industry environment

(*) At CMD Industry volumes in NA assumed at 10% below mid-cycle and in SA at mid-cycle | In 2020 Budget both seen at 20% below mid-cycle



Appendix

CNH INDUSTRIAL

Industrial Activities | Q4 2019 Net Sales Split

Agriculture	Q4 2019 | Split	Chg. vs. Q4 '18
By region:		
NA	38%	(12%)
EU	33%	1%
SA	16%	(6%)
RoW	13%	(14%)
By product:		
TRACTORS	59%	(1%)
COMBINES	20%	(12%)
OTHERS	21%	(17%)

Construction	Q4 2019 | Split	Chg. vs. Q4 '18
By region:		
NA	51%	(12%)
EU	17%	(5%)
SA	13%	(4%)
RoW	19%	(26%)
By product:		
C&S (*)	50%	(11%)
General CE (*)	41%	(15%)
R&S (*)	9%	(18%)

Commercial & Specialty Vehicles	Q4 2019 | Split	Chg. vs. Q4 '18
By region:		
NA	n.m.	n.m.
EU	82%	(6%)
SA	6%	7%
RoW	12%	(3%)
By product:		
TRUCKS	68%	(9%)
BUSES	22%	11%
OTHERS	10%	(7%)

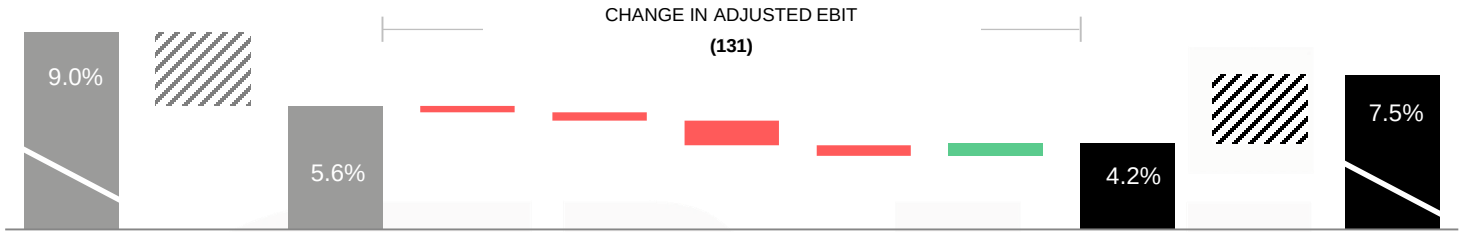
Powertrain	Q4 2019 | Split	Chg. vs. Q4 '18
By region:		
NA	2%	(43%)
EU	73%	(18%)
SA	4%	(29%)
RoW	21%	8%
By product:		
ENGINES	92%	(17%)
TRANSM.	1%	(37%)
AXLES	7%	(14%)

Note: Numbers may not add due to rounding

(*) **C&S**: Compact and Service; **General CE**: General Construction; **R&S** : Road building and site preparation

Q4 2019 | IA Adj. EBITDA & Adj. EBIT walk by segment & driver

($mn)



Q4	**690**	258	**432**	(22)	(29)	(87)	(37)	44	**301**	240	**541**
	Adj. EBITDA	D&A	**Adj EBIT**	AG	CE	C&SV	PT	ELIM & OTHER (*)	**Adj EBIT**	D&A	**Adj EBITDA**
		Gross Margin	**17.6%**	19.7%	11.7%	9.6%	16.5%		**15.7%**		
		Y-o-Y Change		(50) bps	(230) bps	(320) bps	(120) bps		**(190) bps**		
		Q4 2018								**Q4 2019**	

Adj. EBIT walk by driver	**Adj. EBIT 2018**	VOLUME & MIX	PRICING NET	PROD COST	SG&A	R&D	FX | OTHER	UNALLOCATED, ELIM & OTHER	**Adj. EBIT 2019**
Agricultural	258	(84)	55	(16)	6	27	(10)		236
Construction	32	(19)	(6)	(5)	1	(1)	1		3
Commercial & Specialty Vehicles	90	(13)	1	(5)	9	8	(87)		3
Powertrain (**)	121	(44)		(3)	3	1	6		84
Eliminations & Other	(69)							44	(25)
Total Industrial Activities	432	(160)	50	(29)	19	35	(90)	44	301

Non-GAAP measures (definition and reconciliation in appendix) (*) Including unallocated items (**) PT Pricing net within Volume & Mix

Industrial Activities | FY 2019 Net Sales Split

Agriculture	FY 2019 | Split	Chg. vs. FY '18
By region:		
NA	36%	(2%)
EU	35%	(5%)
SA	15%	(1%)
RoW	14%	(22%)
By product:		
TRACTORS	59%	(5%)
COMBINES	20%	(7%)
OTHERS	21%	(9%)

Construction	FY 2019 | Split	Chg. vs. FY '18
By region:		
NA	51%	(8%)
EU	18%	(5%)
SA	12%	(0%)
RoW	19%	(16%)
By product:		
C&S (*)	48%	(9%)
General CE (*)	43%	(4%)
R&S (*)	9%	(19%)

Commercial & Specialty Vehicles	FY 2019 | Split	Chg. vs. FY '18
By region:		
NA	n.m.	n.m.
EU	81%	(4%)
SA	6%	(16%)
RoW	13%	(3%)
By product:		
TRUCKS	75%	(8%)
BUSES	18%	0%
OTHERS	7%	24%

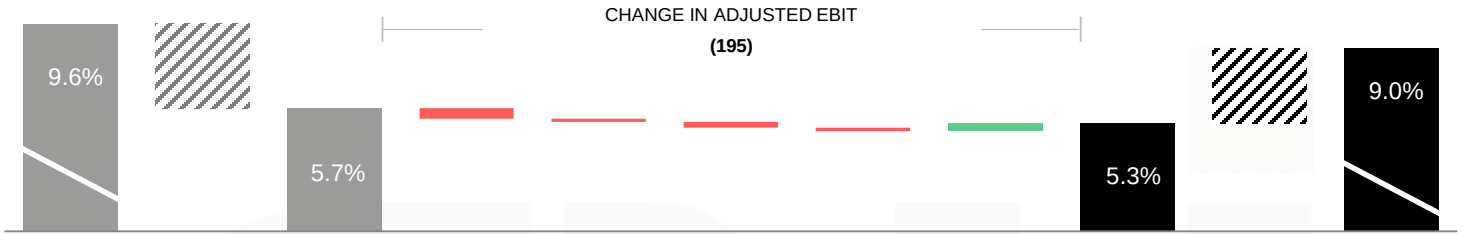
Powertrain	FY 2019 | Split	Chg. vs. FY '18
By region:		
NA	3%	(23%)
EU	73%	(9%)
SA	6%	(6%)
RoW	18%	(14%)
By product:		
ENGINES	91%	(10%)
TRANSM.	1%	(21%)
AXLES	8%	(8%)

Note: Numbers may not add due to rounding

(*) **C&S**: Compact and Service; **General CE**: General Construction; **R&S** : Road building and site preparation

FY 2019 | IA Adj. EBITDA & Adj. EBIT walk by segment & driver

($mn)



FY	**2,671**	1,086	**1,585**	(139)	(40)	(75)	(43)	102	**1,390**	967	**2,357**
	Adj. EBITDA	D&A	**Adj EBIT**	AG	CE	C&SV	PT	ELIM & OTHER (*)	**Adj EBIT**	D&A	**Adj EBITDA**
		Gross Margin	**17.5 %**	20.8%	12.6%	11.7%	15.7%		**17.2 %**		
		Y-o-Y Change		(20) bps	(50) bps	(60) bps	50 bps		**(30) Bps**		
		FY 2018								**FY 2019**	

Adj. EBIT walk by driver	**Adj. EBIT 2018**	VOLUME & MIX	PRICING NET	PROD COST	SG&A	R&D	FX | OTHER	UNALLOCATED, ELIM & OTHER	**Adj. EBIT 2019**
Agricultural	1,036	(223)	259	(177)	7	-	(5)		897
Construction	91	(34)	45	(53)	1	(5)	6		51
Commercial & Specialty Vehicles	299	45	2	(65)	5	1	(63)		224
Powertrain (**)	406	(43)		16	(3)	(10)	(3)		363
Eliminations & Other	(247)							102	(145)
Total Industrial Activities	1,585	(255)	306	(279)	10	(14)	(65)	102	1,390

Non-GAAP measures (definition and reconciliation in appendix) (*) Including unallocated items (**) PT Pricing net within Volume & Mix

Reconciliation of Net Income (Loss) to Adj. EBIT and EBITDA by Segment (US GAAP)

($mn)	Q4 2019							
	AG	CE	CV	PT	Unallocated Items, Elim. & Other	**Industrial Activities**	**Financial Services**	**Total**
Net Income (Loss) [1]						**27**	**93**	**120**
Add back:								
Interest expenses of Industrial Activities, net of interest income and eliminations						101	-	101
Foreign exchange (gains) losses, net						17	-	17
Finance and non-service component of Pension and other post-employment benefit costs[2]						105	5	110
Income tax expense						(29)	19	(10)
Adjustments:								
Restructuring expenses	14	(4)	17	2	1	30	1	31
Other discrete items [3]	-	-	47	-	3	50	-	50
Adjusted EBIT	**236**	**3**	**3**	**84**	**(25)**	**301**	**118**	**419**
Depreciation and Amortization	68	13	52	32	-	165	1	166
Depreciation of assets under operating leases and assets sold with buy-back commitments	-	-	75	-	-	75	61	136
Adjusted EBITDA	**304**	**16**	**130**	**116**	**(25)**	**541**	**180**	**721**

(1) For Industrial Activities, net income net of "Results from intersegment investments".
(2) In the three months ended December 31, 2019, this item includes the pre-tax gain of $29 million ($30 million in the three months ended December 31, 2018) as a result of the amortization over approximately 4.5 years of the $527 million positive impact from the modification of a healthcare plan in the U.S. In the three months ended December 31, 2019, this item also includes a $116 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligations.
(3) In the three months ended December 31, 2019, this item mainly includes other asset optimization charges of $30 million due to actions included in the "Transform2Win" strategy.

Reconciliation of Net Income (Loss) to Adj. EBIT and EBITDA by Segment (US GAAP)

($mn)	Q4 2018							
	AG	CE	CV	PT	Unallocated Items, Elim. & Other	**Industrial Activities**	**Financial Services**	**Total**
Net Income (Loss) [1]						**170**	**88**	**258**
Add back:								
Interest expenses of Industrial Activities, net of interest income and eliminations						108	-	108
Foreign exchange (gains) losses, net						37	-	37
Finance and non-service component of Pension and other post-employment benefit costs[2]						(12)	-	(12)
Income tax expense						84	21	105
Adjustments:								
Restructuring expenses	22	1	19	3	-	45	-	45
Adjusted EBIT	**258**	**32**	**90**	**121**	**(69)**	**432**	**109**	**541**
Depreciation and Amortization	72	15	45	32	-	164	1	165
Depreciation of assets under operating leases and assets sold with buy-back commitments	-	-	94	-	-	94	62	156
Adjusted EBITDA	**330**	**47**	**229**	**153**	**(69)**	**690**	**172**	**862**

(1) For Industrial Activities, net income net of "Results from intersegment investments".
(2) In the three months ended December 31, 2019, this item includes the pre-tax gain of $29 million ($30 million in the three months ended December 31, 2018) as a result of the amortization over approximately 4.5 years of the $527 million positive impact from the modification of a healthcare plan in the U.S. In the three months ended December 31, 2019, this item also includes a $116 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligations.
(3) In the three months ended December 31, 2019, this item mainly includes other asset optimization charges of $30 million due to actions included in the "Transform2Win" strategy.

Reconciliation of Net Income (Loss) to Adj. EBIT and EBITDA by Segment (US GAAP)

($mn)	FY 2019							
	AG	CE	CV	PT	Unallocated Items, Elim. & Other	Industrial Activities	Financial Services	Total
Net Income (Loss) [1]						**1,093**	**361**	**1,454**
Add back:								
Interest expenses of Industrial Activities, net of interest income and eliminations						282	-	282
Foreign exchange (gains) losses, net						56	-	56
Finance and non-service component of Pension and other post-employment benefit costs[2]						58	5	63
Income tax expense						(391)	120	(271)
Adjustments:								
Restructuring expenses	41	18	37	7	2	105	4	109
Other discrete items [3]	-	-	182	-	5	187	-	187
Adjusted EBIT	**897**	**51**	**224**	**363**	**(145)**	**1,390**	**490**	**1,880**
Depreciation and Amortization	281	55	195	124	2	657	3	660
Depreciation of assets under operating leases and assets sold with buy-back commitments	-	-	310	-	-	310	245	555
Adjusted EBITDA	**1,178**	**106**	**729**	**487**	**(143)**	**2,357**	**738**	**3,095**

(1) For Industrial Activities, net income net of "Results from intersegment investments".
(2) In the year ended December 31, 2019 and 2018, this item includes the pre-tax gain of $119 million and $80 million, respectively, as a result of the amortization over approximately 4.5 years of the $527 million positive impact from the modification of a healthcare plan in the U.S. In the year ended December 31, 2019, this item also includes a $116 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligations recognized in the fourth quarter.
(3) In the year ended December 31, 2019, this item mainly includes other asset optimization charges for $165 million due to actions included in the "Transform2Win" strategy.

Reconciliation of Net Income (Loss) to Adj. EBIT and EBITDA by Segment (US GAAP)

($mn)	FY 2018							
	AG	CE	CV	PT	Unallocated Items, Elim. & Other	**Industrial Activities**	**Financial Services**	**Total**
Net Income (Loss) [1]						**714**	**385**	**1,099**
Add back:								
Interest expenses of Industrial Activities, net of interest income and eliminations						368	-	368
Foreign exchange (gains) losses, net						171	-	171
Finance and non-service component of Pension and other post-employment benefit costs[2]						(15)	-	(15)
Income tax expense						286	131	417
Adjustments:								
Restructuring expenses	26	1	30	4	-	61	-	61
Adjusted EBIT	**1,036**	**91**	**299**	**406**	**(247)**	**1,585**	**516**	**2,101**
Depreciation and Amortization	301	61	206	130	1	699	4	703
Depreciation of assets under operating leases and assets sold with buy-back commitments	2	-	385	-	-	387	247	634
Adjusted EBITDA	**1,339**	**152**	**890**	**536**	**(246)**	**2,671**	**767**	**3,438**

(1) For Industrial Activities, net income net of "Results from intersegment investments".
(2) In the year ended December 31, 2019 and 2018, this item includes the pre-tax gain of $119 million and $80 million, respectively, as a result of the amortization over approximately 4.5 years of the $527 million positive impact from the modification of a healthcare plan in the U.S. In the year ended December 31, 2019, this item also includes a $116 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligations recognized in the fourth quarter.
(3) In the year ended December 31, 2019, this item mainly includes other asset optimization charges for $165 million due to actions included in the "Transform2Win" strategy.

Calculation of ROIC of Industrial Activities (U.S. GAAP)

($mn)

	Twelve Months Rolling - December 31,	
	2019	**2018**
Adjusted EBIT of Industrial Activities	1,390	1,585
Tax impact (a)	(351)	(438)
Adjusted EBIT of Industrial Activities after-tax (A)	**1,039**	**1,147**
Average Third-party debt of Industrial Activities	5,219	5,836
Average Equity of Industrial Activities *	5,325	4,650
Less:		
Average Goodwill of Industrial Activities	2,342	2,309
Average Invested Capital of Industrial Activities (B)	**8,202**	**8,178**
ROIC of Industrial Activities (C=A/B)	**12.7%**	**14.0%**
a) Tax Impact		
Adjusted EBIT of Industrial Activities	1,390	1,585
Less:		
Equity in income of unconsolidated subsidiaries and affiliates	(13)	20
Tax base (D)	1,403	1,565
Long-term tax rate (E)	25%	28%
Tax impact (F=D*E)	351	438

(*) December 31, 2019 Equity of Industrial Activities excludes $539mn tax benefit due to the release of valuation allowances previously booked against certain deferred tax assets

Note: Numbers may not add due to rounding

Reconciliation of Adj. net income and Adj. income tax (expense) to Net Income (loss) and Income tax (expense) and calculation of Adj. diluted EPS and Adj. ETR under U.S.GAAP

($mn)

FY 2019	FY 2018		Q4 2019	Q4 2018
1,454	**1,099**	**Net income (loss)**	**120**	**258**
320	3	Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (a)	195	37
(596)	15	Adjustments impacting Income tax (expense) (b)	(36)	(1)
1,178	**1,117**	**Adjusted net income**	**279**	**294**
1,141	1,085	Adjusted net income attributable to CNH Industrial N.V.	270	289
1,354	1,361	Weighted average shares outstanding – diluted (million)	1,351	1,357
0.84	**0.80**	**Adjusted diluted EPS ($)**	**0.20**	**0.21**
1,170	**1,466**	**Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates**	**107**	**366**
320	3	Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (a)	195	37
1,490	**1,469**	**Adjusted income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (A)**	**302**	**403**
271	**(417)**	**Income Tax (expense)**	**10**	**(105)**
(596)	15	Adjustments impacting Income tax (expense) (b)	(36)	(1)
(325)	**(402)**	**Adjusted income tax (expense) (B)**	**(26)**	**(106)**
22%	**27%**	**Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)**	**9%**	**26%**

Reconciliation of Adj. net income and Adj. income tax (expense) to Net Income (loss) and Income tax (expense) and calculation of Adj. diluted EPS and Adj. ETR under U.S.GAAP

($mn)

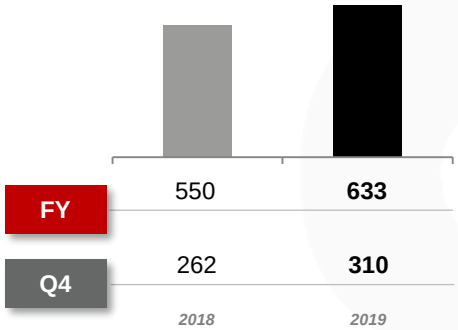
FY 2019	FY 2018		Q4 2019	Q4 2018
		(a) Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates		
109	61	Restructuring expenses	31	45
27	22	Cost of repurchase/early redemption of notes	27	22
(119)	(80)	Pre-tax gain related to the modification of a healthcare plan in the U.S.	(29)	(30)
116	-	Pre-tax settlement charge related to the purchase of an annuity contract to settle a portion of U.S. pension obligations	116	-
187	-	Other discrete items (1)	50	-
320	**3**	**Total**	**195**	**37**
		(b) Adjustments impacting Income tax (expense)		
(53)	11	Tax effect of adjustments impacting Income before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates	(28)	-
(539)	12	Adjustment to valuation allowances on deferred tax assets	-	-
-	(8)	Adjustment to the 2017 impact of U.S. Tax reform	-	(1)
(4)	-	Other	(8)	-
(596)	**15**	**Total**	**(36)**	**(1)**

(1) In the three months and in the year ended December 31, 2019, this item mainly includes other asset optimization charges of $30 million and $165 million, respectively, due to actions included in the "Transform2Win" strategy

Q4 & FY 2019 | Investment in Future Growth

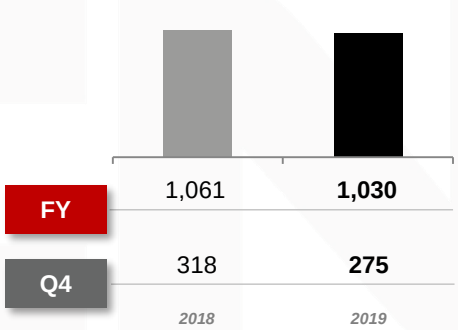
($mn)

CAPEX (1)



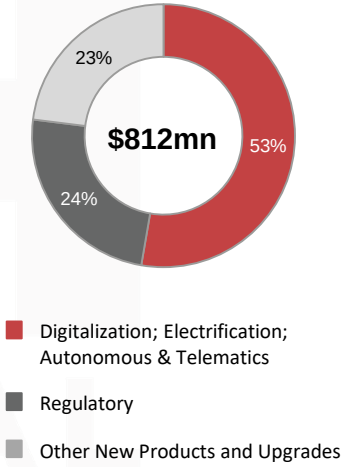
- **Capex** at $633mn up 15% vs. FY 2018
  - Capex at 2.4% of net sales in FY 2019

R&D



- **R&D** at $1bn down 2.9% vs. FY 2018
  - R&D at 3.9% of net sales in FY 2019

Total spending in new products was $812mn, up 12% vs. FY '18



(1) Excluding assets sold under buy-back commitments and assets under operating leases

Capex (1)

($mn)	Q4 2019	Q4 2018	FY 2019	FY 2018
Investments in property, plant and equipment, and intangible assets (1)	**310**	**262**	**633**	**550**
Breakdown by Category				
NEW PRODUCT & TECHNOLOGY	44%	34%	44%	36%
MAINTENANCE & OTHER	53%	63%	53%	59%
INDUSTRIAL CAPACITY EXPANSION & LT INVESTMENTS	3%	3%	3%	5%
Breakdown by Segment				
AGRICULTURAL	33%	38%	37%	41%
CONSTRUCTION	7%	7%	7%	7%
COMMERCIAL & SPECIALTY VEHICLES	43%	36%	41%	36%
POWERTRAIN	17%	19%	15%	16%

(1) Excluding assets sold under buy-back commitments and assets under operating leases

Reconciliation of Net cash provided by (used in) Operating Activities to Free cash flow of Industrial Activities (US GAAP)

($mn)

	Industrial Activities			
	Q4 2019	Q4 2018	FY 2019	FY 2018
Net cash provided by (used in) Operating Activities	**1,970**	**1,358**	**1,826**	**2,554**
Net cash (provided by) used in Operating Activities of Financial Services	47	342	(869)	(1,035)
Intersegment eliminations	173	135	384	264
Net cash provided by (used in) Operating Activities of Industrial Activities	**2,190**	**1,835**	**1,341**	**1,783**
Change in derivatives hedging debt of Industrial Activities	2	5	7	(2)
Investments on buy back and operating lease assets of Industrial Activities	(164)	(120)	(568)	(625)
Operating cash flow of Industrial Activities	**2,028**	**1,720**	**780**	**1,156**
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(310)	(262)	(633)	(550)
Other changes (1)	(7)	(105)	(126)	(54)
Free cash flow of Industrial Activities	**1,711**	**1,353**	**21**	**552**

(1) This item primarily includes change in intersegment financial receivables and capital increases in intersegment investments.

Reconciliation of Total Debt to Net Debt (US GAAP)

($mn)	Consolidated		Industrial Activities		Financial Services	
	Dec 31, 2019 (*)	Dec 31, 2018 (*)	Dec 31, 2019 (*)	Dec 31, 2018 (*)	Dec 31, 2019 (*)	Dec 31, 2018 (*)
Third party debt	(24,854)	(24,445)	(5,226)	(5,211)	(19,628)	(19,234)
Intersegment notes payable	-	-	(1,332)	(1,136)	(1,120)	(1,202)
Total (Debt) (1)	**(24,854)**	**(24,445)**	**(6,558)**	**(6,347)**	**(20,748)**	**(20,436)**
Plus:						
Cash and cash equivalents	4,875	5,031	4,407	4,553	468	478
Restricted cash	898	772	120	-	778	772
Intersegment notes receivables	-	-	1,120	1,202	1,332	1,136
Other current financial assets	58	1	58	1	-	-
Derivatives hedging debt	(1)	(8)	(1)	(8)	-	-
Net (Debt) / Cash (2)	**(19,024)**	**(18,649)**	**(854)**	**(599)**	**(18,170)**	**(18,050)**

(*) Starting from December 31, 2019, we modified the definition of Net Debt and Net Debt of Industrial Activities in order to include Other current financial assets. As a consequence, prior periods amounts have been recast accordingly.

(1) Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of $1,332 million and $1,136 million as of December 31, 2019 and 2018, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of $1,120 million and $1,202 million as of December 31, 2019 and 2018, respectively.

(2) The net intersegment receivable/payable balance recorded by Financial Services relating to Industrial Activities was $(212) million and $66 million as of December 31, 2019 and 2018, respectively.

From Total Debt to Net Industrial Debt

($mn)	Dec 31, 2019 (*)	Dec 31, 2018 (*)
Total (Debt) (1)	**(24,854)**	**(24,445)**
Financial Services Third Party Debt	19,628	19,234
Intersegment Note Payables	(1,332)	(1,136)
Intersegment Note Receivables	1,120	1,202
Cash and cash equivalents	4,407	4,553
Restricted cash	120	-
Other current financial assets	58	1
Derivatives hedging debt	(1)	(8)
Net Industrial (Debt) / Cash (2)	**(854)**	**(599)**

(*) Starting from December 31, 2019, we modified the definition of Net Debt and Net Debt of Industrial Activities in order to include Other current financial assets. As a consequence, prior periods amounts have been recast accordingly.

(1) Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of $1,332 million and $1,136 million as of December 31, 2019 and 2018, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of $1,120 million and $1,202 million as of December 31, 2019 and 2018, respectively.

(2) The net intersegment receivable/payable balance recorded by Financial Services relating to Industrial Activities was $(212) million and $66 million as of December 31, 2019 and 2018, respectively

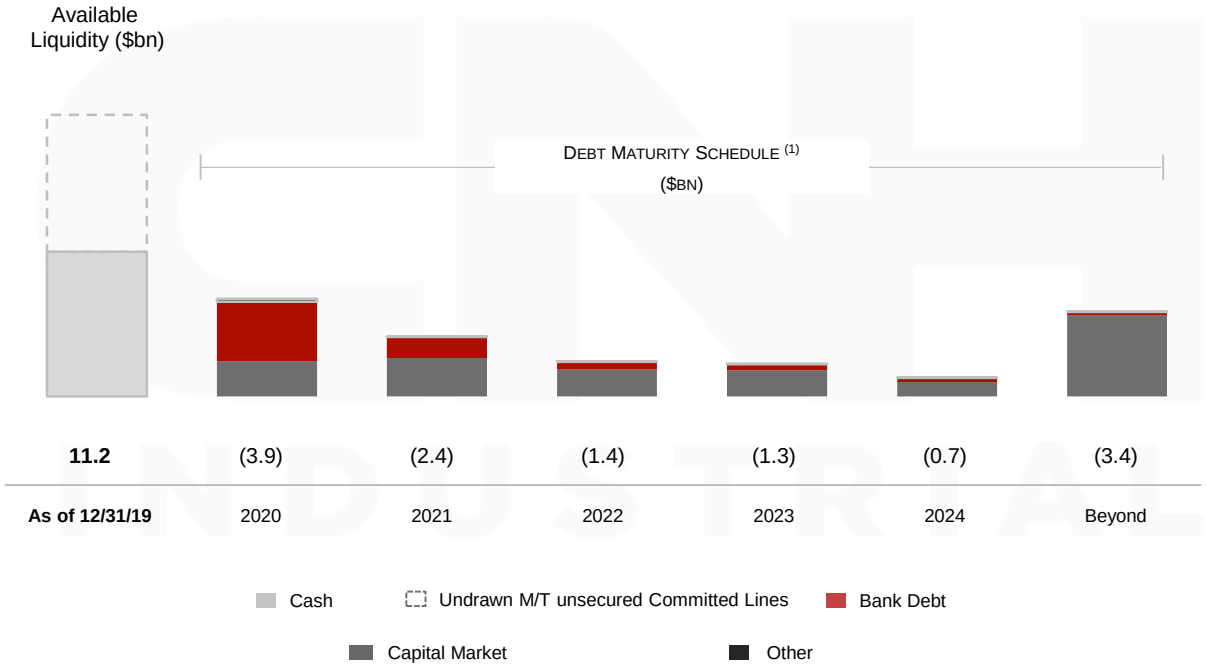
	FY 2019 (*)	FY 2018 (*)
Net (debt)/cash of Industrial Activities at beginning of period	(599)	**(903)**
Adjusted EBITDA of Industrial Activities	2,357	2,671
Cash interest and taxes	(388)	(613)
Changes in provisions and similar (1)	(436)	(406)
Change in working capital	(753)	(496)
Operating cash flow of Industrial Activities	**780**	**1,156**
Investments in property, plant and equipment, and intangible assets (2)	(633)	(550)
Other changes	(126)	(54)
Free cash flow of Industrial Activities	**21**	**552**
Capital increases and dividends (3)	(340)	(399)
Currency translation differences and other (4)	64	151
Change in Net debt of Industrial Activities	**(255)**	**304**
Net (debt)/cash of Industrial Activities at end of period	**(854)**	**(599)**

(*) Starting from December 31, 2019, we modified the definition of Net Debt and Net Debt of Industrial Activities in order to include Other current financial assets. As a consequence, prior periods amounts have been recast accordingly.
(1) Including other cash flow items related to operating lease and buy-back activities.
(2) Excluding assets sold under buy-back commitments and assets under operating leases.
(3) Including share buy-back transactions.
(4) In the three months and in the years ended December 31, 2019 and 2018, this item includes the charge of $27 million and $22 million, respectively, related to the repurchase of notes.

Liquidity & Debt Maturity

Q4 2019 | Highlights

- Available liquidity at December 31, 2019 was $11.2bn, compared to $9.4bn at September 30, 2019
  - $5.8bn of cash & cash equivalents [2]
  - $5.5bn undrawn under medium-term committed unsecured credit lines



[1] Represents cash portion of debt maturities as of 12/31/2019
[2] Of which $0.9bn Restricted Cash

Debt Maturity Schedule | Breakdown

($mn)

Outstanding Dec 31, 2019		2020	2021	2022	2023	2024	Beyond
(4.1)	Bank Debt	(2.4)	(0.9)	(0.3)	(0.2)	(0.2)	(0.1)
(8.9)	Capital Market	(1.4)	(1.5)	(1.1)	(1.0)	(0.6)	(3.3)
(0.2)	Other Debt	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
(13.1)	**Cash Portion of (Debt) Maturities**	**(3.9)**	**(2.4)**	**(1.4)**	**(1.3)**	**(0.7)**	**(3.4)**
(5.8)	Cash & Cash Equivalents						
(0.9)	of which restricted cash						
(5.5)	Undrawn Committed credit lines						
11.2	**Total Available Liquidity**						

Note: Numbers may not add due to rounding

Europe Trucks | Company performance

		Q4			
		2016	2017	2018	2019
MKT SHARE[1]	Light (3.5-7.49t)	15.8%	16.4%	13.5%	13.4%
	M&H (≥7.5t)	11.0%	9.5%	6.6%	7.6%
	Europe (*)	**13.8%**	**13.6%**	**11.0%**	**11.5%**
B-TO-B	Light (3.5-7.49t)	0.95	1.02	0.94	0.92
	M&H (≥7.5t)	0.75	0.91	0.97	1.03
	Europe	0.79	0.99	0.94	0.95
			Δ 16/17	**Δ 17/18**	**Δ 18/19**
MKT SHARE[1]	Light (3.5-7.49t)		0.5 p.p.	(2.9) p.p.	(0.1) p.p.
	M&H (≥7.5t)		(1.5) p.p.	(2.8) p.p.	1.0 p.p.
	Europe (*)		**(0.2) p.p.**	**(2.7) p.p.**	**0.5 p.p.**
ORDERS	Light (3.5-7.49t)		30.1%	(9.6)%	(9.0)%
	M&H (≥7.5t)		22.1%	(25.1)%	8.2%
	Europe		27.8%	(13.9)%	(4.9)%
DELIVERIES	Light (3.5-7.49t)		20.7%	(1.9)%	(6.6)%
	M&H (≥7.5t)		1.2%	(29.5)%	1.3%
	Europe		14.2%	(10.1)%	(4.8)%

(*) Europe: 27 countries reflecting key markets where the segment competes (excluding United Kingdom and Ireland for market share reporting purposes); [1] Company's estimated market share in the European truck market (GVW ≥3.5 tons)

Europe Trucks | Company performance

		FY			
		2016	2017	2018	2019
MKT SHARE[(1)]	Light (3.5-7.49t)	15.3%	15.0%	13.9%	13.2%
	M&H (≥7.5t)	9.8%	9.4%	7.6%	6.6%
	Europe (*)	**13.1%**	**12.8%**	**11.6%**	**10.9%**
B-TO-B	Light (3.5-7.49t)	0.98	1.03	0.99	0.98
	M&H (≥7.5t)	0.99	1.03	0.92	1.02
	Europe	0.98	1.03	0.98	0.99
			Δ 16/17	**Δ 17/18**	**Δ 18/19**
MKT SHARE[(1)]	Light (3.5-7.49t)		(0.4) p.p.	(1.1) p.p.	(0.7) p.p.
	M&H (≥7.5t)		(0.4) p.p.	(1.8) p.p.	(1.0) p.p.
	Europe (*)		**(0.3) p.p.**	**(1.3) p.p.**	**(0.7) p.p.**
ORDERS	Light (3.5-7.49t)		9.4%	0.6%	(3.5%)
	M&H (≥7.5t)		1.6%	(26.6%)	(2.5%)
	Europe		7.0%	(7.4%)	(3.3%)
DELIVERIES	Light (3.5-7.49t)		3.9%	4.0%	(1.9%)
	M&H (≥7.5t)		(2.3%)	(18.6%)	(11.6%)
	Europe		2.0%	(2.7%)	(4.3%)

(*) Europe: 27 countries reflecting key markets where the segment competes (excluding United Kingdom and Ireland for market share reporting purposes); [(1)] Company's estimated market share in the European truck market (GVW ≥3.5 tons)

New Geographic Information

Starting from Q1 2019 the composition of our regions part of the geographic information have been amended as follow:

- North America (formerly NAFTA): United States, Canada and Mexico;
- Europe (member countries of the European Union, European Free Trade Association, Ukraine, Balkans, formerly included in EMEA);
- South America (formerly LATAM): Central and South America, and the Caribbean Islands; and
- Rest of World (Continental Asia - including Turkey and Russia - Oceania and member countries of the Commonwealth of Independent States (excluding Ukraine) ; African continent, and Middle East, formerly included in EMEA).

Market Share / Market Position Data

- Certain industry and market share information in this report has been presented on a worldwide basis which includes all countries.
- In this presentation, management estimates of past market-share information are generally based on retail unit sales data in North America, on registrations of equipment in most of Europe, Brazil, and various Rest of the World markets, and on retail and shipment unit data collected by a central information bureau appointed by equipment manufacturers associations, including the Association of Equipment Manufacturers' in North America, the Committee for European Construction Equipment in Europe, the ANFAVEA in Brazil, the Japan Construction Equipment Manufacturers Association, and the Korea Construction Equipment Manufacturers Association, as well as on other shipment data collected by an independent service bureau.
- Not all agricultural or construction equipment is registered, and registration data may thus underestimate, perhaps substantially, actual retail industry unit sales demand, particularly for local manufacturers in China, Southeast Asia, Eastern Europe, Russia, Turkey, Brazil, and any country where local shipments are not reported.
- For Commercial Vehicles regions are defined as: Europe (the EU 27 countries where Commercial Vehicles competes, excluding United Kingdom and Ireland, for market share and total industry volume "TIV" reporting purpose); South America (Brazil, Argentina and Venezuela) and RoW (Russia, Turkey, South East Asia, Australia, New Zealand).
- In addition, there may be a period of time between the shipment, delivery, sale and/or registration of a unit, which must be estimated, in making any adjustments to the shipment, delivery, sale, or registration data to determine our estimates of retail unit data in any period.

Non-GAAP Financial Measures

CNH Industrial monitors its operations through the use of several non-GAAP financial measures. CNH Industrial's management believes that these non-GAAP financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess CNH Industrial's financial performance and financial position. Management uses these non-GAAP measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-GAAP financial measures have no standardized meaning under U.S. GAAP or EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with U.S. GAAP and/or EU-IFRS.

CNH Industrial non-GAAP financial measures are defined as follows:

Adjusted EBIT: is defined as net income (loss) before income taxes, interest expenses of Industrial Activities, net, restructuring expenses, the finance and non-service component of pension and other postemployment benefit costs, foreign exchange gains/(losses), and certain non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.

Adjusted EBITDA: is defined as Adjusted EBIT plus depreciation and amortization (including on assets sold under operating leases and assets sold under buy-back commitments).

Adjusted Net Income (Loss): is defined as net income (loss), less restructuring charges and non-recurring items, after tax.

Adjusted Diluted EPS: is computed by dividing Adjusted Net Income (loss) attributable to CNH Industrial N.V. by a weighted-average number of common shares outstanding during the period that takes into consideration potential common shares outstanding deriving from the CNH Industrial share-based payment awards, when inclusion is not anti-dilutive. When we provide guidance for adjusted diluted EPS, we do not provide guidance on an earnings per share basis because the GAAP measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.

Adjusted Income Taxes: is defined as income taxes less the tax effect of restructuring expenses and non-recurring items and non-recurring tax charges or benefits.

Adjusted Effective Tax Rate (Adjusted ETR): is computed by dividing a) adjusted income taxes by b) income (loss) before income taxes and equity in income of unconsolidated subsidiaries and affiliates, less restructuring expenses and non-recurring items.

Net Debt and Net Debt of Industrial Activities (or Net Industrial Debt): Net Debt is defined as total debt less intersegment notes receivable, cash and cash equivalents, restricted cash and derivative hedging debt. CNH Industrial provides the reconciliation of Net Debt to Total Debt, which is the most directly comparable measure included in the consolidated balance sheets. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Debt of Industrial Activities.

Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in assets sold under buy-back commitments, assets under operating leases, property, plant and equipment and intangible assets; change in derivatives hedging debt of Industrial Activities; as well as other changes and intersegment eliminations

Available Liquidity: is defined as cash and cash equivalents plus restricted cash and undrawn committed facilities.

Change excl. FX or Constant Currency: CNH Industrial discusses the fluctuations in revenues on a constant currency basis by applying the prior year average exchange rates to current year's revenues expressed in local currency in order to eliminate the impact of foreign exchange rate fluctuations.

ROIC: applied to Industrial Activities, only, is defined as ratio between Adjusted EBIT after-tax and the average invested capital, which includes third party Debt plus Equity less Goodwill. It is computed using last twelve months figures (twelve months rolling basis).

The tables attached to this presentation provide reconciliations of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures.



Investor Relations Team

- **Federico Donati – Head of Global Investor Relations** ☎ +44 (207) 76 - 60386 ☎ +39 (011) 00 - 71929
- **Noah Weiss** – Investor Relations North America ☎ +1 (630) 887 - 3745
- **Giovanni Somajni** – Investor Relations Europe ☎ +44 (207) 76 - 60369

e-mail: **investor.relations@cnhind.com**
website: **www.cnhindustrial.com**

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