New York City
September 3, 2019

TRANSFORMING CNH INDUSTRIAL FINANCIAL PERFORMANCE

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Chief Financial Officer
Chief Sustainability Officer

CAPITAL MARKETS DAY 2019

DISCLAIMER

FINANCIAL INFORMATION PROVIDED HEREWITH:

- Figures presented in accordance with US GAAP. Non-GAAP measures are defined in Appendix
- Forward looking financial information based on the current portfolio composition of CNH Industrial
- Initiate disclosure of ROIC at Industrial Activities and ROA at segment level to provide visibility of efficient use of capital
- FX assumptions as per most recent market forecast for 2020 and then held flat thereafter
- Industry volumes generally consistent with "mid-cycle" conditions, reflecting longer-term average (15 to 18 years) end-user demand levels
- Macroeconomic assumptions consistent with the current global scenario with reduced GDP growth, low inflation/interest rate, and on-going global trade disputes

Note: See Safe Harbor Statement in the back of presentation

Abbreviations (A: actual; E: expected; G: guidance; SBP: Strategic Business Plan)

FINANCIAL TRACK-RECORD (2016 – 2018)

STRONG PERFORMANCE IMPROVEMENT DESPITE PROLONGED DOWNTURN IN MAIN SEGMENT

- Adj. EBIT margin of Industrial Activities up 150 bps to 5.7%
- Adj. Net Income and Adj. diluted EPS up 2.3x since 2016
- Third Party Debt of Industrial Activities reduced to $(5.2)B from $(6.7)B in 2016;
  Net Debt of Industrial Activities reduced to $(0.6)B from $(1.6)B in 2016
- Available liquidity of $9.9B at June 30, 2019

Investment Grade rating accomplished

- Since Company inception in 2013 cash returned to shareholders through $1.5B of dividends and $0.3B of share buy-backs

CORPORATE SUSTAINABILITY

ASPIRATIONS AND 2024 TARGETS

CARBON NEUTRAL



CO_2 emissions per production unit (*) (**)	**-46%**
Total electricity consumption from renewable sources (*)	**80%**
Kg of CO_2 emissions per ton transported (**)	**-20%**
Product portfolio available with natural gas powertrains	**25%**

ZERO SERIOUS INJURIES



Employee accident frequency rate (**)	**-50%**

FULLY RECOVERABLE



New products including sustainability design criteria	**100%**
Waste recovered (*)	**94%**

FULLY ENGAGED



Employees involved in engagement surveys	**100%**
Sustainability self-evaluation of Tier1 suppliers	**100%**
People involved in local community initiatives(***)	**+100%**

** at Company plants worldwide*
*** vs. 2014 and (***) vs. 2017 as baseline years for the calculation*

SBP COMMITMENT: REALIZING FULL POTENTIAL

PLAN TO DRIVE PROFITABLE GROWTH, STRENGTHEN RESILIENCY AND CREATE SIGNIFICANT SHAREHOLDER VALUE

EXECUTE PLAN ON AMBITIOUS GROWTH INITIATIVES WHILE DELIVERING ON OUR EFFICIENCY PROGRAM …



Unlock solid top-line growth via step-up of investment and profitable growth



Disciplined execution on our Efficiency Program



Enhance valuation to reflect CNHI's businesses intrinsic value

… WHILE PROTECTING



Earnings resilience in uncertain scenario



Strong balance sheet and further improvements in our corporate rating



Cash return to shareholders via dividend growth and buy-backs

FINANCIAL PROJECTIONS AT A GLANCE

ROBUST IMPROVEMENT ALONG ALL KEY DIMENSIONS

Industrial Activities

	2019G – 2024E	Comments
Net Sales (1)	from $27B to $35B	CAGR in excess of 5%, above industry average
Adj. EBIT %*	~10% in 2024	More than doubling Adj. EBIT in $ value
Adj. EBITDA %*	~13% in 2024	Incremental margin of ~25%
Operating Cash Flow	+$11B (2020-2024)	Net Debt free by end of 2021**
CAPEX	$5.9B (2020-2024)	Fully invested plan: step-up to an avg. 3.7% of Net Sales during plan period
ROIC (%)	~20% in 2024	Growing 600 bps during the period despite higher capital intensity
Adj. Net Income	Topping to $2.7B in 2024	Grow 2.2x over the period
Adj. diluted EPS ($)	from $0.86*** to $2.00	Growing at ~18% CAGR

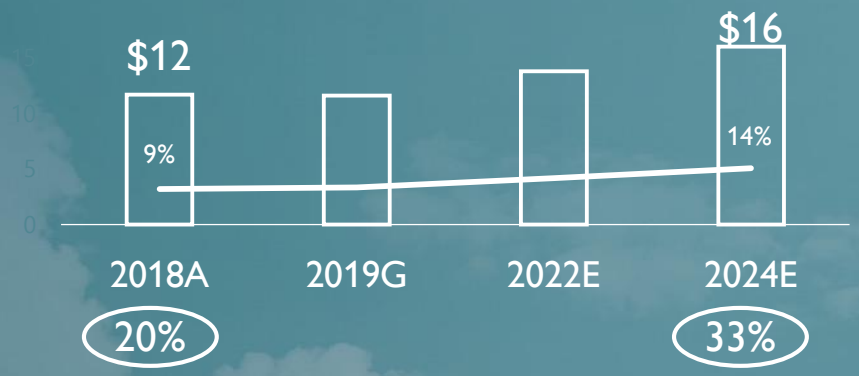
(1) Net Sales for 2019 at the mid-point of guidance ($27B and $27.5B) rounded
* % of Net Sales
** Growing to a net cash position of $1.7B by 2024
*** Per Share; $0.86 mid-point of 2019 guidance

FINANCIAL TARGETS BY SEGMENT

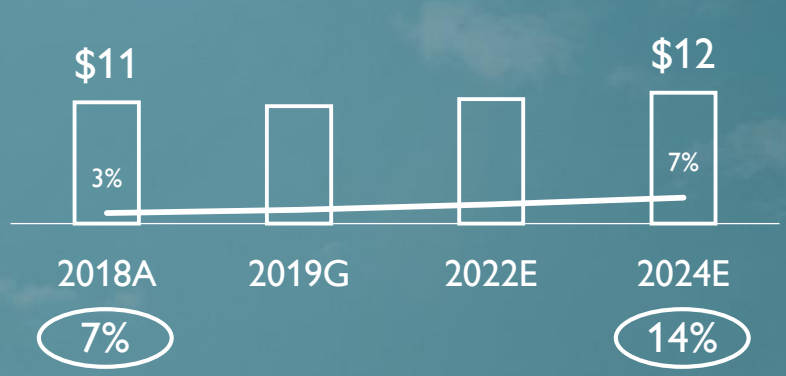
STRONG GROWTH ACROSS ALL SEGMENTS

Revenues ($B)
Adj. EBIT (%)
ROA (%)

AGRICULTURE (NET SALES CAGR 5%)



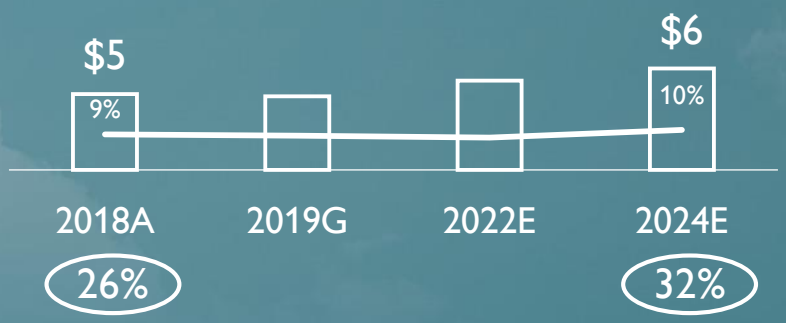
CSV (NET SALES CAGR 1%)



CONSTRUCTION (NET SALES CAGR 7%)



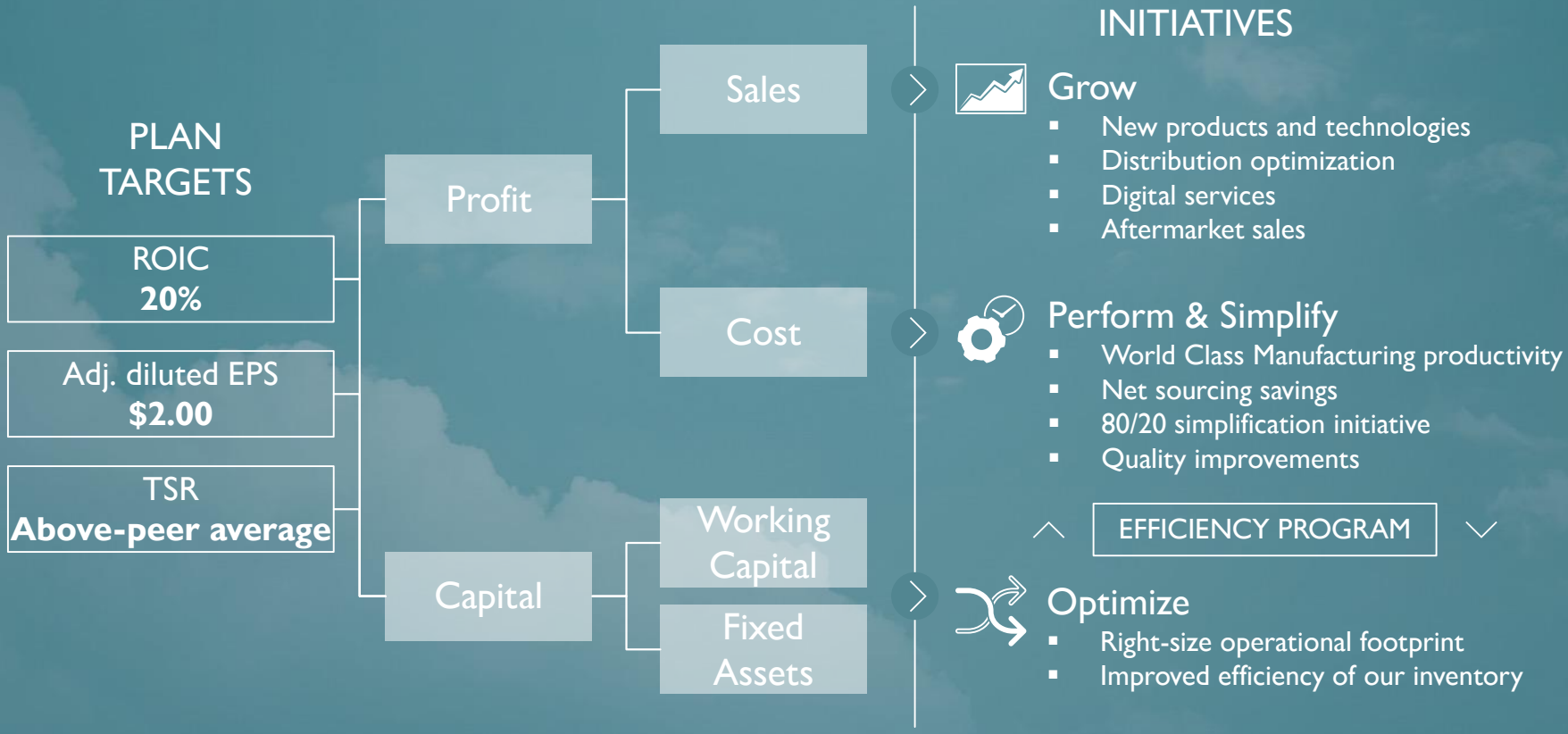
POWERTRAIN (NET SALES CAGR 5%)



Note: rounded numbers

AMBITION TO DELIVER SUPERIOR ROIC, EPS AND TSR

~ 30 STRATEGIC INITIATIVES PER SEGMENT IDENTIFIED TO ACHIEVE SUBSTANTIAL PROFIT GROWTH



EFFICIENCY PROGRAM

SUPPORTING "TRANSFORM 2 WIN" STRATEGY THROUGH IMPROVED PROFITABILITY AND EFFICIENT CAPITAL UTILIZATION

ORGANIZATIONAL EFFICIENCY
to simplify structure and achieve a more agile organization

STREAMLINING FOOTPRINT
target ~10% optimization in our asset base (plants, R&D centers, parts depots, commercial premises)

ASSET OPTIMIZATION PROGRAMS
to protect new-generation product overhaul and increase asset efficiency

DEALER NETWORK RATIONALIZATION
to create a best-in-class dealer network

Program savings to contribute into total benefit of the "Transform 2 Win" Strategy

One-off charges between $450 and $500M (of which $250M cash paid and the balance as asset write-off / impairment)

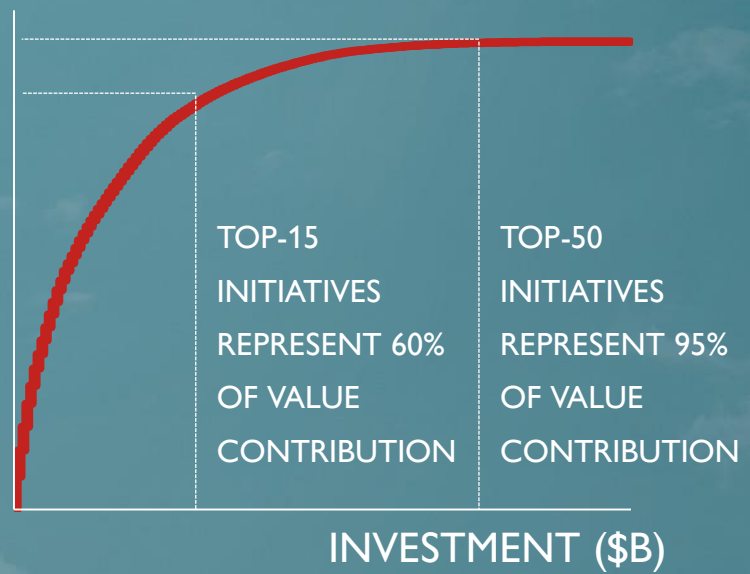
TOTAL SHAREHOLDER RETURN IN ACTION

TSRi USED AS A KEY METRIC TO ASSESS STRATEGIC INITIATIVES

TSRi CONTRIBUTION ($B)



AGGREGATED VALUE * CONTRIBUTION ($B)



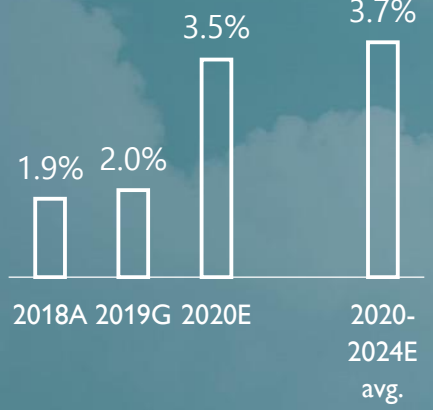
AG CSV FS
CE PT Value dilutive, not pursued

* Value measured as TSRi contribution for each initiative. See Appendix for further details on the methodology

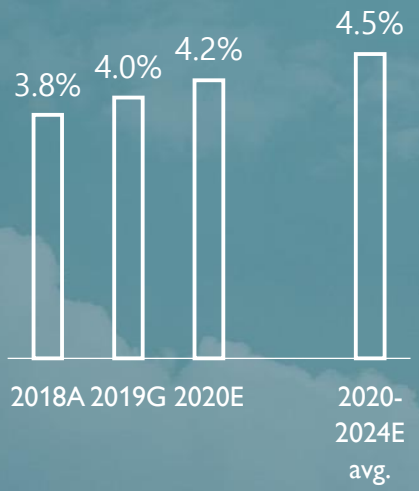
INVESTMENT AND ROIC

INCREASE INVESTMENT TO DELIVER SUPERIOR RETURNS

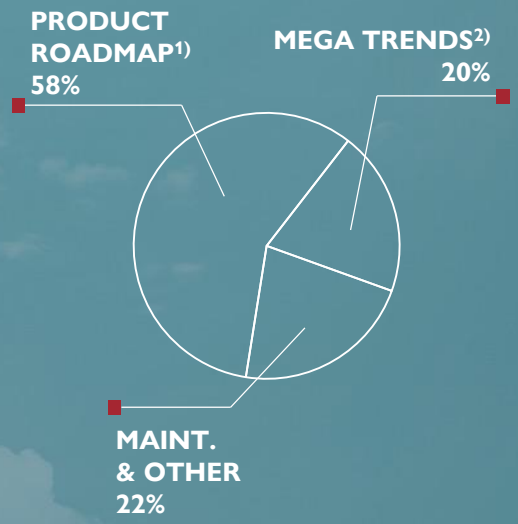
CAPEX
(% OF NET SALES)



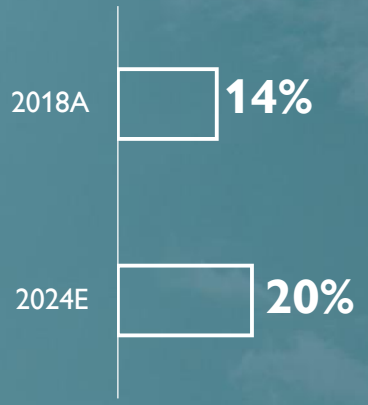
R&D
(% OF NET SALES)



INVESTMENT ALLOCATION*
$13B



ROIC (%)

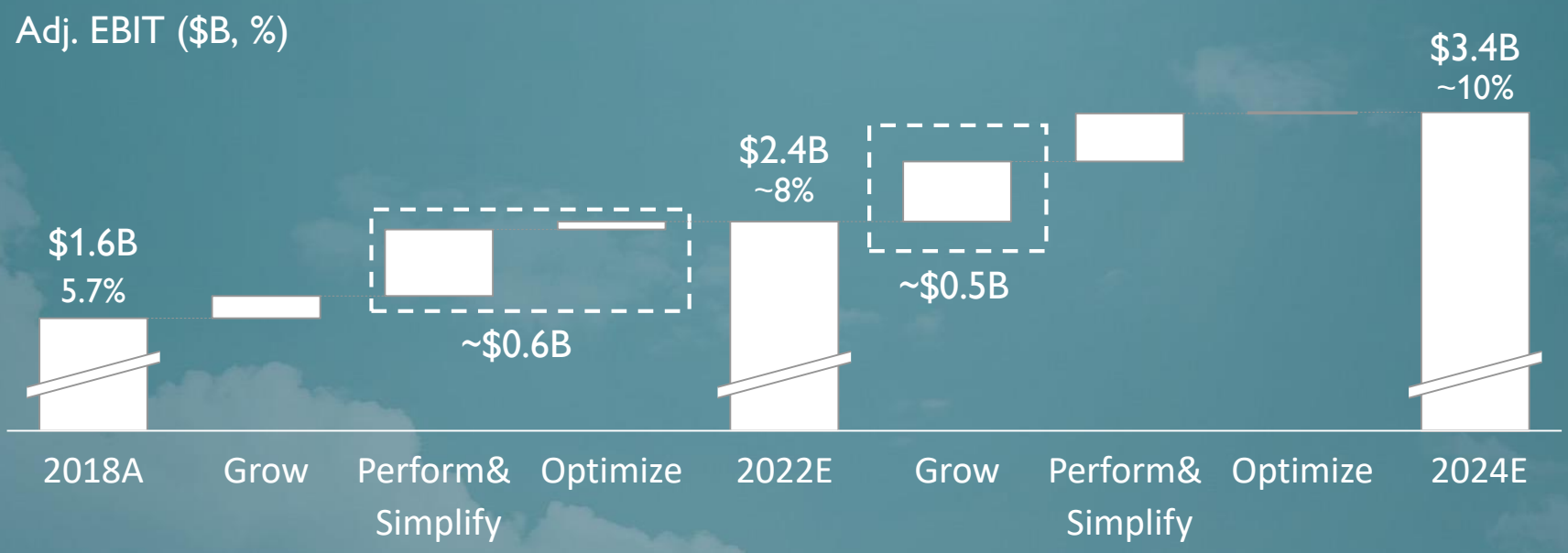


[1] Implementation of product portfolio strategy
[2] Digital Roadmap, Alternative Propulsion, Autonomous Vehicle, Servitization

* Including both CAPEX and R&D

FINANCIAL TARGET FOR OUR INDUSTRIAL ACTIVITIES

FIRST IMPROVING PROFITABILITY, THEN ACCELERATING GROWTH

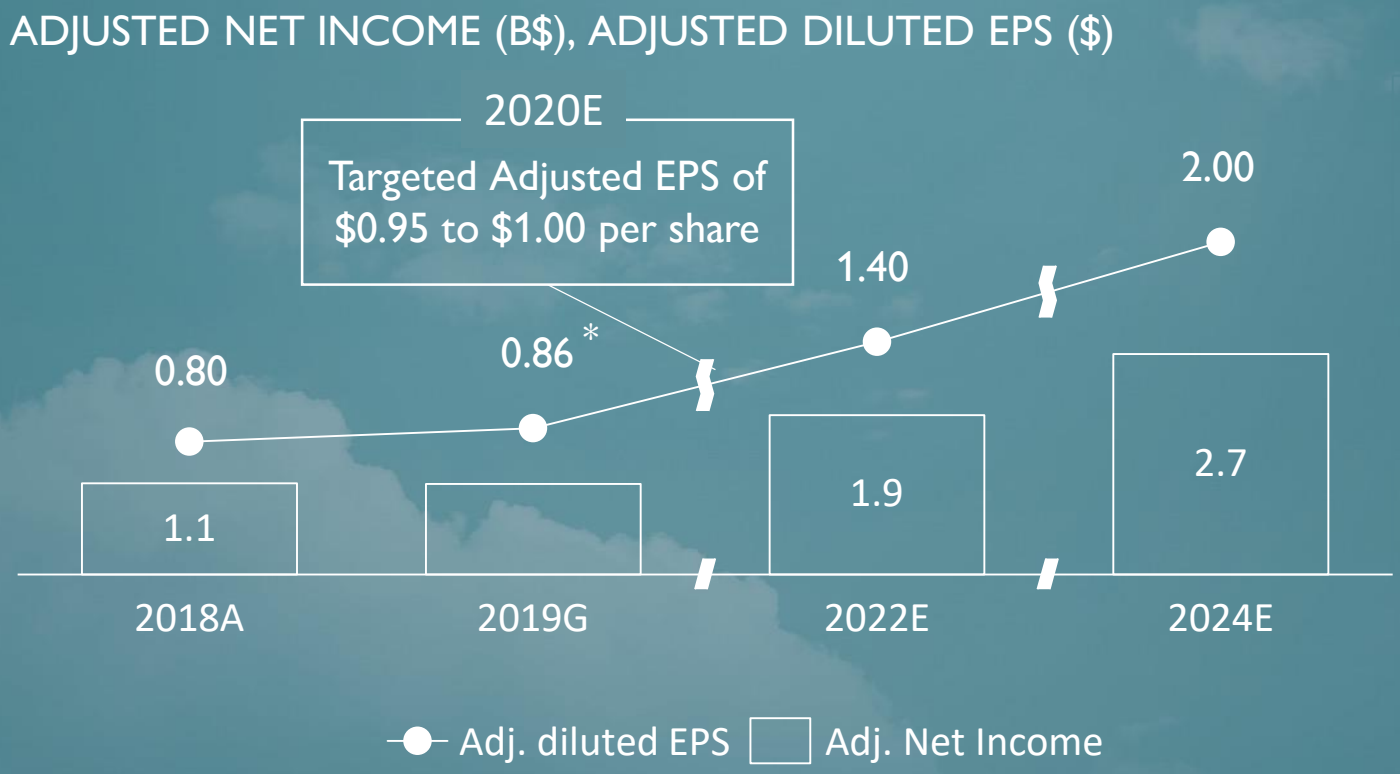


SELF HELP THROUGH EXECUTION OF INITIATIVES TO PERFORM AND SIMPLIFY (INCLUDING EFFICIENCY PROGRAM)

GROW INITIATIVES PAY OFF AFTER INVESTMENT IN EARLY YEARS

ADJUSTED DILUTED EPS AND ADJUSTED NET INCOME

ACCELERATING EARNINGS TRAJECTORY, WHILE INVESTING FOR GROWTH

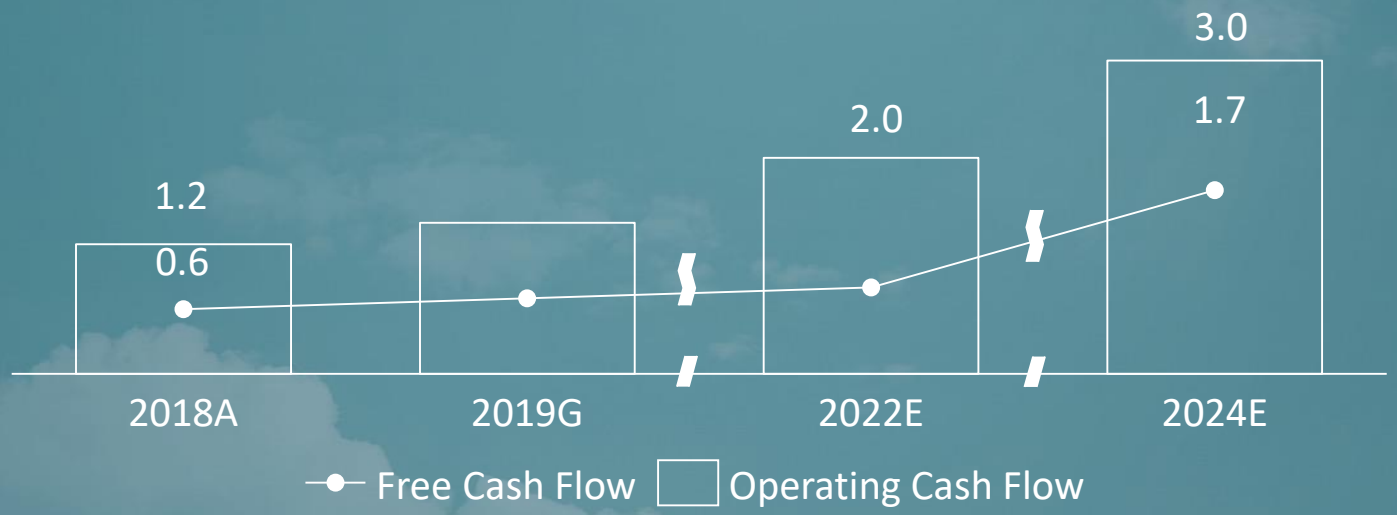


*Mid-point of the guidance ($0.84 – $0.88)

INDUSTRIAL ACTIVITIES CASH FLOW

TARGETING A NET DEBT FREE POSITION BY 2021

FREE CASH FLOW ($B), OPERATING CASH FLOW ($B)



	2018A	2019G	2022E	2024E
Net (Debt) / Cash ($B)	(0.6)	(0.3)*	0.3	1.7

Industrial Activities Net Debt free by 2021

* Mid-point of 2019 guidance

UNDERPINNING A STRONGER BALANCE SHEET

INITIATIVES TO STRENGTHEN OUR BALANCE SHEET THROUGH THE PLAN

GROSS DEBT	Reduce Gross Debt leverage* in Industrial Activities from 2.0x in 2018 to 1.0x by 2024
AVAILABLE LIQUIDITY	Maintain strong liquidity to protect balance sheet (by 2024 $13.5B expected, about 36% of net revenues)
PENSION PLANS	Intend to launch annuitization of $1.2B fully funded US pension plan**, while increasing contribution into the UK pension plans
DTA***	Recognize deferred tax assets in certain key jurisdictions, releasing valuation allowances of more than $500M in 2019

* Gross Debt leverage defined as: Third Party Debt of Industrial Activities over Industrial Activities Adjusted EBITDA

** A non-cash non-recurring pre-tax charge of ~$300M is expected over the period, assuming vast majority of pension plan is successfully annuitized

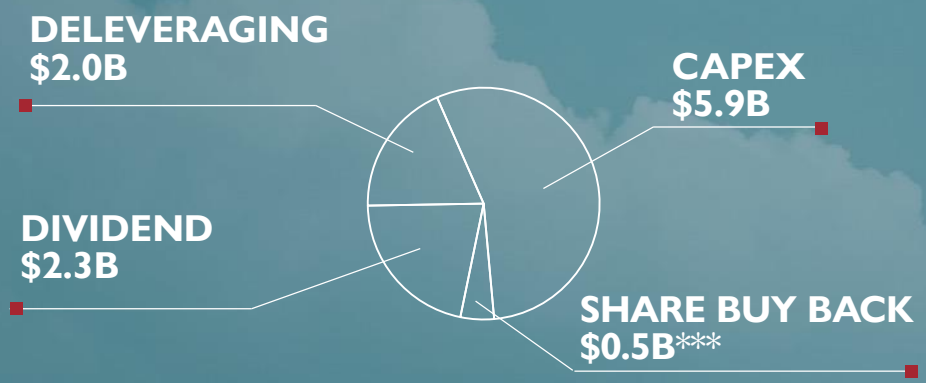
*** Deferred Tax Assets

CAPITAL ALLOCATION

ESTABLISH OUR PRIORITIES FOR CASH DEPLOYMENT STRATEGY THROUGH PLAN (2020-2024)

CASH DEPLOYMENT STRATEGY*

- Strengthen Balance Sheet anchoring on credit rating improvement
- Foster superior growth via execution of organic plan initiatives and inorganic opportunities
- Maintaining dividend policy



PRIORITIES GOING FORWARD

Balance Sheet
- Higher rating
- Strong liquidity

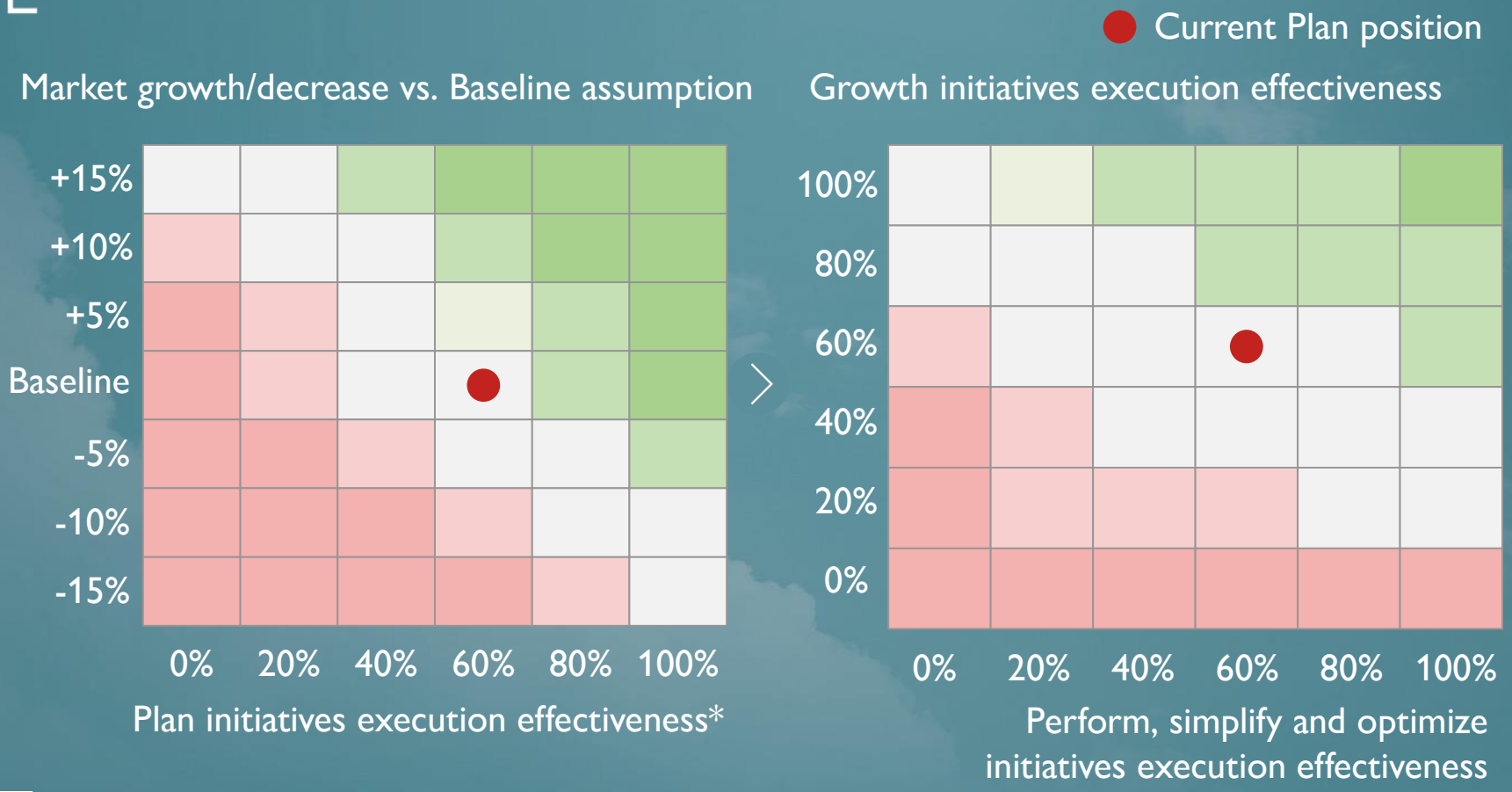
Growth
- Invest in megatrends
- Deliver on product roadmap
- Expand service offering
- M&A bolt-on and strategic opportunities

Cash return
- Consistent dividend growth at 18% CAGR**
- CNHI has an authorized buy back program of $700M, of which $250M already completed

* Excludes difference due to FX translation on foreign currency denominated debt (primarily EUR)
** On a per share basis, as per CNHI dividend policy of 25% to 35% of Net Income
*** Buy backs executed depending on market conditions

ACHIEVABILITY OF THE PLAN

PLAN TESTED AGAINST INDUSTRY SENSITIVITY AND INITIATIVES EXECUTION EFFECTIVENESS



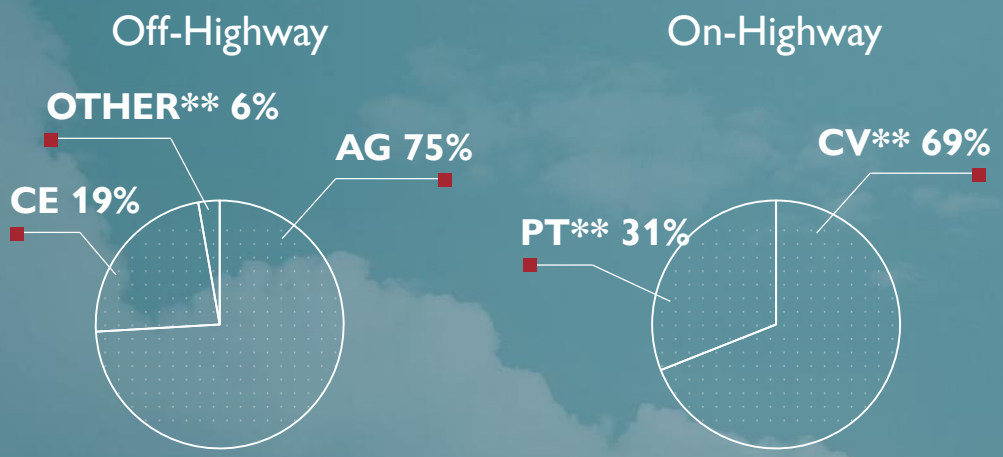
Note: colors referring to Adj. EBIT 2024 +/-10% +/-20% >+/-25%

* Before considering incremental restructuring actions

TRANSFORMATION OUTLOOK

ON- AND OFF-HIGHWAY COMPANIES WILL BE SIMILAR IN SIZE WITH LIMITED DIS-SYNERGIES

2018 NET SALES ($B, %) AND ADJ. EBIT ($B) PRO-FORMA*



	Off-Highway	On-Highway
NET SALES	$15.6B	$13.1B
ADJ. EBIT	$1.0B	$0.5B

PRINCIPLES FOR SPIN-OFF

- Protect current Investment Grade credit rating at Off-Highway from Day One and improve thereafter
- On-Highway to have an efficient capital structure and a strong liquidity position
- Long-term supply agreement between PT and Off-Highway
- No interruption of Financial Services offering for On-Highway
- Expect limited dis-synergies primarily from corporate costs

* Industrial Activities only
** Other: Specialty Vehicles; CV: Trucks and Buses; PT: current perimeter; On-Highway % split before Eliminations

EXPECTED TRANSACTION HIGHLIGHTS

TRANSACTION STRUCTURE	▪ Pro-rata allocation of On-Highway shares to shareholders ▪ On-Highway to include CV and PT ▪ Off-Highway to have long-term certainty of engines / transmissions supply from PT ▪ One-time charges related to the transaction expected to be incurred
TRANSACTION BENEFITS	▪ Transaction will enable dedicated management teams to focus on delivering TSR ▪ Pure play companies will attract differentiated investor bases, unlocking value of On-Highway / Off-Highway ▪ Operational synergies within Off-Highway and On-Highway secured, with limited dis-synergies expected on corporate costs
FINANCIAL IMPLICATIONS	▪ Both companies are expected to be well capitalized, with flexibility to fund growth priorities and capital allocation strategies ▪ Off-Highway to achieve strong investment grade rating by improving business profile and deleveraging ▪ On-Highway to secure efficient access to capital markets from Day One
TIMING	▪ Expect transaction to be completed January 1st, 2021
APPROVAL	▪ Transaction is subject to final approval of CNH Industrial Board of Directors, Shareholders, and other regulatory and customary approvals

FINAL REMARKS: "TRANSFORM 2 WIN" EXECUTION

TSRi TO MEASURE AND SAFEGUARD CAPITAL ALLOCATION AND RETURNS

PLAN BUILDING BLOCKS



GROW



PERFORM & SIMPLIFY



OPTIMIZE

2024 TARGETS

ROIC	**20%**
Adj. diluted EPS	**$2.00**
TSR	**Above-peer average**

STRATEGIC DRIVERS

1. Accelerate investment in new technologies and megatrends to improve competitive edge
2. Improve earnings sustainably and reduce volatility in cash flow
3. Maintain discipline in allocating capital, while appropriately remunerating shareholders

IMMEDIATE NEXT STEPS

- Execute investment trajectory in 2019 and 2020
- Deliver 2019 guidance and net earnings growth into 2020
- Prepare spin-off transaction and provide timely update to investors

APPENDIX

SUMMARY OF SBP FINANCIAL TARGETS

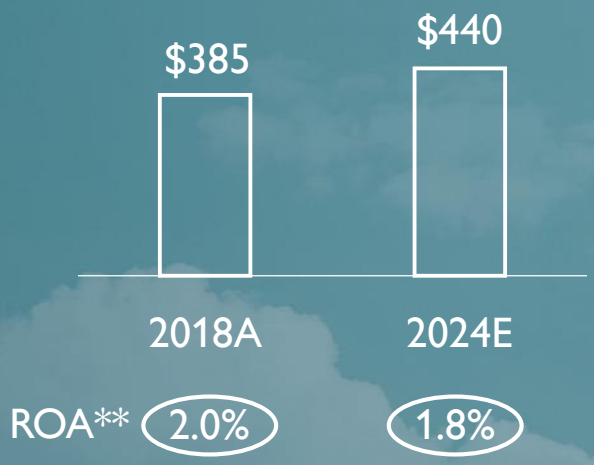
		2018A	2022E	2024E
Industrial Activities	Net Sales ($B)	27.8	31.2	35.1
	Adj. EBIT (% of Net Sales)	5.7%	~8%	~10%
	Adj. EBITDA (% of Net Sales)	9.6%	~11%	~13%
	Operating Cash Flow ($B)	1.2	2.0	3.0
	ROIC (%)	14%	16%	20%
	Adjusted Net Income ($B)	1.1	1.9	2.7
	Adjusted Diluted EPS ($)	0.80	1.40	2.00

Note: Industrial Activities Net Debt free by 2021 and cash position of $1.7bn by 2024

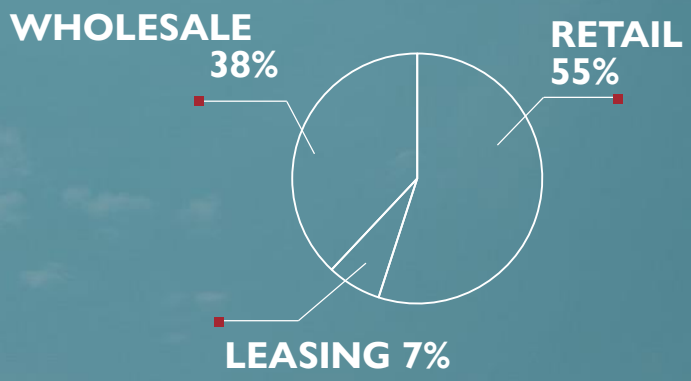
APPENDIX

FINANCIAL SERVICES

NET INCOME ($M)



PORTFOLIO $34B IN 2024*

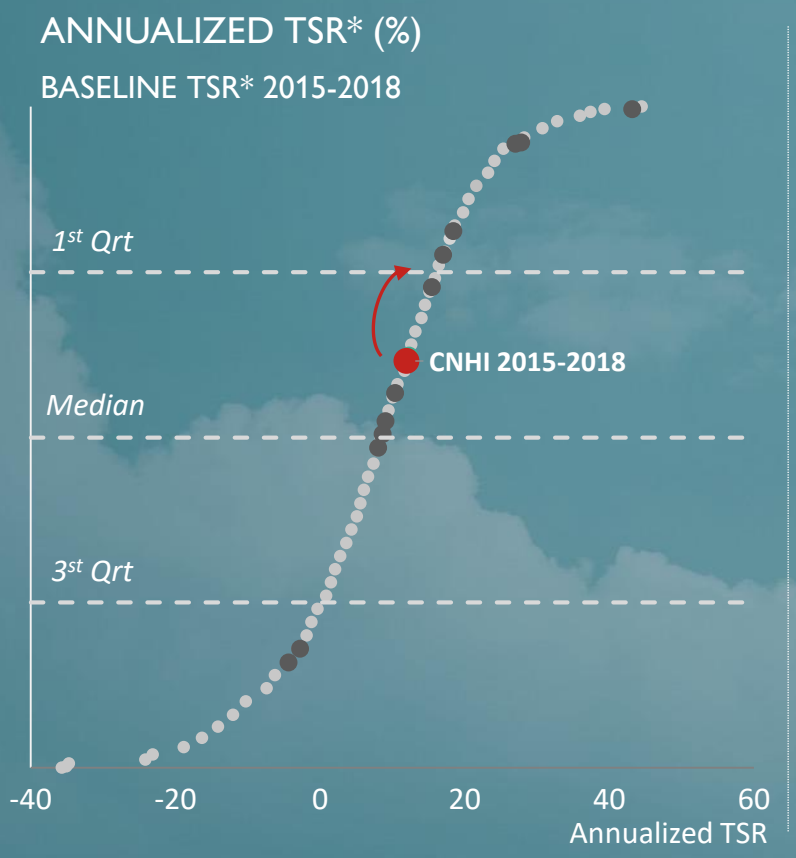


FS goal of supporting sales of the industrial Segments, while remunerating its own capital, remains an underpinning of our portfolio strategy

* Composition of the managed portfolio (including JV) is expected to remain stable throughout the plan period
** Profit before taxes over average assets

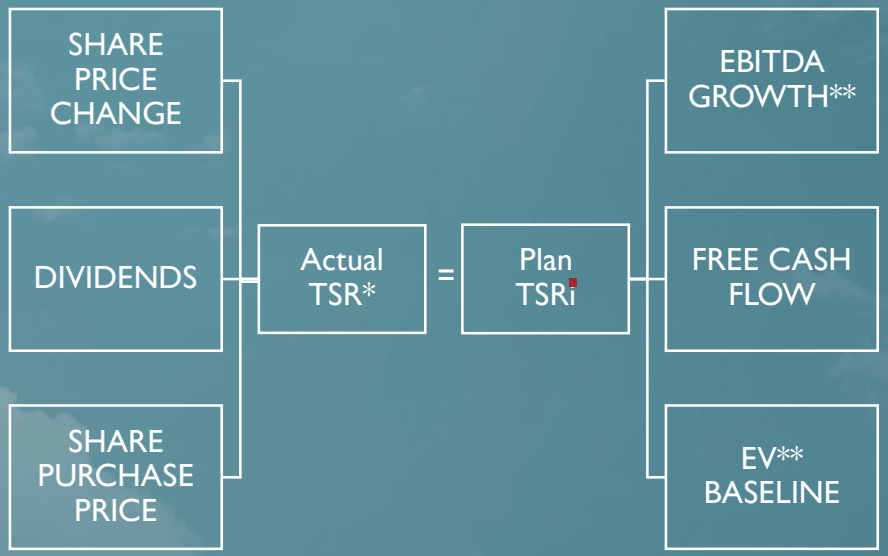
APPENDIX

TSR CONCEPT – PRIORITIZING INVESTMENT DECISIONS FOR SUPERIOR RETURN



SHAREHOLDER PERSPECTIVE ON TSR*

OPERATIONALIZATION OF TSR* IN CNHI



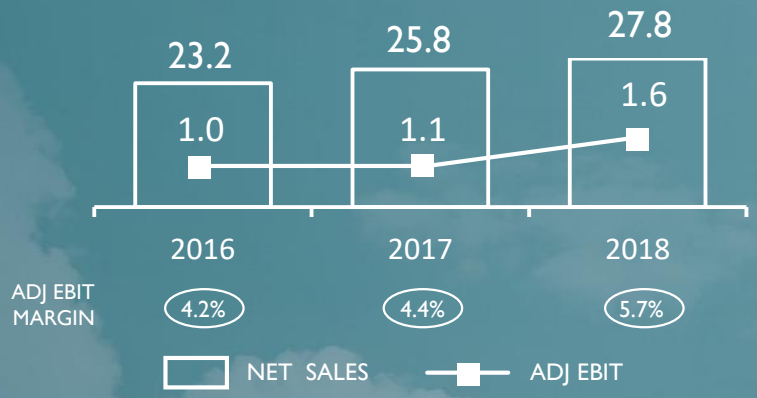
* Total Shareholder Return **Which multiplied by the Segment specific EBITDA multiple determines the change in EV (Enterprise Value)

Note : TSR curve based on S&P 500; Dark grey dots representing peers; Source: S&P Capital IQ

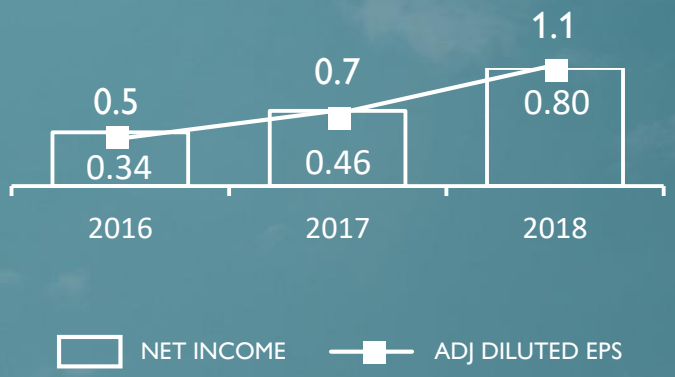
APPENDIX

FINANCIAL TRACK-RECORD LAST 3 YEARS (2016 – 2018)

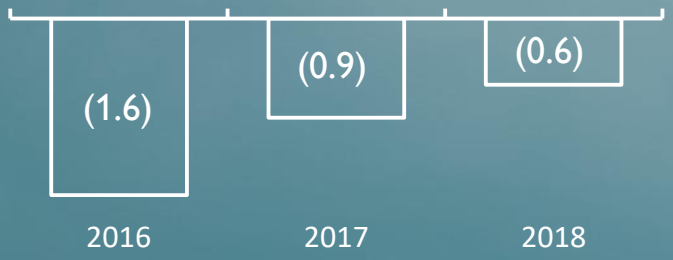
NET SALES, ADJ EBIT OF IND. ACTIVITIES ($B)



ADJ NET INCOME ($B), ADJ DILUTED EPS ($)



NET DEBT OF INDUSTRIAL ACTIVITIES ($B)



FREE CASH FLOW OF IND. ACTIVITIES ($B)



APPENDIX

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA BY SEGMENT (US GAAP)

	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**

APPENDIX

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA BY SEGMENT (US GAAP)

	FY 2017							
	AG	CE	CV	PT	Unallocated Items, Elim. & Other	Industrial Activities	Financial Services	Total
Net Income (Loss) [1]						**(162)**	**452**	**290**
Add back:								
Interest expenses of Industrial Activities, net of interest income and eliminations						482	-	482
Foreign exchange (gains) losses, net						124	-	124
Finance and non-service component of Pension and other post-employment benefit costs[2]						102	-	102
Income tax expense						415	42	457
Adjustments:								
Restructuring expenses	14	4	69	3	-	90	3	93
2017 year-end deconsolidation of Venezuelan operations	-	-	-	-	92	92	-	92
Adjusted EBIT	**791**	**(16)**	**195**	**360**	**(187)**	**1,143**	**497**	**1,640**
Depreciation and Amortization	315	65	212	128	-	720	5	725
Depreciation of assets under operating leases and assets sold with buy-back commitments	-	-	328	-	-	328	297	625
Adjusted EBITDA	**1,106**	**49**	**735**	**488**	**(187)**	**2,191**	**799**	**2,990**

APPENDIX

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

($mn)	FY 2018	FY 2017
Net income (loss)	1,099	290
Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (a)	3	249
Adjustments impacting Income tax (expense) (b)	15	112
Adjusted net income	1,117	651
Adjusted net income attributable to CNH Industrial N.V.	1,085	633
Weighted average shares outstanding – diluted (million)	1,361	1,367
Adjusted diluted EPS ($)	0.80	0.46
Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates	1,466	659
Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (a)	3	249
Adjusted income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates (A)	1,469	908
Income Tax (expense)	(417)	(457)
Adjustments impacting Income tax (expense) (b)	15	112
Adjusted income tax (expense) (B)	(402)	(345)
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	27%	38%

APPENDIX

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 2018	FY 2017
(a) Adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates		
Restructuring expenses	61	93
Cost of repurchase/early redemption of Notes	22	64
Pre-Tax gain related to the modification of certain healthcare benefits in the U.S.	(80)	-
2017 year-end deconsolidation of Venezuelan operations	-	92
Total	3	249
(b) Adjustments impacting Income tax (expense)		
Tax effect of adjustments impacting Income (loss) before income tax (expense) and equity in income of unconsolidated subsidiaries and affiliates	11	(16)
Valuation allowance on deferred tax assets	12	-
Tax charges due to the U.S. Act and tax legislation changes in the UK and certain other countries	(8)	128
Total	15	112

APPENDIX

RECONCILIATION OF TOTAL DEBT TO NET DEBT (US GAAP)

($mn)	Consolidated		Industrial Activities		Financial Services	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Third party debt	(24,445)	(25,895)	(5,211)	(6,461)	(19,234)	(19,434)
Intersegment notes payable	-	-	(1,136)	(982)	(1,202)	(1,641)
Total (Debt) (1)	**(24,445)**	**(25,895)**	**(6,347)**	**(7,443)**	**(20,436)**	**(21,075)**
Plus:						
Cash and cash equivalents	5,031	5,430	4,553	4,901	478	529
Restricted cash	772	770	-	-	772	770
Intersegment notes receivables	-	-	1,202	1,641	1,136	982
Derivatives hedging debt	(8)	(7)	(8)	(7)	-	-
Net (Debt) / Cash (2)	**(18,650)**	**(19,702)**	**(600)**	**(908)**	**(18,050)**	**(18,794)**

(1) Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of $1,136 million and $982 million as of December 31, 2018 and 2017, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of $1,202 million and $1,641 million as of December 31, 2018 and 2017, respectively.

(2) The net intersegment receivable/payable balance owed by Financial Services to Industrial Activities was $66 million and $659 million as of December 31, 2018 and 2017, respectively.

APPENDIX

FROM TOTAL DEBT TO NET DEBT OF INDUSTRIAL ACTIVITIES

($mn)	Dec 31, 2018	Dec 31, 2017
Total (Debt) [1]	(24,445)	(25,895)
Financial Services Third Party Debt	19,234	19,434
Intersegment Note Payables	(1,136)	(982)
Intersegment Note Receivables	1,202	1,641
Cash and cash equivalents	4,553	4,901
Restricted cash	-	-
Derivatives hedging debt	(8)	(7)
Net Industrial (Debt) / Cash [2]	(600)	(908)

(1) Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of $1,136 million and $982 million as of December 31, 2018 and 2017, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of $1,202 million and $1,641 million as of December 31, 2018 and 2017, respectively.

(2) The net intersegment receivable/payable balance owed by Financial Services to Industrial Activities was $66 million and $659 million as of December 31, 2018 and 2017, respectively.

	FY 2018	FY 2017
Net Industrial (Debt) / Cash at beginning of period	(908)	(1,609)
Adj. EBITDA of Industrial Activities	2,671	2,191
Cash Interest and Taxes	(613)	(481)
Change in working capital	(496)	168
Changes in provisions and Other [1]	(406)	(173)
Operating cash flow of Industrial Activities	**1,156**	**1,705**
PP&E Capex [2]	(550)	(488)
Other changes	(50)	73
Free cash flow of Industrial Activities	**556**	**1,290**
Capital increases and dividends [3]	(399)	(193)
FX and other [4]	151	(396)
Change in Net Industrial Debt	308	701
Net Industrial (Debt) / Cash	(600)	(908)

(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 year ended December 31, 2018, this item includes the charge of $22 million related to the repurchase of notes. In the year ended December 31, 2017, this item included the charge of $56 million related to the repurchase/early redemption of notes.

APPENDIX

NON-GAAP 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

ROA: applied by segment, is defined as ratio between Adjusted EBIT and Operating Assets, which include Trade Receivables, Inventory, Property Plant and Equipment, and Other Assets

TSR (Total Shareholder Return): is calculated as the yearly compounded return rate of the sum of 1) projected share price at period end and 2) cumulated dividends over the considered period divided by share price at the beginning of the period

TSRi: applied by Industrial Segment, is calculated as the yearly compounded return rate of the sum of 1) projected Enterprise value at period end (computed as EBITDA change over the period times a fixed EV/EBITDA multiple) and 2) share of cumulated Industrial Free Cash Flow generated by the Segment over the considered period, 3) divided by the Enterprise Value at the beginning of the period (computed as EBITDA at beginning of the period times the fixed EV/EBITDA multiple)

SAFE HARBOR STATEMENT AND DISCLOSURE

All statements other than statements of historical fact contained in the slides presented today 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; 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", terror attacks in Europe and elsewhere, our ability to achieve the targets set out in the financials plan announces in September 3, 2019 Capital Markets Day; our ability to successfully implement the planned demerger of the On-Highway; the ability of the respective management teams of the Off-Highway and On-Highway to successfully operate the separated business and achieve their individual growth plans, 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. Investors should consider non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with U.S. GAAP. Reconciliations of non-GAAP measures to the most directly comparable GAAP measure are presented in our earning releases, which are available in EDGAR on the SEC's website at www.sec.gov and on our website at www.cnhindustrial.com.

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 oral forward-looking statements by CNH Industrial or persons acting on the behalf of CNH Industrial that will be made today in the Q&A sessions are expressly qualified in their entirety by the cautionary statements contained herein or referred to above.