



**Breaking
New Ground**

Innovation Sustainability Productivity

Q1 2022 RESULTS REVIEW
MAY 3, 2022



SAFE HARBOR STATEMENT AND DISCLOSURES

All statements other than statements of historical fact contained in this earning release, including 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, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. Forward looking statements also include statements regarding the future performance of CNH Industrial and its subsidiaries on a standalone basis. 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, including those related to the COVID-19 pandemic, 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 they occur with a degree of severity that the Company is unable to predict) or other assumptions underlying any of the forward-looking statements prove to be incorrect, including any assumptions regarding strategic plans, 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 continued uncertainties related to the unknown duration and economic, operational and financial impacts of the global COVID-19 pandemic and the actions taken or contemplated by governmental authorities or others in connection with the pandemic on our business, our employees, customers and suppliers; supply chain disruptions, including delays caused by mandated shutdowns, industry capacity constraints, material availability, and global logistics delays and constraints; disruption caused by business responses to COVID-19, including remote working arrangements, which may create increased vulnerability to cybersecurity or data privacy incidents; our ability to execute business continuity plans as a result of COVID-19; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, including demand uncertainty caused by COVID-19; general economic conditions in each of our markets, including the significant economic uncertainty and volatility caused the war in the Ukraine and by COVID-19; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining 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, embargoes, and 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; price pressure on new and used equipment; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; security breaches, cybersecurity attacks, technology failures, and other disruptions to the information technology infrastructure of CNH Industrial and its suppliers and dealers; security breaches with respect to our products; our pension plans and other post-employment obligations; political and civil unrest; volatility and deterioration of capital and financial markets, including other pandemics, terrorist attacks in Europe and elsewhere; our ability to realize the anticipated benefits from our business initiatives as part of our strategic plan; our failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this earnings release, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside CNH Industrial’s control. CNH Industrial expressly disclaims any intention or obligation to provide, update or revise any forward-looking statements in this announcement to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Further information concerning CNH Industrial, 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.

FIRST QUARTER 2022 HIGHLIGHTS

Net sales up 13%, positive pricing and negative FX

Continued supply chain/logistic challenges

Plant inventories and seasonal buildup of finished goods drove negative FCF

Ongoing support for Ukrainian dealers and customers

Halted Russia imports and production

Guidance for the year unchanged





AGRICULTURE

\$3.4B **13%**
net sales 1Q22 change net sales
(@CC)*

\$426M **12.6%**
adj. EBIT¹ adj. EBIT margin¹

Cost offset by pricing

Gross margin at 24.1%, up YoY and sequentially

Increased R&D sustaining digital investments

Take rates on Precision Ag continue to increase

Order books up almost 40% YoY for tractors and combines

New Holland introduced new T6 Methane Power tractor in US

(*) @CC means at constant currency (1) Non-GAAP measures (definition and reconciliation in appendix)



CONSTRUCTION

\$803M

net sales 1Q22

23%

change net sales
(@CC*)

\$32M

adj. EBIT¹

4.0%

adj. EBIT margin¹

Most profitable first quarter in more than a decade

Market share increase in North America

Order book up YoY for Heavy and Light and in all regions

Case Construction celebrates 180th anniversary



(*) @CC means at constant currency (1) Non-GAAP measures (definition and reconciliation in appendix)

PRECISION TECHNOLOGY UPDATE



In the last year we have unlocked significant value for customers

STRATEGIC PRIORITIES | IN FOCUS



CUSTOMER
INSPIRED
INNOVATION



BRAND
AND DEALER
STRENGTH



OPERATIONAL
EXCELLENCE

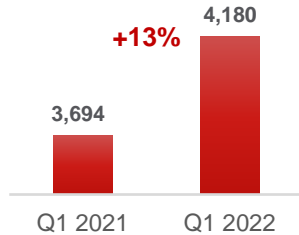


FIRST QUARTER 2022 | FINANCIAL HIGHLIGHTS

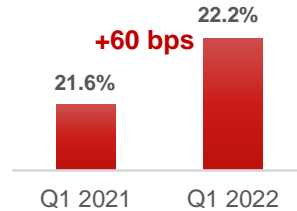
Industrial Activities

(\$mn)

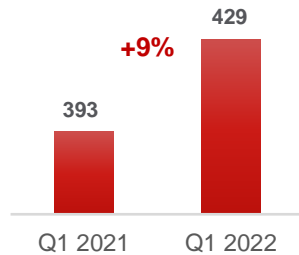
Net Sales



Adjusted Gross Margin^(*)



Adjusted EBIT^(*)

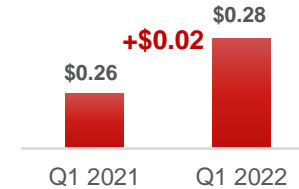


Free Cash Flow^(*)

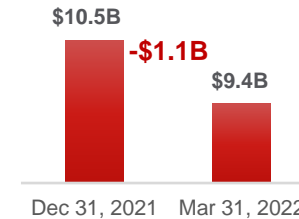


Consolidated

Adjusted Diluted EPS^(*)

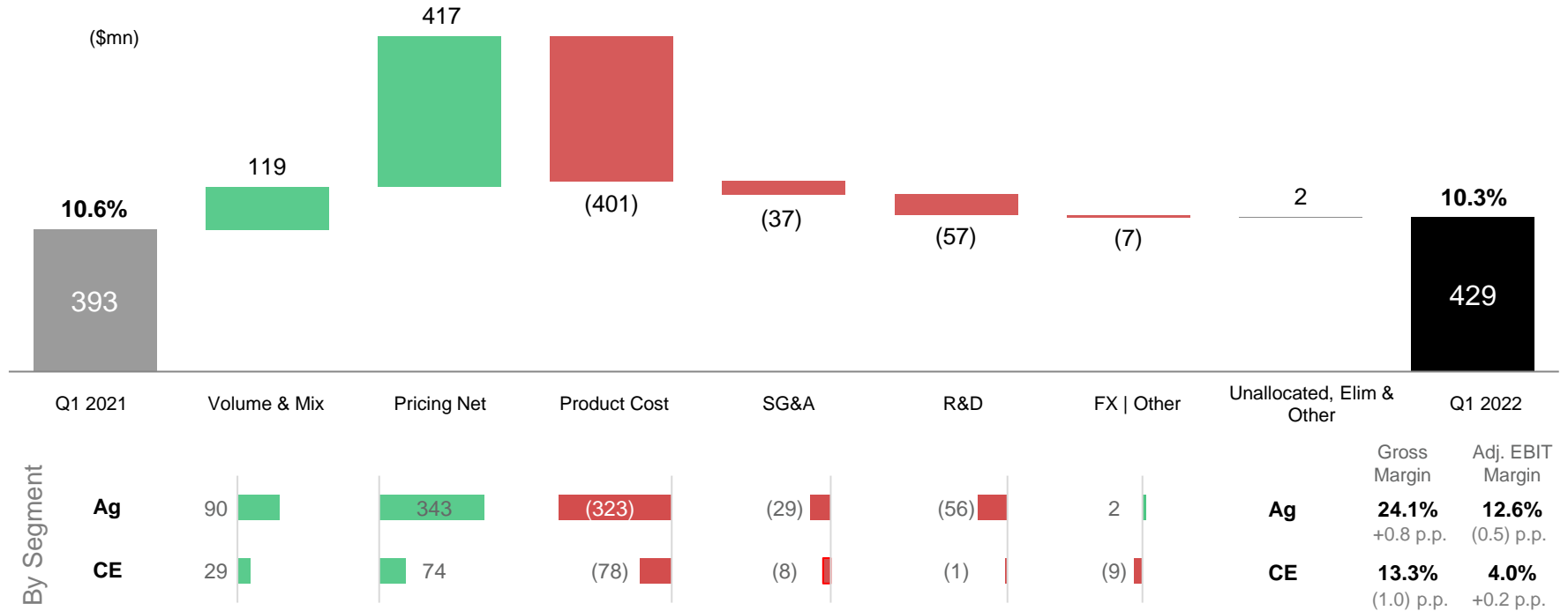


Available Liquidity^(*)



^(*) Non-GAAP measures (definition and reconciliation in appendix) Note: all figures for 2021 in this presentation refer to continuing operations

FIRST QUARTER 2022 | INDUSTRIAL ACTIVITIES ADJ. EBIT(*) WALK



Note: p.p. change vs. Q1 2021

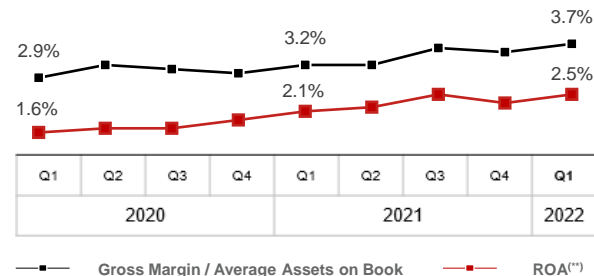
(*) Non-GAAP measures (definition and reconciliation in appendix) Note: Numbers may not add due to rounding

FULL YEAR 2021 | FINANCIAL SERVICES

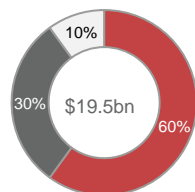
Net Income



Profitability Ratios

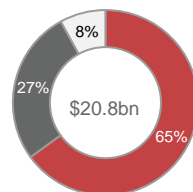


Managed Portfolio^(*) & Retail Originations^(*)

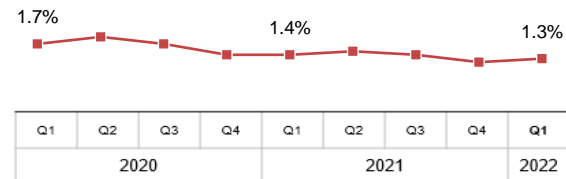


Q1 '22 retail originations at \$2.1bn, up \$0.1bn compared to March 31, 2021

Managed portfolio^(*) at \$20.8bn, up \$1.3bn compared to March 31, 2021 (up \$1.0bn on a constant currency basis)



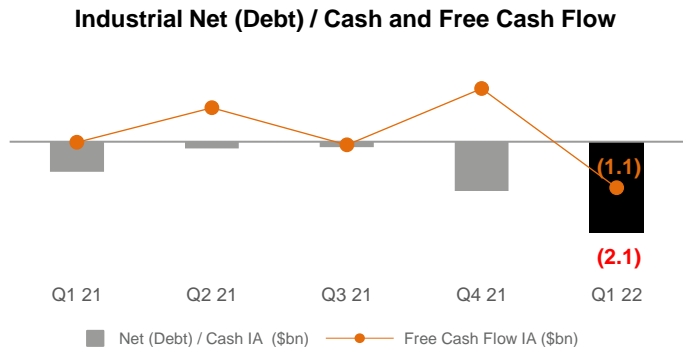
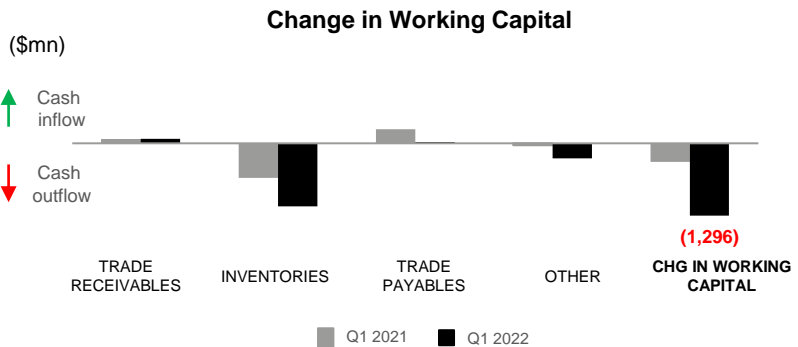
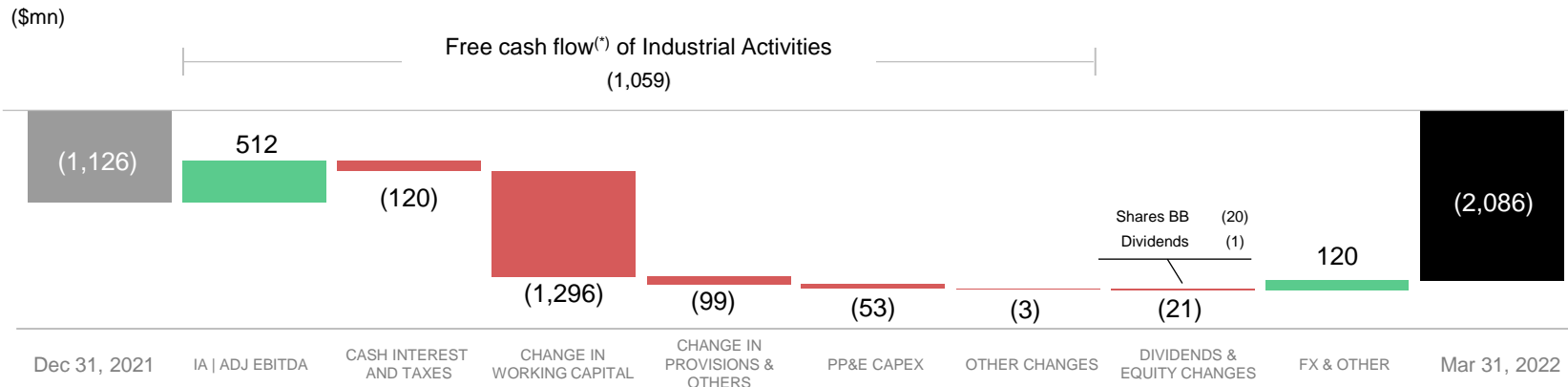
Delinquencies on Book (>30 Days)



(*) Including unconsolidated JVs

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

FIRST QUARTER 2022 | INDUSTRIAL ACTIVITIES CHANGE IN NET CASH (DEBT)^(*)



(*) Non-GAAP measures (definition and reconciliation in appendix) Note: Numbers may not add due to rounding

CAPITAL ALLOCATION PRIORITIES

ORGANIC GROWTH

Capex at \$53mn up 47% from Q1 2021, R&D up 39% major increase in digital

CREDIT RATING

Obtained Moody's upgrade in February and Fitch in January

GROSS DEBT

Gross Debt stable in Q1, cash absorption funded with liquidity buffer

SHAREHOLDER RETURNS





Started share buy back program, largest dividend ever (to be paid May 4, 2022)

INORGANIC GROWTH

Progressing with Raven non-AG business divestiture and scouting for opportunities

Support **growth** and ensure shareholder **returns**, while maintaining a **strong balance sheet**

FULL YEAR 2022 ESTIMATES | INDUSTRY UNIT PERFORMANCE VS. FY'21

	NORTH AMERICA	EUROPE	REST OF EMEA	SOUTH AMERICA	APAC	
	0-140 HP Tractors	Flat				
	140+ Large Tractors	~15%	Flat – 5%	~(10%)	Flat – 5%	(5%) – Flat
	Combines	10%	Flat – 5%	~(40%)	Flat – 5%	Flat – 5%
	Light	Flat – 5%	(5%) – Flat	~(15%)	~10 - 15%	(10%) – (5%)
	Heavy	Flat – 5%	(5%) – Flat	(15%) – (10%)	~10%	~(10%)

Note: Updated geographic regions disclosed in appendix geographic information slide

FY 2022E | GUIDANCE

INDUSTRIAL ACTIVITIES		
Net Sales ^(*)	10-14%	Confirmed
SG&A	≤ 7.5%	Confirmed
Free Cash Flow	> \$1.0B	Confirmed
R&D CapEx	~ \$1.4B	Confirmed

(*) Net Sales outlook reflecting €/€ at 1.15

2022 | FOCUS AND PRIORITIES

Persistent supply chain and inflation challenges

Labor negotiations ongoing; majority of operations unaffected

Order books remain strong, sentiment above historical trend

Inventory management a top priority, ours and our dealers






Raven penetration / Precision Ag investment accelerating

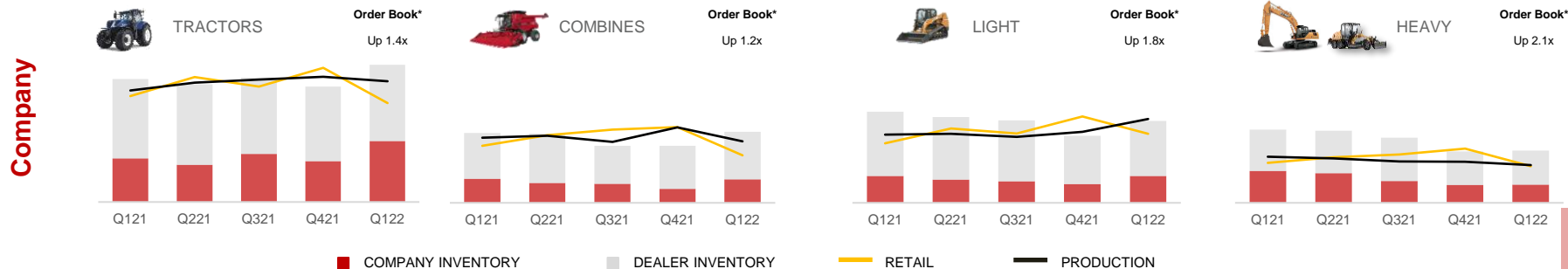
Model Year 2023 product introductions



APPENDIX

FIRST QUARTER 2022 | UNIT PERFORMANCE VS. Q1 2021

		NORTH AMERICA	EUROPE	REST OF EMEA	SOUTH AMERICA	APAC
Industry	 0-140 HP Tractors	(8%)	(2%)	(14%)	11%	(14%)
	 140+ Large Tractors	9%				
	 Combines	(22%)	13%	~Flat	(9%)	10%
	 Light	1%	5%	11%	25%	(32%)
	 Heavy	15%	5%	26%	33%	(35%)



* YoY change for orders to be built as of end of March 2022

FIRST QUARTER 2022 | FINANCIAL SUMMARY

	Q1 2022	Q1 2021	Δ
U.S. GAAP			
Revenues (\$mn)	4,645	4,096	13%
Net Sales Industrial Activities (\$mn)	4,180	3,694	13%
Net Income (\$mn)	336	363	(27)
Diluted EPS (\$)	0.24	0.27	(0.03)
Non – GAAP ⁽¹⁾			
Net Sales Industrial Activities @CC ⁽¹⁾ (\$mn)	4,234	3,694	15%
Adjusted EBIT Industrial Activities (\$mn)	429	393	9%
Adjusted EBIT Margin Industrial Activities (%)	10.3%	10.6%	(30) bps
Adjusted income (loss) before income tax benefit (expense) and equity in income of unconsolidated subsidiaries and affiliates	495	432	15%
Adjusted Effective Tax Rate	28%	25%	3 pp
Adjusted Net Income (\$mn)	378	352	26
Adjusted net income attributable to CNH Industrial N.V.	375	349	26
Weighted average shares outstanding – diluted (million)	1,362	1,359	0.1%
Adjusted Diluted EPS (\$)	0.28	0.26	0.02
Free Cash Flow Industrial Activities (\$mn)	(1,059)	(13)	(1,046)
	Mar 31, 2022	Dec 3, 2021	Δ
Net Industrial Cash (Debt) (\$bn)	(2.1)	(1.1)	(85%)
Available Liquidity (\$bn)	9.4	10.5	(11%)

FIRST QUARTER 2022 | INDUSTRIAL ACTIVITIES NET SALES

Ag

\$3,377mn

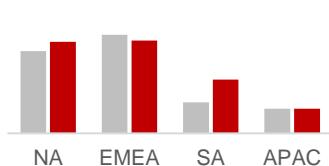
+11%

+13% @CC

By Region

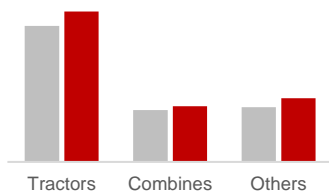
As reported

■ Q1 2022
■ Q1 2021



By Product

As reported



CE

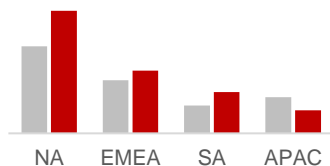
\$803mn

+22%

+23% @CC

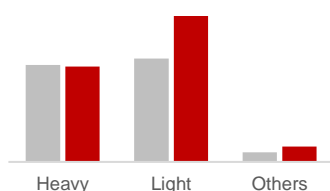
By Region

As reported



By Product

As reported



Industrial Activities ⁽¹⁾

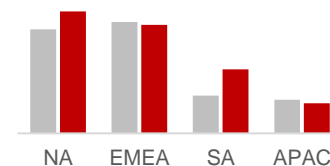
\$4,180mn

+13%

+15% @CC

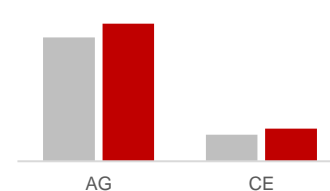
By Region

As reported



By Segment

As reported



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

Note: % change y-y and @CC means at constant currency

FIRST QUARTER 2022 | FINANCIALS BY SEGMENT

	REVENUES (\$mn)		GROSS PROFIT (\$mn)		Adj. EBIT (\$mn)		Adj. EBIT Margin %	
	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21
AG	3,377	3,038	814	709	426	399	12.6%	13.1%
CE	803	656	107	94	32	25	4.0%	3.8%
E&O	-	-	8	(5)	(29)	(31)		
IA	4,180	3,694	929	798	429	393	10.3%	10.6%
FS	466	397	161	135				
E&O	(1)	5	-	-				
Total	4,645	4,096	1,090	933				

Note: Adj EBIT and Adj EBIT Margin % are Non-GAAP measures (definition and reconciliation in appendix)

FIRST QUARTER 2022 | NET SALES AND ADJ EBIT BREAKDOWN

Net Sales Split

(\$mn)	Ag			CE		
		Q1 22	Q1 21		Q1 22	Q1 21
	NA	1,176	1,058	NA	394	280
EMEA	1,195	1,267	EMEA	202	171	
SA	692	398	SA	133	89	
APAC	314	315	APAC	74	116	
Tractors	56%	56%	Heavy	37%	46%	
Combines	21%	21%	Light	57%	49%	
Others*	23%	23%	Others	6%	5%	

IA | Adj. EBIT Walk

	Adj. EBIT ⁽¹⁾ Q1 21	VOL & MIX	PRICING NET	PROD COST	SG&A	R&D	FX OTHER	UNALLOCATED, ELIM & OTHER	Adj. EBIT ⁽¹⁾ Q1 22
IA	393	119	417	(401)	(37)	(57)	(7)	2	429
AG	399	90	343	(323)	(29)	(56)	2		426
CE	25	29	74	(78)	(8)	(1)	(9)		32

(1) Adj EBIT is a Non-GAAP measures (definition and reconciliation in appendix)

(*) Raven included in Others

Note: Numbers may not add due to rounding

FIRST QUARTER 2022 | CAPEX AND R&D

	Q1 2022	Q1 2021
Investments in property, plant and equipment, and intangible assets (\$mn)	53	36
<i>Breakdown by Category</i>		
NEW PRODUCT & TECHNOLOGY	29%	49%
MAINTENANCE & OTHER	47%	17%
INDUSTRIAL CAPACITY EXPANSION & LT INVESTMENTS	24%	34%
<i>Breakdown by Segment</i>		
AGRICULTURE	89%	85%
CONSTRUCTION	11%	15%
Research and Development (\$mn)	184	132
Detail of spending (Capex + R&D) in new products (\$mn)	135	95
<i>Breakdown by Trend</i>		
DIGITAL	35%	21%
ELECTRIC VEHICLES and CNG-LNG	4%	2%
OTHER NEW PROGRAM	61%	77%

DEBT MATURITY SCHEDULE | BREAKDOWN

(\$bn)

Outstanding Mar 31, 2022		9M 2022	2023	2024	2025	2026	Beyond
2.6	Bank Debt	1.3	0.5	0.4	0.2	0.1	0.1
9.8	Capital Market	1.2	2.2	2.0	0.9	1.7	1.9
0.2	Other Debt	0.2	0.2	0.0	0.0	0.0	0.0
12.5	Cash Portion of Debt Maturities	2.6	2.7	2.4	1.0	1.8	2.0
	<i>of which Industrial Activities</i>	<i>0.2</i>	<i>1.0</i>	<i>0.8</i>	<i>0.8</i>	<i>0.6</i>	<i>1.8</i>
	<i>of which Financial Services</i>	<i>2.5</i>	<i>1.7</i>	<i>1.5</i>	<i>0.2</i>	<i>1.3</i>	<i>0.2</i>
4.1	Cash & Cash Equivalents						
0.8	<i>of which restricted cash</i>						
0.2	Net Receivables/(Payables) with Iveco Group N.V.						
5.1	Undrawn Committed credit lines						
9.4	Total Available Liquidity						

Note: Numbers may not add due to rounding

RECONCILIATIONS

RECONCILIATION OF NET INCOME (LOSS) TO ADJ. EBIT BY SEGMENT (US GAAP)

(\$mn)	Q1 2022			
	AG	CE	Unallocated Items, Elim. & Other	Industrial Activities
Consolidated Net income				336
Less: Consolidated Income tax (expense) benefit				(159)
Consolidated Income before taxes				495
Less: Financial Services				
Financial Services Net income				82
Financial Services Income taxes				36
Add back of the following Industrial Activities items:				
Interest expenses, net of interest income and eliminations				35
Foreign exchange (gains) losses, net				13
Finance and non-service component of Pension and other post-employment benefit costs ⁽¹⁾				(38)
Adjustments for the following Industrial Activities items:				
Restructuring expenses	2	-	-	2
Other discrete items ⁽²⁾	-	-	40	40
Adjusted EBIT of Industrial Activities	426	32	(29)	429

- (1) In the three months ended March 31, 2022, this item includes the pre-tax gain of \$30 million as a result of the amortization over approximately 4.5 years of the \$527 million positive impact from the 2018 modification of a healthcare plan in the U.S. and a pre-tax gain of \$6 million as a result of the amortization over 4 years of the \$101 million positive impact from 2021 modifications of a healthcare plan in the U.S.
- (2) In the three months ended March 31, 2022, this item included \$44 million of asset write-downs, \$3.8 million of separation costs incurred in connection with our spin-off of the Iveco Group Business and \$7.8 million of income from the two Raven businesses that are held for sale.

RECONCILIATION OF NET INCOME (LOSS) TO ADJ. EBIT BY SEGMENT (US GAAP)

(\$mn)	Q1 2021			
	AG	CE	Unallocated Items, Elim. & Other	Industrial Activities
Consolidated Net income (loss)				425
Less: Consolidated Net Income (loss) of Discontinued Operations				62
Consolidated Net Income (loss) of Continuing Operations				363
Less: Consolidated Income tax (expense) benefit				(116)
Consolidated Income (loss) before taxes (continuing operations)				479
Less: Financial Services				
Financial Services Net income				78
Financial Services Income taxes				26
Add back of the following Industrial Activities items:				
Interest expenses, net of interest income and eliminations				40
Foreign exchange (gains) losses, net				11
Finance and non-service component of Pension and other post-employment benefit costs ⁽¹⁾				(34)
Adjustments for the following Industrial Activities items:				
Restructuring expenses	2	(1)	-	1
Other discrete items	-	-	-	-
Adjusted EBIT of Industrial Activities	399	25	(31)	393

(1) In the three months ended March 31, 2021, this item includes the pre-tax gain of \$30 million as a result of the 2018 modification.

RECONCILIATION OF TOTAL DEBT TO NET DEBT (US GAAP)

(\$mn)	Consolidated		Industrial Activities		Financial Services	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Third party debt	(21,335)	(20,897)	(5,228)	(5,335)	(16,107)	(15,562)
Intersegment notes payable	-	-	(344)	(150)	(415)	(181)
Payable to Iveco Group N.V.(4)	(47)	(3,986)	(4)	(3,764)	(43)	(222)
Total (Debt) (1)	(21,382)	(24,883)	(5,576)	(9,249)	(16,565)	(15,965)
Cash and cash equivalents	3,219	5,044	2,698	4,386	521	658
Restricted cash	842	801	157	128	685	673
Intersegment notes receivable	-	-	415	181	344	150
Receivables from Iveco Group N.V.(4)	297	3,484	241	3,430	56	54
Other current financial assets(2)	1	1	1	1	-	-
Derivatives hedging debt	(22)	(3)	(22)	(3)	-	-
Net Cash (Debt) (3)	(17,045)	(15,556)	(2,086)	(1,126)	(14,959)	(14,430)

(1) Total (Debt) of Industrial Activities includes Intersegment notes payable to Financial Services of \$344 million and \$150 million as of March 31, 2022 and December 31, 2021, respectively. Total (Debt) of Financial Services includes Intersegment notes payable to Industrial Activities of \$415 million and \$181 million as of March 31, 2022 and December 31, 2021, respectively.

(2) This item includes short-term deposits and investments towards high-credit rating counterparties.

(3) The net intersegment receivable/(payable) balance recorded by Financial Services relating to Industrial Activities was \$(71) million and \$(31) million as of March 31, 2022 and December 31, 2021, respectively.

(4) For December 31, 2021, this item is shown net on the CNH Industrial balance sheet.

FIRST QUARTER 2022

Reconciliation of Cash and cash equivalents to Available liquidity under U.S.-GAAP

(\$mn)	March 31, 2022	December 31, 2021
Cash and cash equivalent	3,219	5,044
Restricted cash	842	801
Undrawn committed facilities	5,087	5,177
Receivables from Iveco Group N.V.	297	3,484
Payables to Iveco Group N.V.	(47)	(3,986)
Other current financial assets ⁽¹⁾	1	1
Available liquidity	9,399	10,521

(1) This item includes short-term deposits and investments towards high-credit rating counterparties

FIRST QUARTER 2022

Reconciliation of Net cash provided by (used in) Operating Activities to Free cash flow of Industrial Activities under U.S. GAAP

(\$mn)

	Q1 2022	Q1 2021
Net cash provided by (used in) Operating Activities	(887)	241
Less: Cash flows from Operating Activities of Financial Services net of eliminations	(96)	(176)
Change in derivatives hedging debt of Industrial Activities and other	(18)	(12)
Investments in assets sold under buy-back commitments and operating lease assets of Industrial Activities	(2)	(3)
Operating cash flow of Industrial Activities	(1,003)	(50)
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(53)	(36)
Other changes ⁽¹⁾	(3)	(27)
Free cash flow of Industrial Activities	(1,059)	(13)

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

FIRST QUARTER 2022

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

(\$mn)	Q1 2022	Q1 2021
Net income (loss)	336	363
Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (a)	21	(21)
Adjustments impacting Income tax (expense) benefit (b)	21	10
Adjusted net income (loss)	378	352
Adjusted net income (loss) attributable to CNH Industrial N.V.	375	349
Weighted average shares outstanding – diluted (million)	1,362	1,359
Adjusted diluted EPS (\$)	0.28	0.26
Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates	474	453
Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (a)	21	(21)
Adjusted income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (A)	495	432
Income tax (expense) benefit	(159)	(116)
Adjustments impacting Income tax (expense) benefit (b)	21	10
Adjusted income tax (expense) benefit (B)	(138)	(106)
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	28%	25%

FIRST QUARTER 2022

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

(\$mn)	Q1 2022	Q1 2021
(a) Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates		
Restructuring expenses	2	1
Loss on repurchase of notes	-	8
Pre-tax gain related to the 2008 modification of a healthcare plan in the U.S.	(30)	(30)
Pre-tax gain related to the 2021 modifications of a healthcare plan in the U.S.	(6)	-
Asset write-down: Industrial Activities, Russia Operations	44	-
Asset write-down: Financial Services, Russia Operations	15	-
Spin-off costs	4	-
Raven income from segments held for sale	(8)	-
Total	21	(21)
(b) Adjustments impacting Income tax (expense) benefit		
Tax effect of adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates ⁽¹⁾	22	7
Other	(1)	3
Total	21	10

⁽¹⁾ Includes \$12 million of increase to the valuation allowances on historical deferred tax assets as a result of the suspension of operations in Russia.

GEOGRAPHIC INFORMATION

The composition of our regions part of the geographic information is as follow:

- North America: United States, Canada, Mexico and Puerto Rico, previously included in South America
- Europe, Middle East, and Africa (previously Europe): member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine, Balkans, Russia, Turkey, the African continent, and the Middle East, previously included in Rest of World;
- South America: Central and South America, and the Caribbean Islands; and
- Asia Pacific (previously Rest of World): Continental Asia, Oceania and member countries of the Commonwealth of Independent States.

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.
- 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's non-GAAP financial measures are defined as follows:

Adjusted EBIT of Industrial Activities under U.S. GAAP is defined as net income (loss) before income taxes, Financial Services' results, Industrial Activities' interest expenses, net, foreign exchange gains/losses, finance and non-service component of pension and other post-employment benefit costs, restructuring expenses, 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 EBIT of Industrial Activities under EU-IFRS is defined as profit/(loss) before taxes, Financial Services' results, Industrial Activities' financial expenses, restructuring costs, and certain non-recurring items.

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 a 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.

Adjusted Gross Profit Margin of Industrial Activities: is computed by dividing Net sales less Cost of goods sold, as adjusted by non-recurring items, by Net sales.

Net Cash (Debt) and Net Cash (Debt) of Industrial Activities: Net Cash (Debt) is defined as total debt less intersegment notes receivable, cash and cash equivalents, restricted cash, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and derivative hedging debt. CNH Industrial provides the reconciliation of Net Cash (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 Cash (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, undrawn medium-term unsecured committed facilities, net receivables/payables with Iveco Group N.V. and other current financial assets (primarily current securities, short-term deposits and investments in instruments of high-credit rating counterparties).

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.

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



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