CNH INDUSTRIAL

Breaking New Ground

Innovation Sustainability Productivity

Q3 2023 RESULTS REVIEW

November 7, 2023



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All statements other than statements of historical fact contained in this presentation, 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 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: economic conditions in each of our markets, including the significant uncertainty caused by geopolitical events, production and supply chain disruptions, including industry capacity constraints, material availability, and global logistics delays and constraints; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, 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; labor relations; interest rates and currency exchange rates; inflation and deflation; energy prices; prices for agricultural commodities and material price increases; 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 pandemics (such as the COVID-19 pandemic), terrorist attacks in Europe and elsewhere; the remediation of a material weakness; our ability to realize the anticipated benefits from our business initiatives as part of our strategic plan, including targeted restructuring actions to optimize our cost structure and improve the efficiency of our operations; 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. Reconciliations of non-GAAP measures to the most directly comparable GAAP measure are included in this presentation, which is available 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. 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 presentation 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.

Q3 2023 | MAIN ACHIEVEMENTS





Record Q3 EBIT margins in both Agriculture and Construction

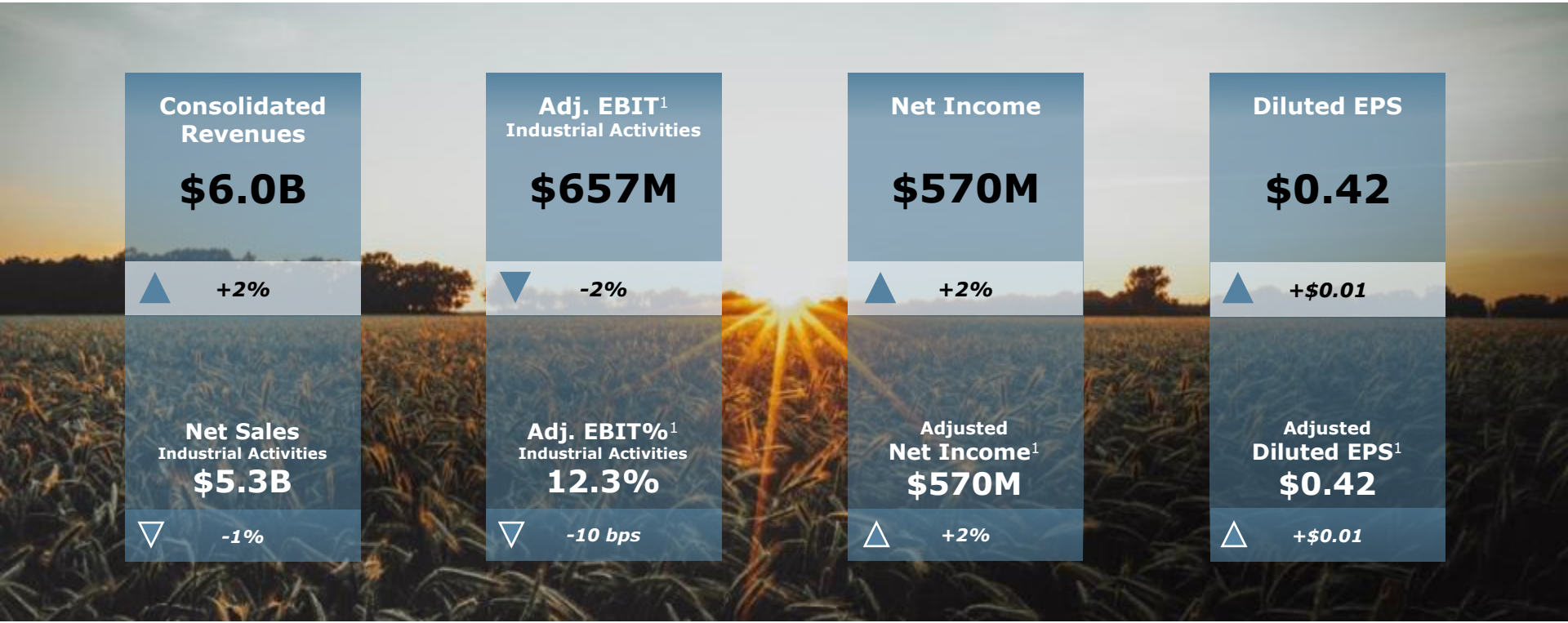
Tech evolution accelerating

Cost reductions to proactively address softening markets





Q3 2023 | RESULTS



Consolidated Revenues	Adj. EBIT[1] Industrial Activities	Net Income	Diluted EPS
$6.0B	$657M	$570M	$0.42
▲ +2%	▼ -2%	▲ +2%	▲ +$0.01
Net Sales Industrial Activities $5.3B	Adj. EBIT%[1] Industrial Activities 12.3%	Adjusted Net Income[1] $570M	Adjusted Diluted EPS[1] $0.42
▽ -1%	▽ -10 bps	△ +2%	△ +$0.01

▲▼ *YoY vs Q3 2022*

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







Q3 2023 | BUSINESS HIGHLIGHTS

South American markets softer than expected

Cost reductions through CBS[1] and supply chain improvements

Margin and market share holding up in declining Ag environment

Construction momentum continues with new product launches

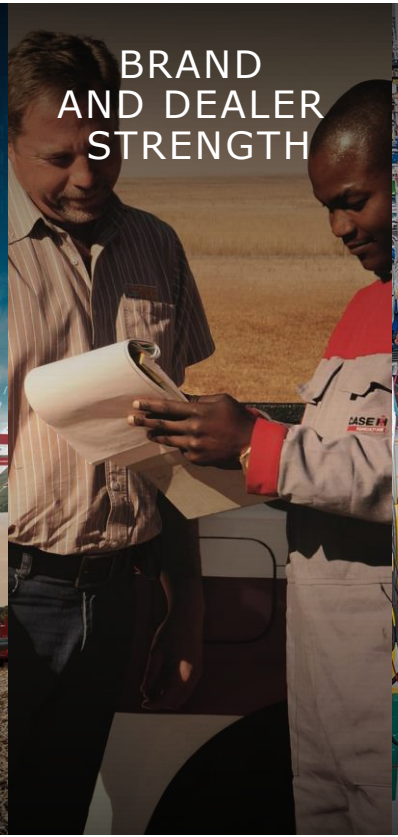
Aggressive actions to optimize dealer inventory

(1) CNH Business System

STRATEGIC PRIORITIES











TECHNOLOGY LEADERSHIP: PRODUCT INNOVATIONS

Orders opened to strong customer demand for three key technology products

Raven Cart Automation™



Increased productivity with reliable synchronization

Raven DirecSteer™



Simple, silent, and powerful electric steering

Case IH & New Holland guidance kits

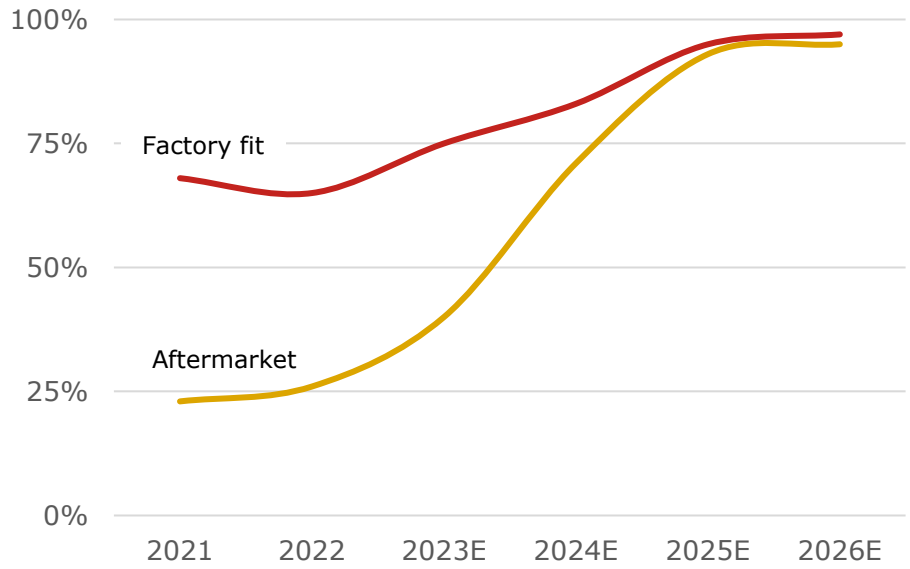


Case IH Pro 1200 Guidance Kit

New Holland IntelliView™ 12 Guidance Kit

TECHNOLOGY LEADERSHIP: AG PRECISION TECH INDEPENDENCE

Percentage of in-house precision tech solutions



Development of CNH in-house tech stack began in 2019

2021 Raven acquisition accelerated speed of tech stack evolution

Changes in competitive environment reinforce merits of CNH's strategic path

TECHNOLOGY LEADERSHIP THROUGH STRATEGIC INVESTMENTS

Hemisphere gives CNH full control of precision and navigation technologies

Hemisphere

Provider of guidance systems, GNSS[1]-based correction services, and application software

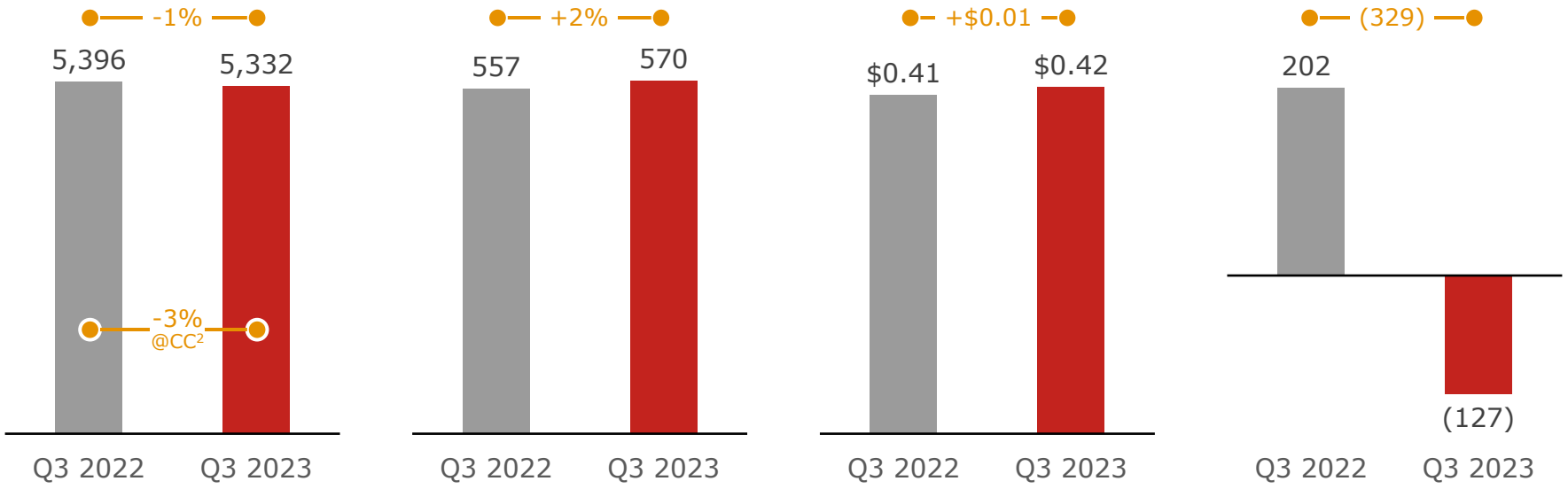


- Solidifies CNH's in-house precision, automation, and autonomy technology
- Acquisition largely completes vertical integration efforts
- Cutting-edge core technologies for our customers' fleets
- Top performance with a smooth and seamless user experience once integrated into CNH

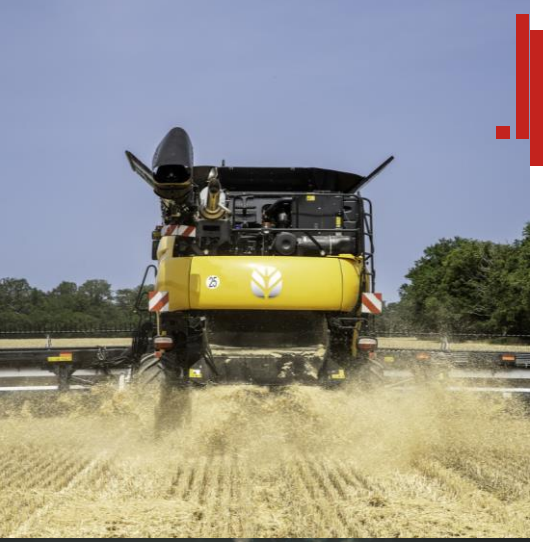
(1) Global Navigation Satellite System

Q3 2023 | FINANCIAL HIGHLIGHTS

($M)



(1) Non-GAAP measure (definition and reconciliation in appendix); (2) At Constant Currency

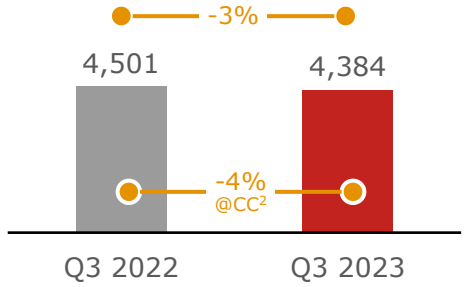




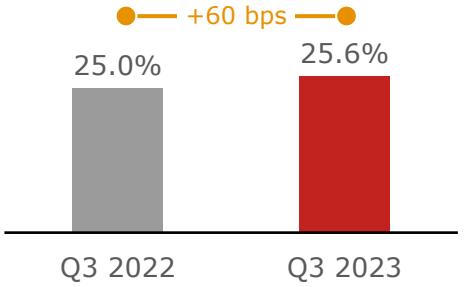
Q3 2023 | AGRICULTURE

($M)

Net Sales



Gross Margin[1]



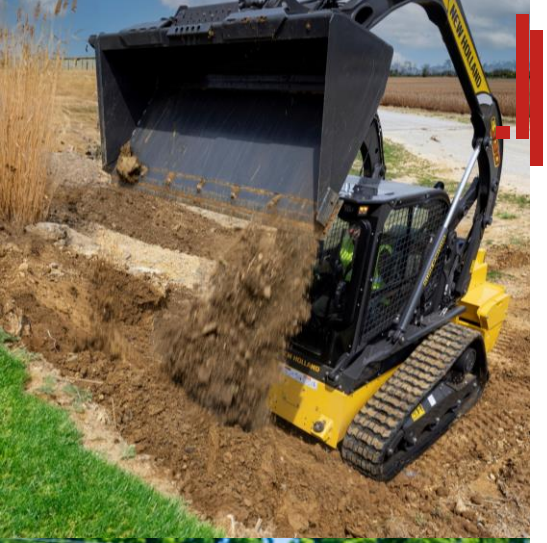
Δ YoY

Adjusted EBIT[3]



(1) Gross Margin calculated as Gross Profit divided by Net Sales, as shown on slide 24; (2) At Constant Currency; (3) Non-GAAP measure (definition and reconciliation in appendix)

Note: Numbers may not add due to rounding

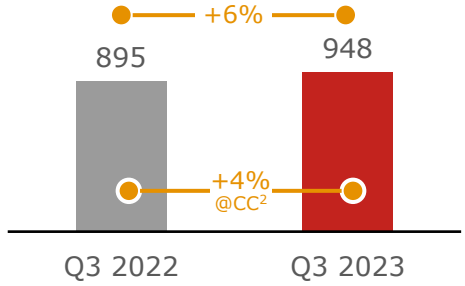




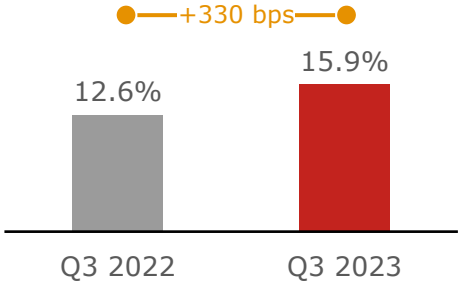
Q3 2023 | CONSTRUCTION

($M)

Net Sales

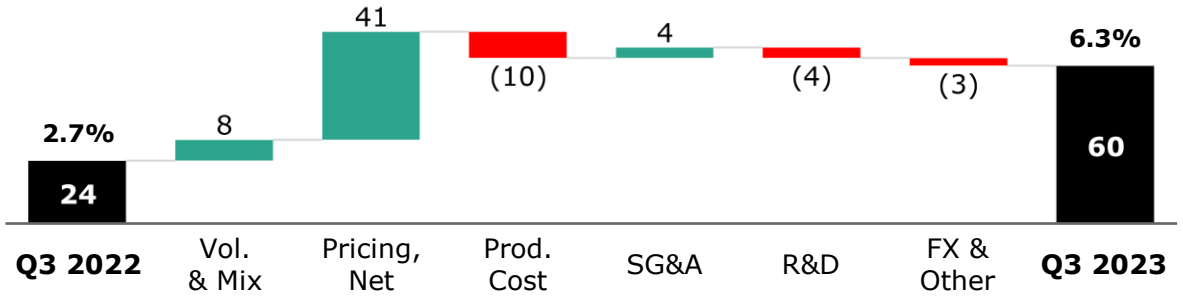


Gross Margin[1]



Δ YoY

Adjusted EBIT[3]



(1) Gross Margin calculated as Gross Profit divided by Net Sales, as shown on slide 24; (2) At Constant Currency; (3) Non-GAAP measure (definition and reconciliation in appendix)

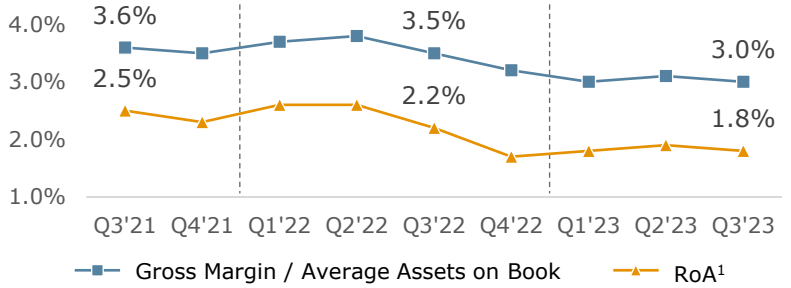
Note: Numbers may not add due to rounding

Q3 2023 | FINANCIAL SERVICES

Net Income



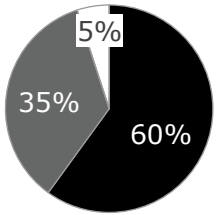
Profitability Ratios



Managed Portfolio[2] & Retail Originations[2]

Q3 retail originations $3.0B, +$0.6B YoY

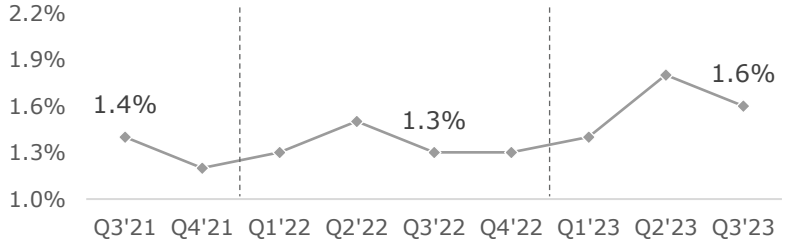
Managed portfolio $26.8B, +$5.6B YoY (+$4.7B @ CC[3])



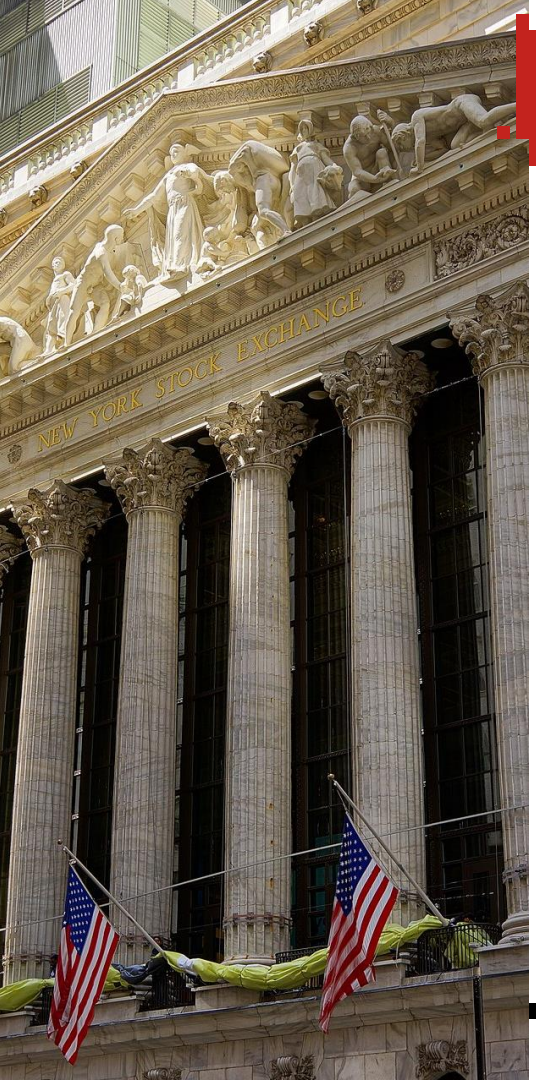
- Retail
- Wholesale
- Operating Lease

Portfolio at Sept. 30, 2023

Delinquencies on Book (>30 Days)



(1) Return on Assets defined as: EBIT / average managed assets annualized;
(2) Including unconsolidated JVs; (3) At constant currency



UPDATE ON SINGLE LISTING

Application to delist from Milan filed on November 7, 2023

Single listing on NYSE beginning of January 2024[1]

Improved market liquidity, reporting simplification

Increase in US index inclusion

$1B share buyback program announced today, of which up to €400M to be executed in Milan by year-end

(1) Pending approval by Borsa Italiana

FY 2023 ESTIMATES | INDUSTRY UNIT PERFORMANCE VS. FY 2022

	NORTH AMERICA[1]	EMEA[1]	SOUTH AMERICA[1]	APAC[1]
 **0-140 HP – Small Tractors**	(10%) – (5%)	flat	(10%) – (5%)	(5%)
140+ HP – Large Tractors	20% – 25%			
 **Combines**	5% – 10%	flat – 5%	(20%) – (15%)	(20%)
 **Light**	flat – 5%	(5%) – flat	(10%) – (5%)	(10%)
 **Heavy**	flat – 5%	(5%) – flat	(30%) – (25%)	(25%) – (20%)

Note: Total Industry Volume % change FY 2023 vs. FY 2022 reflecting the aggregate for key markets where the Company competes.

(1) Regional split definition in the slide "Geographic information"

FY 2023 GUIDANCE

INDUSTRIAL ACTIVITIES

	Previous Guidance	**Current Guidance**
Net Sales[1]	+8% to +11% vs. 2022	+3% to +6% vs. 2022
SG&A	up <5% vs. 2022	Reaffirmed
Free Cash Flow[2]	$1.3B to $1.5B	$1.0B to $1.2B
R&D CapEx	~$1.6B	Reaffirmed

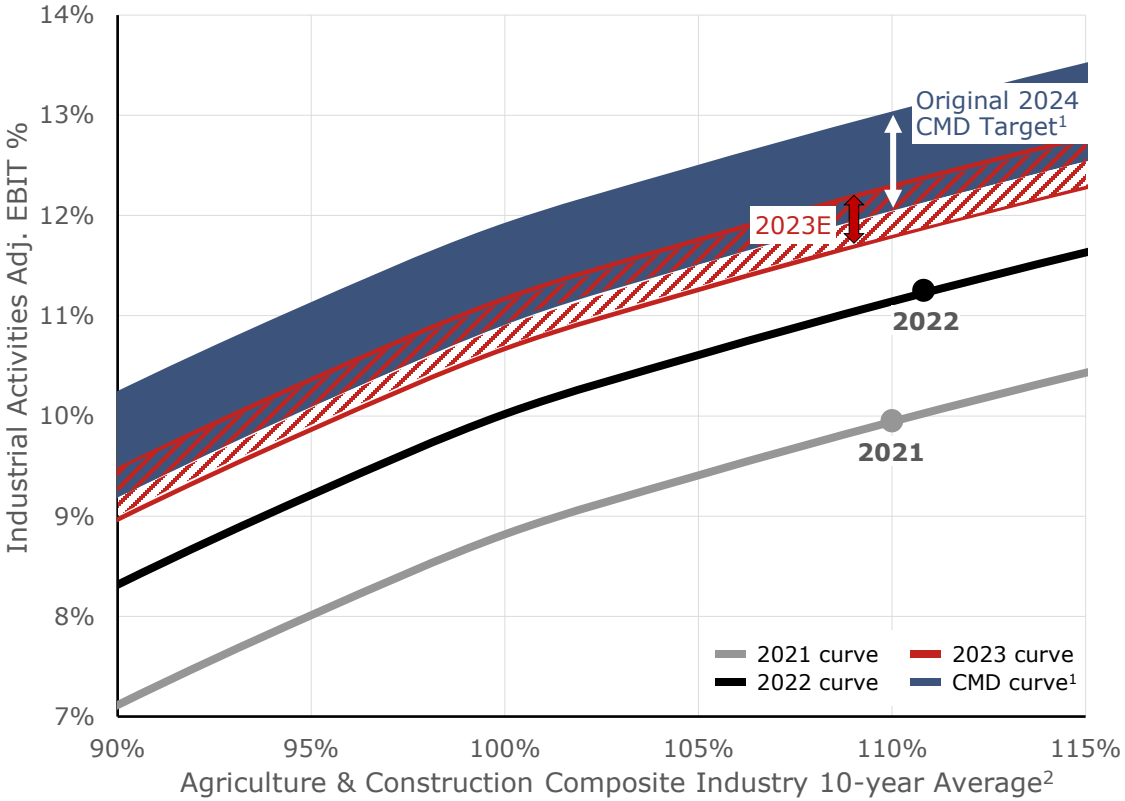
EPS[3] target of ~$1.70





(1) Reflects full-year €/$ exchange rate average of 1.09
(2) Non-GAAP measure (definition in appendix)
(3) Adj. diluted EPS; non-GAAP measure (definition in appendix)

IMPROVING PROFITABILITY AT ALL POINTS IN THE CYCLE



Curves represent margin outcomes at different industry volumes

We are consistently moving to a higher curve each year through margin expansion

On track to achieve CMD margin curve

(1) 12-13% I.A. adj. EBIT margin target by 2024 based on 2021 industry volumes, as presented at the February 2022 Capital Markets Day

(2) Calculated as the price-weighted average of global retail demand with CNH product mix at 2022 prices



2023-2024 PRIORITIES & OUTLOOK

Aggressive cost management to secure margin expansion

Despite current weakness, South America increasingly important role in global Ag economy

Focus on retail execution and dealer inventory

Tech stack enhancements accelerating

Order collection extends into H1 2024, providing limited visibility

2024 industry volumes likely to be lower than 2023

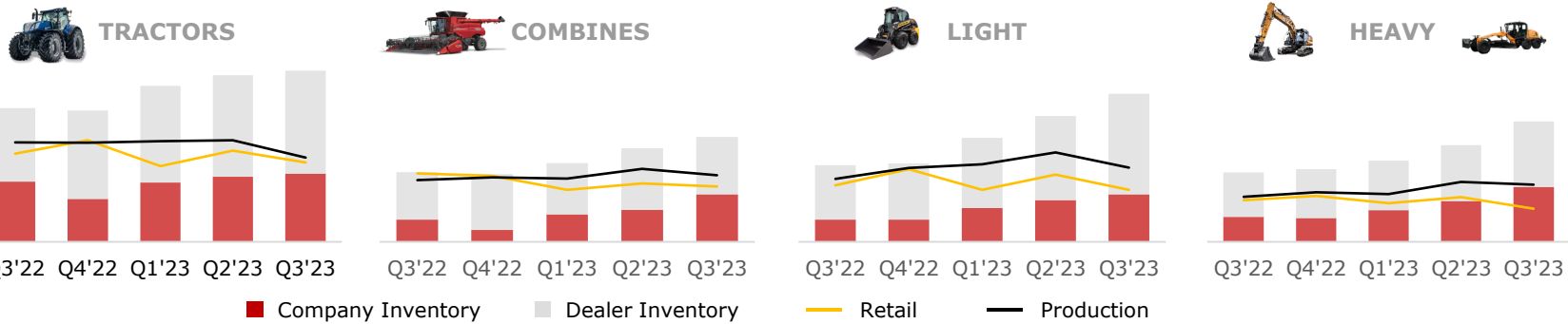
APPENDIX

Q3 2023 | UNIT PERFORMANCE VS. Q3 2022

Total Industry

	NORTH AMERICA[1]	EMEA[1]	SOUTH AMERICA[1]	APAC[1]
0-140 HP – Small Tractors	(7%)	4%	(16%)	(10%)
140+ HP – Large Tractors	19%			
Combines	(4%)	(18%)	(47%)	33%
Light	flat	(2%)	(13%)	(5%)
Heavy	7%	(5%)	(35%)	(19%)

Company



Note: Total Industry Volume % change 2023 vs. 2022 reflecting the aggregate for key markets where the Company competes.
(1) Regional split definition in the slide "Geographic information"

Q3 / 9M 2023 | FINANCIAL SUMMARY

($M)	Q3 2022	Q3 2023	Δ YoY	9M 2022	9M 2023	Δ YoY
U.S. GAAP						
Revenues	5,881	**5,986**	+2%	16,608	**17,895**	+8%
Net Sales | Industrial Activities	5,396	**5,332**	(1%)	15,189	**16,062**	+6%
Net Income	559	**570**	+2%	1,447	**1,766**	+22%
Diluted EPS - $	0.41	**0.42**	+0.01	1.06	**1.30**	+0.24
Non – GAAP[1]						
Net Sales | Industrial Activities @CC[2]	5,396	**5,233**	(3%)	15,189	**16,111**	+6%
Adjusted EBIT | Industrial Activities	670	**657**	(2%)	1,753	**2,034**	+16%
Adjusted EBIT Margin | Industrial Activities	12.4%	**12.3%**	(10) bps	11.5%	**12.7%**	+120 bps
Adjusted Effective Tax Rate	26%	**26%**	-	26%	**26%**	-
Adjusted Net Income	557	**570**	+2%	1,518	**1,756**	+16%
Weighted average shares outstanding - diluted - million	1,355	**1,351**	(0.3%)	1,359	**1,355**	(0.3%)
Adjusted Diluted EPS - $	0.41	**0.42**	+0.01	1.11	**1.29**	+0.18
Free Cash Flow | Industrial Activities	202	**(127)**	(329)	(453)	**(414)**	+39

(1) Non-GAAP measures: definitions in slide "Non-GAAP Financial Measures"; reconciliations in "Reconciliations" section
(2) @CC means at constant currency
Note: Numbers may not add due to rounding

Q3 2023 | INDUSTRIAL ACTIVITIES NET SALES

Q3 2022
Q3 2023

Agriculture

$4,384M

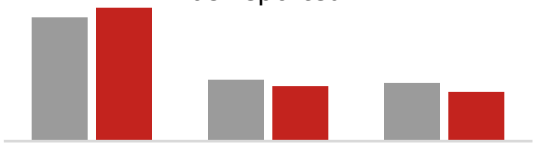
-3% YoY -4% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q3 2023 mix	41%	27%	19%	13%
Q3 2022 mix	38%	28%	23%	11%

By Product
as reported



	Tractors	Combines	Others
Q3 2023 mix	56%	23%	21%
Q3 2022 mix	51%	25%	24%

Construction

$948M

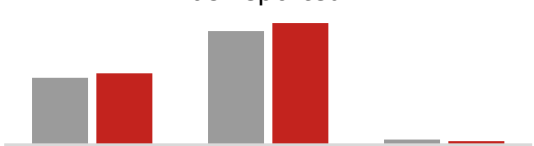
+6% YoY +4% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q3 2023 mix	57%	21%	16%	6%
Q3 2022 mix	49%	25%	19%	7%

By Product
as reported



	Heavy	Light	Others
Q3 2023 mix	36%	62%	2%
Q3 2022 mix	36%	61%	3%

Industrial Activities[1]

$5,332M

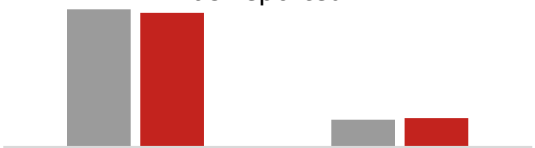
-1% YoY -3% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q3 2023 mix	44%	26%	18%	11%
Q3 2022 mix	40%	27%	22%	10%

By Segment
as reported



	AG	CE
Q3 2023 mix	82%	18%
Q3 2022 mix	83%	17%

(1) Net Sales | Excluding Other Activities, Unallocated Items and Adjustment & Eliminations
(2) Δ YoY @CC means at constant currency
Note: Numbers may not add due to rounding

9M 2023 | INDUSTRIAL ACTIVITIES NET SALES

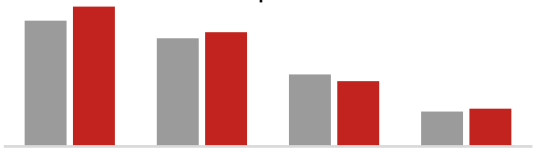
9M 2022
9M 2023

Agriculture

$13,201M

+5% YoY +5% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
9M 2023 mix	39%	32%	18%	11%
9M 2022 mix	37%	32%	21%	10%

By Product
as reported



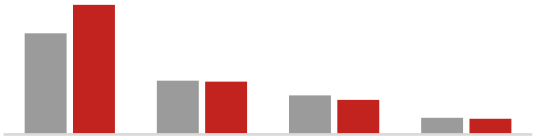
	Tractors	Combines	Others
9M 2023 mix	54%	24%	22%
9M 2022 mix	52%	24%	24%

Construction

$2,861M

+11% YoY +11% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
9M 2023 mix	56%	23%	15%	6%
9M 2022 mix	48%	25%	19%	8%

By Product
as reported



	Heavy	Light	Others
9M 2023 mix	35%	63%	2%
9M 2022 mix	37%	60%	3%

Industrial Activities[1]

$16,062M

+6% YoY +6% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
9M 2023 mix	42%	30%	18%	10%
9M 2022 mix	39%	31%	21%	10%

By Segment
as reported



	AG	CE
9M 2023 mix	82%	18%
9M 2022 mix	83%	17%

(1) Net Sales | Excluding Other Activities, Unallocated Items and Adjustment & Eliminations
(2) Δ YoY @CC means at constant currency
Note: Numbers may not add due to rounding

Q3 2023 | FINANCIALS BY SEGMENT

($M)

	Revenues & Net Sales		Gross Profit		Gross Margin		Adj. EBIT[1]		Adj. EBIT Margin[1]	
	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23	Q3 22	Q3 23
Agriculture	4,501	4,384	1,127	1,122	25.0%	25.6%	666	672	14.8%	15.3%
Construction	895	948	113	151	12.6%	15.9%	24	60	2.7%	6.3%
Elimination & Other	-	-	-	-	-	-	(20)	(75)	-	-
Industrial Activities	**5,396**	**5,332**	**1,240**	**1,273**	**23.0%**	**23.9%**	**670**	**657**	**12.4%**	**12.3%**
Financial Services	482	653								
Elimination & Other	3	1								
CNH Industrial	**5,881**	**5,986**								

(1) Non-GAAP measure: definition in slide "Non-GAAP Financial Measures"; reconciliation in "Reconciliations" section

Note: Numbers may not add due to rounding

Q3 / 9M 2023 | CAPEX AND R&D

($M)	Q3 2022	Q3 2023	9M 2022	9M 2023
Investments in property, plant and equipment, and intangible assets	**106**	**176**	**243**	**397**
Breakdown by Category				
New Product & Technology	50%	31%	38%	35%
Maintenance & Other	33%	63%	42%	57%
Industrial Capacity Expansion & LT Investments	17%	6%	20%	8%
Breakdown by Segment				
Agriculture	85%	87%	87%	87%
Construction	15%	13%	13%	13%
Research and Development	**213**	**266**	**609**	**766**
Total spending (CapEx + R&D) in new products	**194**	**216**	**489**	**615**
Breakdown by Trend				
Digital	42%	38%	38%	38%
Electric Vehicles and CNG-LNG	9%	9%	9%	10%
Other New Program	49%	53%	53%	52%

Note: Numbers may not add due to rounding

DEBT MATURITY SCHEDULE | BREAKDOWN

($B)

Outstanding Sep. 30, 2023		2023	2024	2025	2026	2027	Beyond
3.6	Bank Debt	1.0	1.1	0.4	0.2	0.2	0.7
10.6	Capital Market	0.3	2.7	2.5	2.1	1.2	1.8
0.2	Other Debt	0.2	-	-	-	-	-
14.4	**Cash Portion of (Debt) Maturities**	**1.5**	**3.8**	**2.9**	**2.3**	**1.4**	**2.5**
	of which Industrial Activities	*0.1*	*1.0*	*0.8*	*0.5*	*1.1*	*0.6*
	of which Financial Services	*1.5*	*2.8*	*2.1*	*1.8*	*0.3*	*1.9*

3.7	Cash & Cash Equivalents
0.7	*of which restricted cash*
0.2	Net Receivables / (Payables) with Iveco Group
4.9	Undrawn Committed credit lines
8.7	**Total Available Liquidity**

Note: Numbers may not add due to rounding

RECONCILIATIONS

RECONCILIATION OF NET INCOME TO ADJ. EBIT OF INDUSTRIAL ACTIVITIES

($M)	Q3 2022	Q3 2023	9M 2022	9M 2023
Net Income	**559**	**570**	**1,447**	**1,766**
Less: Consolidated income tax expense	(192)	(171)	(579)	(536)
Consolidated income before taxes	**751**	**741**	**2,026**	**2,302**
Less: Financial Services				
Financial Services Net Income	86	86	263	258
Financial Services Income Taxes	32	34	106	89
Add back of the following Industrial Activities items:				
Interest expense of Industrial Activities, net of Interest income and eliminations	27	10	97	36
Foreign exchange (gains) losses, net of Industrial Activities	14	21	14	27
Finance and non-service component of Pension and other post-employment benefit costs of Industrial Activities[1]	(35)	-	(112)	(2)
Adjustments for the following Industrial Activities items:				
Restructuring expenses	11	5	19	8
Other discrete items[2]	20	-	78	10
Total Adjusted EBIT of Industrial Activities	**670**	**657**	**1,753**	**2,034**

(1) In the three and nine months ended Sept. 30, 2023 and 2022, this item includes the pre-tax gain of $6M and $18M as a result of the amortization over the 4 years of the $101M positive impact from the 2021 modifications of a healthcare plan in the U.S. In the three and nine months ended September 30, 2022, this item includes the pre-tax gain of $30M and $90M as a result of the 2018 modification of a healthcare plan in the U.S.

(2) The three months ended September 30, 2023 did not include any discrete items, while the three months ended September 30, 2022 included $14M of costs related to the Raven segments held for sale and $7M of spin off costs related to the Iveco Group business. The nine months ended September 30, 2023 included a loss of $23M on the sale of the CNH Industrial Russia and CNH Capital Russia businesses, partially offset by a gain of $13M for the fair value remeasurement of Augmenta and Bennamann. The nine months ended September 30, 2022 included $43M of asset write-downs related to the Industrial Activities of our Russian Operations, $22M of costs related to the Raven segments held for sale, and $13M of spin off costs related to the Iveco Group business.

RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW OF IND. ACTIVITIES UNDER U.S. GAAP

($M)

	Q3 2022	Q3 2023	9M 2022	9M 2023
Net cash provided by (used in) Operating Activities	**272**	**232**	**(886)**	**(608)**
Cash flows from Operating Activities of Financial Services net of eliminations	27	(141)	704	749
Change in derivatives hedging debt of Industrial Activities and other	46	(2)	17	2
Investments in assets sold under operating lease assets of Industrial Activities	(8)	(17)	(14)	(26)
Investments in property, plant & equipment, and intangible assets of Ind. Act.	(106)	(176)	(243)	(397)
Other changes[1]	(29)	(23)	(31)	(134)
Free cash flow of Industrial Activities	**202**	**(127)**	**(453)**	**(414)**

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

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 (1/2)

($M)

	Q3 2022	Q3 2023	9M 2022	9M 2023
Net income (loss)	**559**	**570**	**1,447**	**1,766**
Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (a)	(4)	(1)	5	-
Adjustments impacting Income tax (expense) benefit (b)	2	1	66	(10)
Adjusted net income (loss)	**557**	**570**	**1,518**	**1,756**
Adjusted net income (loss) attributable to CNH Industrial N.V.	554	567	1,508	1,745
Weighted average shares outstanding – diluted (million)	1,355	1,351	1,359	1,355
Adjusted diluted EPS ($)	**0.41**	**0.42**	**1.11**	**1.29**
Income (loss) from continuing operations before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates	**730**	**662**	**1,957**	**2,126**
Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (a)	(4)	(1)	5	-
Adjusted income (loss) from continuing operations before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (A)	**726**	**661**	**1,962**	**2,126**
Income tax (expense) benefit	(192)	(171)	(579)	(536)
Adjustments impacting Income tax (expense) benefit (b)	2	1	66	(10)
Adjusted income tax (expense) benefit (B)	(190)	(170)	(513)	(546)
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	**26%**	**26%**	**26%**	**26%**

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 (2/2)

($M)	Q3 2022	Q3 2023	9M 2022	9M 2023
(a) Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates				
Restructuring expenses	11	5	19	8
Pre-tax gain related to the 2018 modification of a healthcare plan in the U.S.	(30)	-	(90)	-
Pre-tax gain related to the 2021 modification of a healthcare plan in the U.S.	(6)	(6)	(18)	(18)
Asset write-down: Industrial Activities, Russia Operations	(1)	-	43	-
Asset write-down: Financial Services, Russia Operations	1	-	16	-
Loss on sale of Industrial Activities, Russia Operations	-	-	-	17
Loss on sale of Financial Services, Russia Operations	-	-	-	6
Spin related costs	7	-	13	-
Investment fair value adjustment	-	-	-	(13)
Activity of the Raven Segments held for sale, including loss on sale of the Aerostar and Engineered Films Division	14	-	22	-
Total	**(4)**	**(1)**	**5**	**-**
(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	5	1	66	(10)
Adjustment to valuation allowances on deferred tax assets	(3)	-	-	-
Total	**2**	**1**	**66**	**(10)**

GEOGRAPHIC INFORMATION

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

- North America: United States, Canada, and Mexico
- Europe, Middle East, and Africa (EMEA): member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine, Balkans, Russia, Turkey, Uzbekistan, Pakistan, the African continent, and the Middle East
- South America: Central and South America, and the Caribbean Islands
- Asia Pacific (APAC): Continental Asia (including the Indian subcontinent), Indonesia and Oceania

Industry Data

- In this presentation, industry information is 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 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.

CNH Industrial's non-GAAP financial measures used in this presentation are defined as follows:

Adjusted EBIT of Industrial Activities 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 Margin of Industrial Activities is computed by dividing Adjusted EBIT of Industrial Activities by Net Sales of Industrial Activities.

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 Tax 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.

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. For forecasted information, the Company is unable to provide a reconciliation of this measure without unreasonable effort due to the uncertainty and inherent difficulty of predicting the occurrence, the financial impact, and the periods in which the adjustments may be recognized. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

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.

CNH INDUSTRIAL

Breaking New Ground

Innovation Sustainability Productivity

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