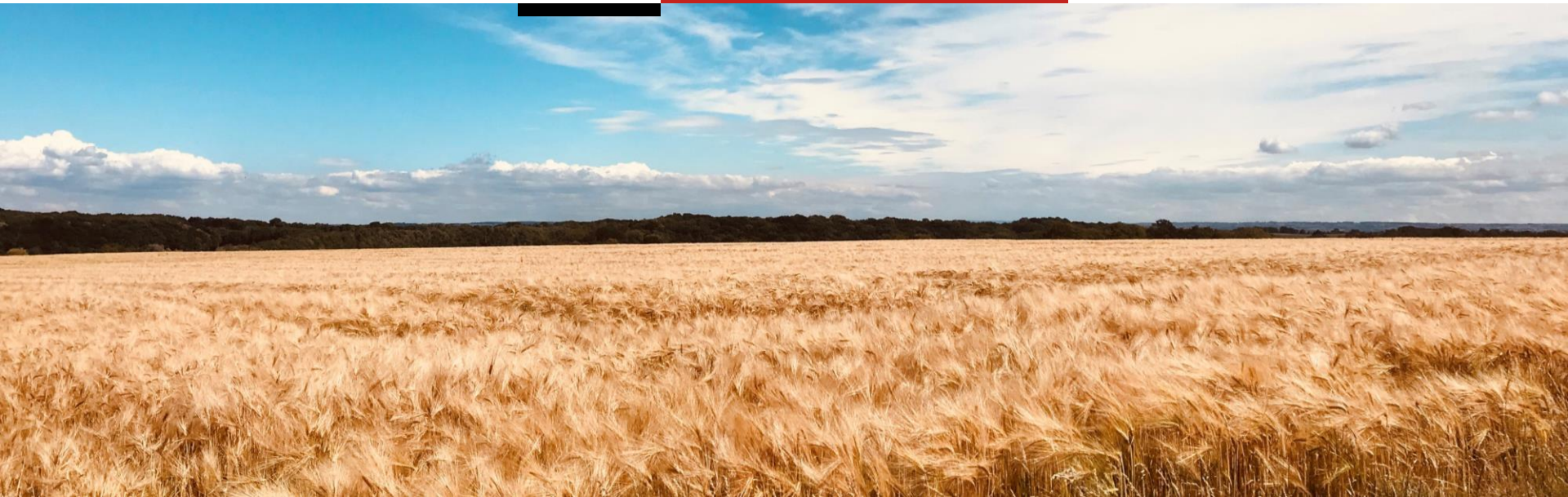
Breaking New Ground

Innovation Sustainability Productivity

Q2 2024 RESULTS REVIEW

July 31, 2024



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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 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.cnh.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's control. CNH 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, including factors that potentially could materially affect its financial results, is included in the Company's reports and filings with the U.S. Securities and Exchange Commission ("SEC"). All future written and oral forward-looking statements by CNH or persons acting on the behalf of CNH are expressly qualified in their entirety by the cautionary statements contained herein or referred to above.

GERRIT MARX REJOINS CNH AS CEO: FIRST 30 DAYS

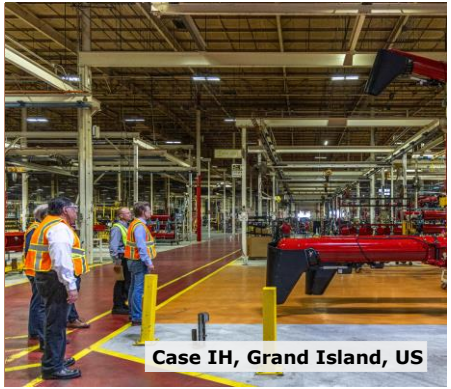
Meeting employees, touring manufacturing & R&D facilities, visiting dealers & end customers


Case IH, Racine, US



STEYR, St. Valentin, Austria


New Holland, Noida, India


Case IH, Grand Island, US



Dealer, Bavaria, Germany



Case IH & CASE, Fargo, US


New Holland, Zedelgem, Belgium


Raven, Sioux Falls, US

Q2 2024 | MAIN ACHIEVEMENTS

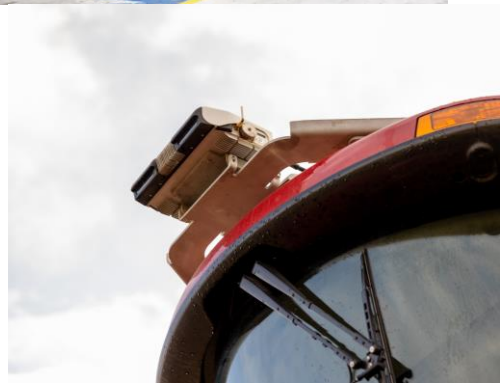


Actively addressing market dynamics with disciplined cost reduction efforts





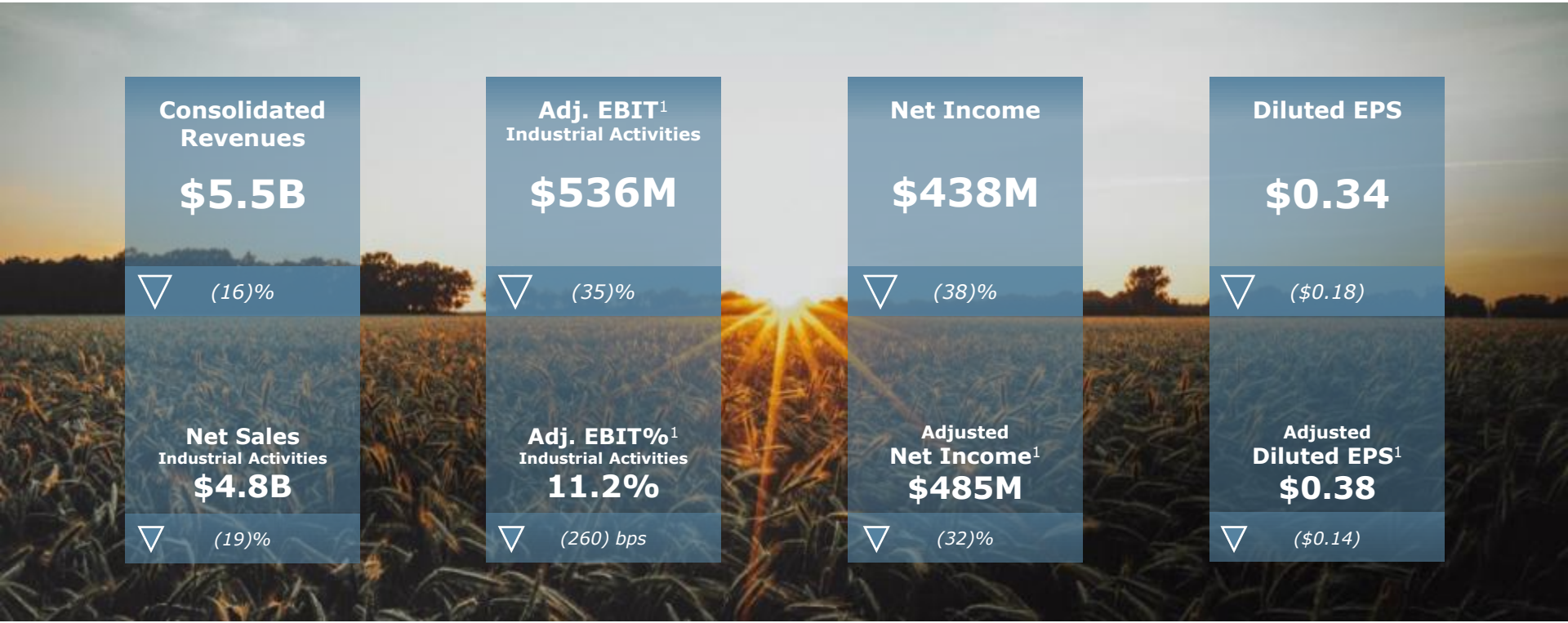
Diligent execution of upgraded iron and precision tech



Global Leadership Team with streamlined governance[1]

(1) Details included in a press release available at www.cnh.com

Q2 2024 | RESULTS



Consolidated Revenues
$5.5B
▽ *(16)%*

Net Sales
Industrial Activities
$4.8B
▽ *(19)%*

Adj. EBIT[1]
Industrial Activities
$536M
▽ *(35)%*

Adj. EBIT%[1]
Industrial Activities
11.2%
▽ *(260) bps*

Net Income
$438M
▽ *(38)%*

Adjusted
Net Income[1]
$485M
▽ *(32)%*

Diluted EPS
$0.34
▽ *($0.18)*

Adjusted
Diluted EPS[1]
$0.38
▽ *($0.14)*

▲▼ *YoY vs Q2 2023*

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







Q2 2024 | BUSINESS HIGHLIGHTS

Further weakness in market demand and sentiment

Ag production hours 30% lower year-over-year

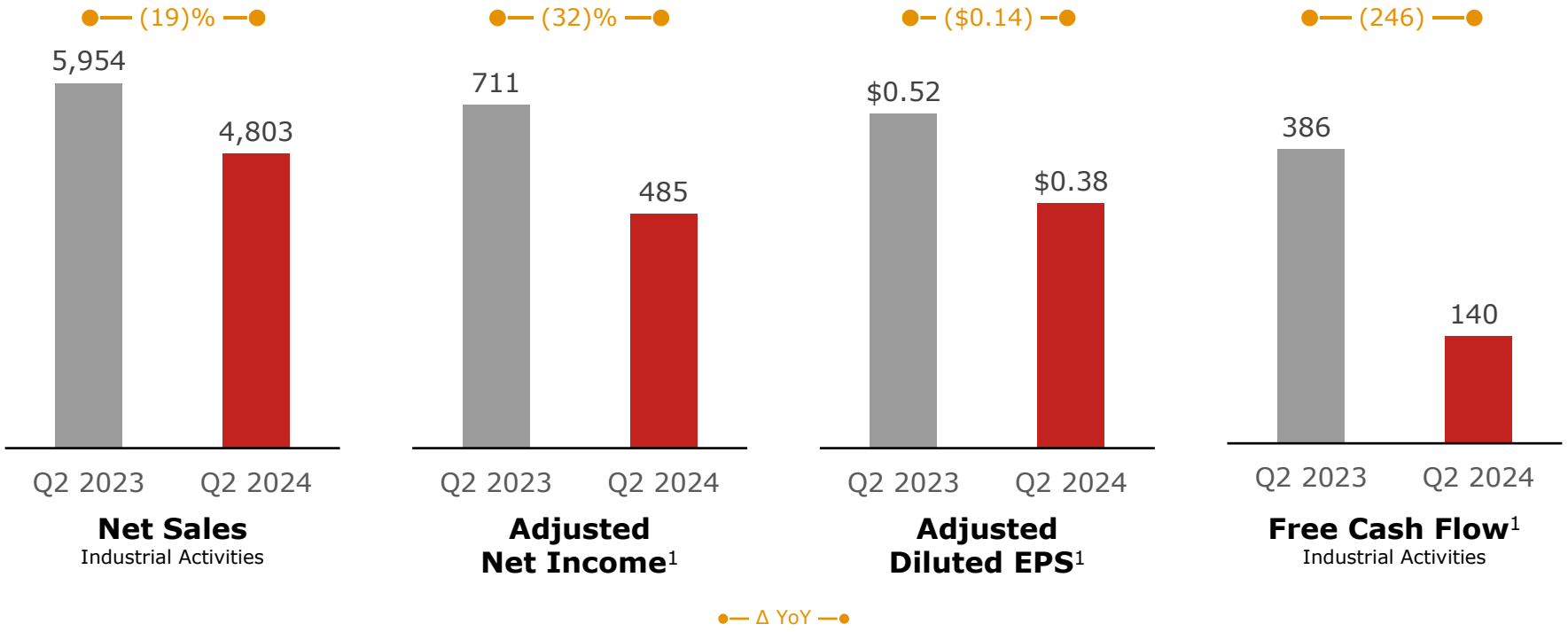
Production cost improvements partially offset lower volume impact

Focus on product quality improvements

SG&A restructuring program proceeding to plan

Q2 2024 | FINANCIAL HIGHLIGHTS

($M)



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

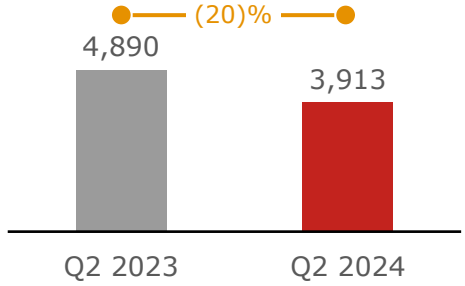




Q2 2024 | AGRICULTURE

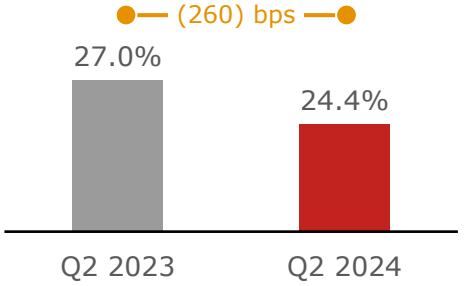
($M)

Net Sales

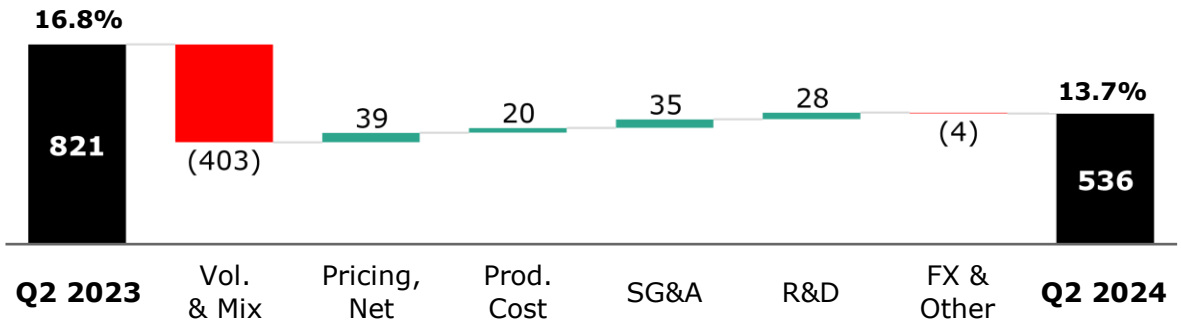


Δ YoY

Gross Margin[1]



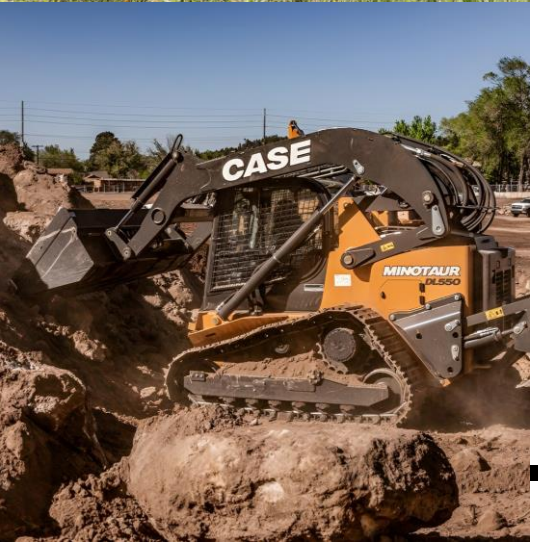
Adjusted EBIT



(1) Gross Margin calculated as Gross Profit divided by Net Sales, as shown in the Appendix

Note: numbers may not add due to rounding

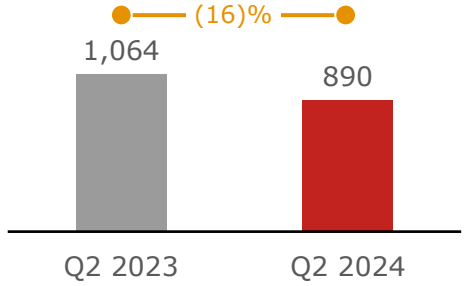




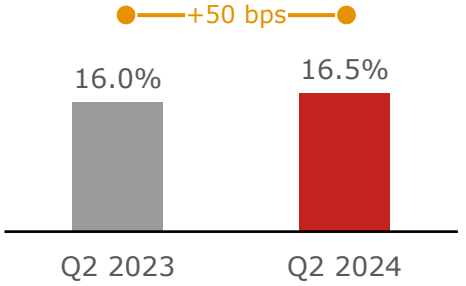
Q2 2024 | CONSTRUCTION

($M)

Net Sales

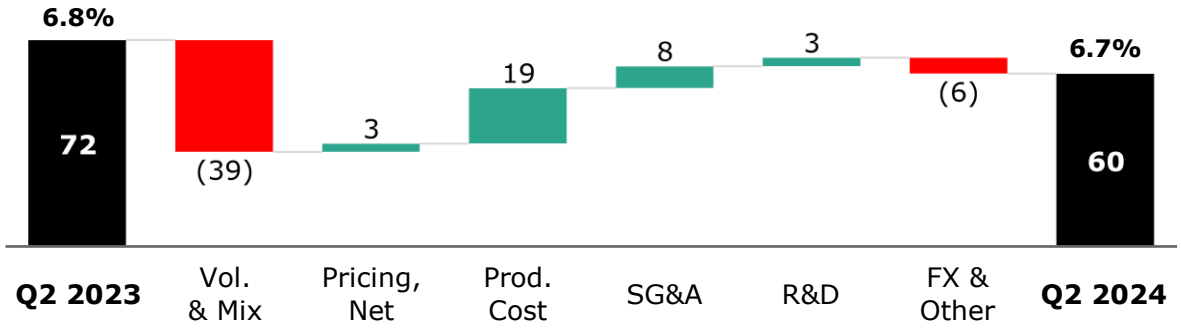


Gross Margin[1]



Δ YoY

Adjusted EBIT



(1) Gross Margin calculated as Gross Profit divided by Net Sales, as shown in the Appendix

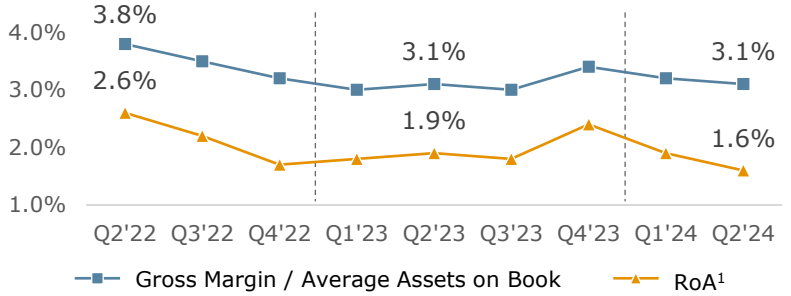
Note: numbers may not add due to rounding

Q2 2024 | FINANCIAL SERVICES

Net Income



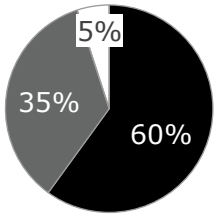
Profitability Ratios



Managed Portfolio[2] & Retail Originations[2]

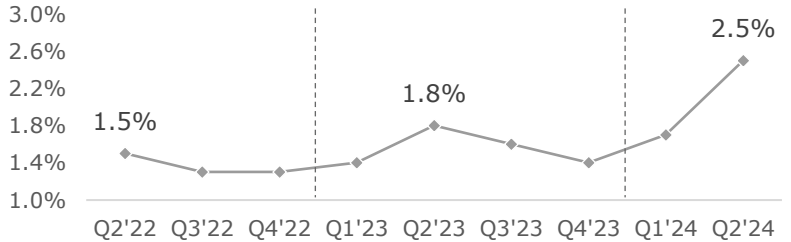
Q2 retail originations $2.9B, +$0.1B YoY

Managed portfolio $28.5B, +$2.5B YoY (+$3.3B @ CC[3])



Portfolio at June 30, 2024

Delinquencies on Book (>30 Days)

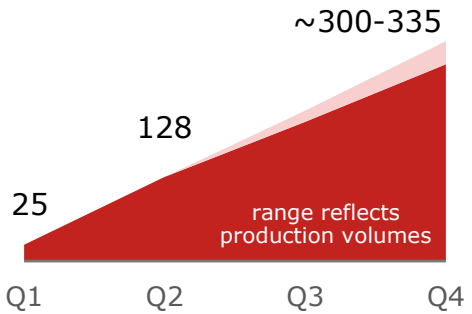


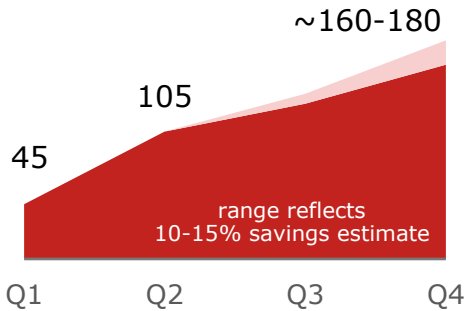
(1) Return on Assets defined as: EBIT / average managed assets annualized
(2) Including unconsolidated JVs (3) At constant currency

COST REDUCTION ACTIONS

Ongoing focus on both COGS and SG&A of Industrial Activities

	H1 Actions	H2 Actions	Impact by Quarter[1] ($M)
COGS	✓ Logistics costs ✓ Manufacturing efficiencies ✓ Material cost control	• Lean manufacturing • Kaizen events • Strategic Sourcing Program	
SG&A	✓ Restructuring program progressed as planned ✓ ~13% lower expenses YoY in H1	• New leadership structure to maintain spending discipline • Driving efficiency throughout the organization	





(1) Cumulative gross savings related to cost initiatives; excludes inflation or FX impacts

CAPITAL ALLOCATION PRIORITIES



ORGANIC GROWTH

Support future growth through operating cash flow reinvestments



BALANCE SHEET & CREDIT RATING

Sustain healthy liquidity levels and investment grade credit rating



SHAREHOLDER RETURNS

Maintain a dedicated and consistent dividend and share repurchase policy



INORGANIC GROWTH

Retain option for disciplined and well-structured M&A

2024 OUTLOOK – AGRICULTURE

Total Industry Unit Performance[1]

	North America	EMEA	South America	APAC
LHP Tractors	(15)% – (10)%	(15)% – (10)%	(15)% – (10)%	(5)% – flat
HHP Tractors	(15)% – (10)%			
Combines	(20)% – (15)%	(25)% – (20)%	(30)% – (25)%	~flat

Total Industry Volume % change FY 2024 vs. FY 2023 reflecting the aggregate for key markets where the Company competes.

CNH Agriculture – Main Assumptions

Net Sales[2]: $B & Δ% YoY



Adj. EBIT Margin



(1) Regional split definition in the slide "Geographic information"
(2) Reflects full-year €/$ exchange rate average of 1.09





2024 OUTLOOK – CONSTRUCTION

Total Industry Unit Performance[1]

	North America	EMEA	South America	APAC
Light	(10)% – (5)%	(20)% – (15)%	(5)% – flat	(10)% – (5)%
Heavy	(10)% – (5)%	(10)% – (5)%	flat – 5%	(5)% – flat

Total Industry Volume % change FY 2024 vs. FY 2023 reflecting the aggregate for key markets where the Company competes.

CNH Construction – Main Assumptions

Net Sales[2]: $B & Δ% YoY



Adj. EBIT Margin



(1) Regional split definition in the slide "Geographic information"
(2) Reflects full-year €/$ exchange rate average of 1.09

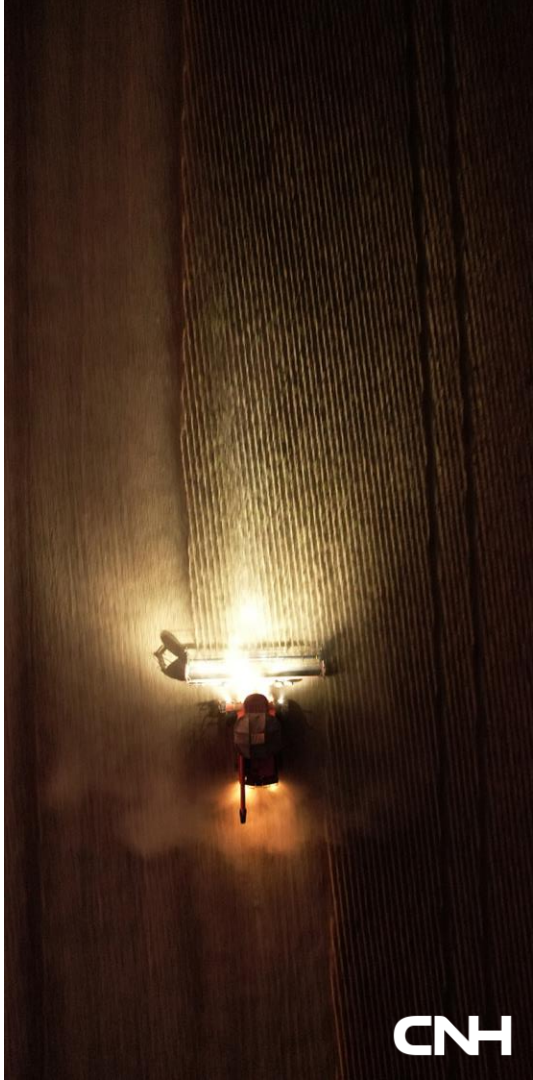




2024 OUTLOOK – FINANCIAL TARGETS

Industrial Activities	previous	current
Net Sales	(14)-(10)% YoY	(20)-(15)% YoY
Adj. EBIT margin[1]	10.5% - 11.5%	10.0% - 11.0%
Free Cash Flow[1]	$1.1B - $1.3B	$0.7B - $0.9B

Company	previous	current
Adj. Diluted EPS[1]	$1.45 - $1.55	$1.30 - $1.40



(1) Non-GAAP measure (definition in appendix)





PRIORITIES FOR NEXT 90 DAYS

Focus on delivering results in a challenging environment with an empowered team

Establish Agriculture as our core business with improved commercial and brand effectiveness

Manage Construction as distinct business with its own governance for greater agility and optionality while preserving synergies

Accelerate innovation and the convergence of iron and precision into a seamless user experience

Plan for Investor Day in early 2025

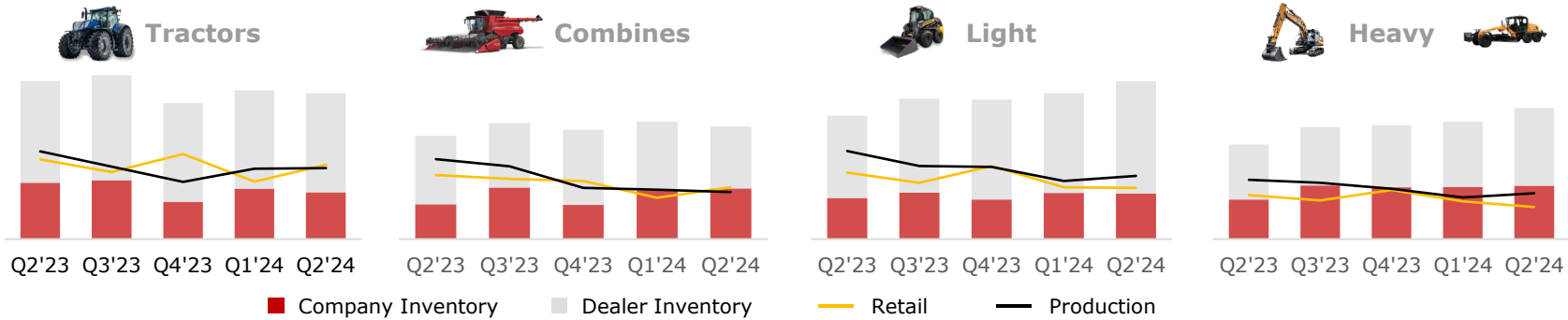
APPENDIX

Q2 2024 | UNIT PERFORMANCE VS. Q2 2023

Total Industry

	NORTH AMERICA[1]	EMEA[1]	SOUTH AMERICA[1]	APAC[1]
0-140 HP – Small Tractors	(11)%	(10)%	(10)%	1%
140+ HP – Large Tractors	2%			
Combines	(5)%	(36)%	(26)%	4%
Light	flat	(19)%	32%	flat
Heavy	flat	(8)%	28%	(11)%

Company



Note: Total Industry Volume % YoY change reflecting the aggregate for key markets where the Company competes

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

Q2 / H1 2024 | FINANCIAL SUMMARY

($M)	Q2 2023	Q2 2024	Δ YoY	H1 2023	H1 2024	Δ YoY
U.S. GAAP						
Revenues	6,567	5,488	*(16)%*	11,909	10,306	*(13)%*
Net Sales | Industrial Activities	**5,954**	**4,803**	***(19)%***	**10,730**	**8,934**	***(17)%***
Net Income	710	438	*(38)%*	1,196	840	*(30)%*
Diluted EPS - $	$0.52	$0.34	*($0.18)*	$0.88	$0.66	*($0.22)*
Non – GAAP[1]						
Net Sales | Industrial Activities @CC[2]	5,954	4,846	*(19)%*	10,730	8,954	*(17)%*
Adjusted EBIT | Industrial Activities	822	536	*(35)%*	1,377	941	*(32)%*
Adjusted EBIT Margin | Industrial Activities	**13.8%**	**11.2%**	***(260) bps***	**12.8%**	**10.5%**	***(230) bps***
Adjusted Effective Tax Rate	24%	21%	*(3) pp*	26%	20%	*(6) pp*
Adjusted Net Income	**711**	**485**	***(32)%***	**1,186**	**906**	***(24)%***
Weighted average shares outstanding - diluted – million	1,355	1,260	*(7)%*	1,357	1,267	*(7)%*
Adjusted Diluted EPS	**$0.52**	**$0.38**	***($0.14)***	**$0.87**	**$0.71**	***($0.16)***
Free Cash Flow | Industrial Activities	**386**	**140**	***(246)***	**(287)**	**(1,069)**	***(782)***

(1) Non-GAAP measures: definitions in the slide "Non-GAAP Financial Measures"; reconciliations in "Reconciliations" section

(2) @CC means at constant currency

Note: numbers may not add due to rounding

Q2 2024 | INDUSTRIAL ACTIVITIES NET SALES

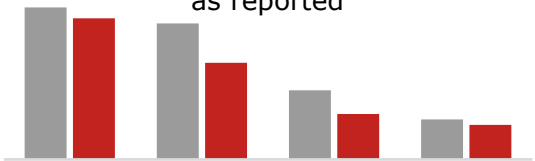
Q2 2023
Q2 2024

Agriculture

$3,913M

(20)% YoY (19)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q2 2024 mix	44%	30%	14%	11%
Q2 2023 mix	38%	34%	18%	10%

By Product
as reported



	Tractors	Combines	Others
Q2 2024 mix	59%	19%	22%
Q2 2023 mix	52%	25%	23%

Construction

$890M

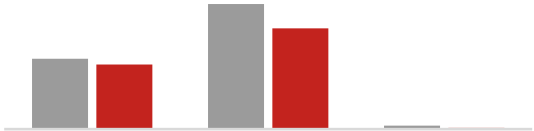
(16)% YoY (16)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q2 2024 mix	57%	20%	17%	7%
Q2 2023 mix	55%	22%	16%	7%

By Product
as reported



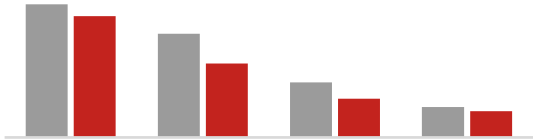
	Heavy	Light	Others
Q2 2024 mix	39%	61%	0%
Q2 2023 mix	35%	63%	2%

Industrial Activities[1]

$4,803M

(19)% YoY (19)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
Q2 2024 mix	47%	28%	15%	10%
Q2 2023 mix	41%	32%	17%	9%

By Segment
as reported



	Agric.	Constr.
Q2 2024 mix	81%	19%
Q2 2023 mix	82%	18%

(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

H1 2024 | INDUSTRIAL ACTIVITIES NET SALES

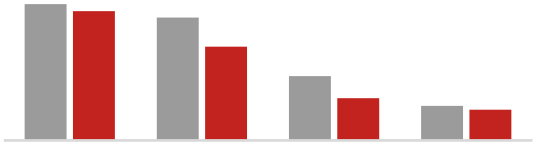
H1 2023
H1 2024

Agriculture

$7,286M

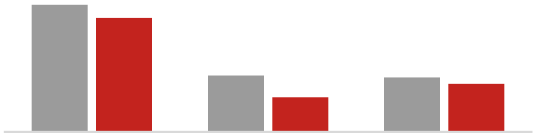
(17)% YoY (17)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
H1 2024 mix	44%	32%	14%	10%
H1 2023 mix	38%	34%	18%	10%

By Product
as reported



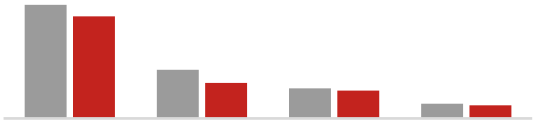
	Tractors	Combines	Others
H1 2024 mix	58%	18%	24%
H1 2023 mix	53%	24%	23%

Construction

$1,648M

(14)% YoY (14)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
H1 2024 mix	57%	20%	16%	7%
H1 2023 mix	55%	24%	14%	7%

By Product
as reported



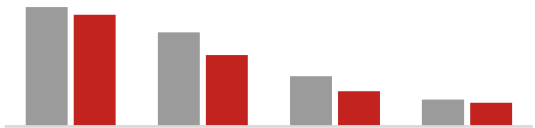
	Heavy	Light	Others
H1 2024 mix	40%	59%	1%
H1 2023 mix	35%	63%	2%

Industrial Activities[1]

$8,934M

(17)% YoY (17)% @CC[2]

By Region
as reported



	NA	EMEA	SA	APAC
H1 2024 mix	46%	29%	15%	10%
H1 2023 mix	41%	33%	17%	9%

By Segment
as reported



	Agric.	Constr.
H1 2024 mix	82%	18%
H1 2023 mix	82%	18%

(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

Q2 / H1 2024 | FINANCIALS BY SEGMENT

($M)

	Revenues & Net Sales		Gross Profit		Gross Margin		Adj. EBIT[1]		Adj. EBIT Margin[1]	
	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24
Agriculture	4,890	3,913	1,321	954	27.0%	24.4%	821	536	16.8%	13.7%
Construction	1,064	890	170	147	16.0%	16.5%	72	60	6.8%	6.7%
Elimination & Other	-	-	-	-	-	-	(71)	(60)	-	-
Industrial Activities	**5,954**	**4,803**	**1,491**	**1,101**	**25.0%**	**22.9%**	**822**	**536**	**13.8%**	**11.2%**
Financial Services	603	687								
Elimination & Other	10	(2)								
CNH Industrial	**6,567**	**5,488**								

	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24
Agriculture	8,817	7,286	2,351	1,758	26.7%	24.1%	1,391	957	15.8%	13.1%
Construction	1,913	1,648	305	279	15.9%	16.9%	116	111	6.1%	6.7%
Elimination & Other	-	-	-	-	-	-	(130)	(127)	-	-
Industrial Activities	**10,730**	**8,934**	**2,656**	**2,037**	**24.8%**	**22.8%**	**1,377**	**941**	**12.8%**	**10.5%**
Financial Services	1,152	1,372								
Elimination & Other	27	-								
CNH Industrial	**11,909**	**10,306**								

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

Note: numbers may not add due to rounding

Q2 / H1 2024 | CAPEX AND R&D

($M)	Q2 2023	Q2 2024	H1 2023	H1 2024
Investments in property, plant and equipment, and intangible assets	**131**	**110**	**221**	**206**
Breakdown by Category				
New Product & Technology	34%	48%	39%	47%
Maintenance & Other	58%	45%	52%	47%
Industrial Capacity Expansion & LT Investments	8%	7%	9%	6%
Breakdown by Segment				
Agriculture	85%	87%	87%	87%
Construction	15%	13%	13%	13%
Research and Development	**269**	**237**	**500**	**465**
Total spending (CapEx + R&D) in new products	**217**	**204**	**401**	**391**
Breakdown by Trend				
Digital	36%	43%	38%	44%
Electric Vehicles and CNG-LNG	12%	6%	11%	7%
Other New Program	52%	51%	51%	49%

Note: numbers may not add due to rounding

DEBT MATURITY SCHEDULE | BREAKDOWN

($B)

Outstanding Jun. 30, 2024		2024	2025	2026	2027	2028	Beyond
3.0	Bank Debt	1.0	0.3	0.5	0.3	0.2	0.6
11.4	Capital Market	1.2	2.7	2.3	1.7	0.8	2.6
0.1	Other Debt	0.1	-	-	-	-	-
14.5	**Cash Portion of Debt Maturities**	**2.3**	**3.0**	**2.8**	**2.1**	**1.0**	**3.2**
	of which Industrial Activities	*0.2*	*0.8*	*0.5*	*1.1*	*0.1*	*1.4*
	of which Financial Services	*2.1*	*2.2*	*2.3*	*1.0*	*1.0*	*1.8*

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

Note: numbers may not add due to rounding

RECONCILIATIONS

RECONCILIATION OF NET INCOME TO ADJ. EBIT OF INDUSTRIAL ACTIVITIES

($M)	Q2 2023	Q2 2024	H1 2023	H1 2024
Net Income	**710**	**438**	**1,196**	**840**
Less: Consolidated income tax expense	(192)	(95)	(365)	(172)
Consolidated income before taxes	**902**	**533**	**1,561**	**1,012**
Less: Financial Services				
Financial Services Net Income	94	91	172	209
Financial Services Income Taxes	26	23	55	42
Add back of the following Industrial Activities items:				
Interest expense of Industrial Activities, net of Interest income and elimin.	22	46	26	78
Foreign exchange (gains) losses, net of Industrial Activities	-	4	6	4
Finance and non-service component of Pension and other post-employment benefit costs of Industrial Activities(1)	(1)	1	(2)	2
Adjustments for the following Industrial Activities items:				
Restructuring expenses	2	51	3	81
Other discrete items(2)	17	15	10	15
Total Adjusted EBIT of Industrial Activities	**822**	**536**	**1,377**	**941**

(1) In the three and six months ended June 30, 2024 and 2023, this item includes the pre-tax gain of $6M and $12M, respectively, as a result of the amortization over the 4 years of the $101M positive impact from the 2021 U.S. healthcare plan modification.

(2) In Q2'24 and H1'24 this item includes a loss of $15M on the sale of certain non-core product lines. In Q2'23 this item included a loss of $17M related to the sale of CNH Industrial Russia. In H1'23 this item included a gain of $13M in relation to the fair value remeasurement of Augmenta and Bennamann, offset by a $23M loss on the sale of CNH Industrial Russia and CNH Capital Russia.

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

($M)

	Q2 2023	Q2 2024	H1 2023	H1 2024
Net cash provided by (used in) Operating Activities	**(139)**	**379**	**(840)**	**(515)**
Cash flows from Operating Activities of Financial Services net of eliminations	732	(124)	890	(322)
Change in derivatives hedging debt of Industrial Activities and other	(3)	(1)	4	(1)
Investments in assets sold under operating lease assets of Industrial Activities	(5)	(7)	(9)	(11)
Investments in property, plant & equipment, and intangible assets of Ind. Act.	(131)	(110)	(221)	(206)
Other changes[1]	(68)	3	(111)	(14)
Free cash flow of Industrial Activities	**386**	**140**	**(287)**	**(1,069)**

(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

($M)		Q2 2023	Q2 2024	H1 2023	H1 2024
	Net income (loss)	**710**	**438**	**1,196**	**840**
	Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates (a)	13	60	1	85
	Adjustments impacting Income tax (expense) benefit (b)	(12)	(13)	(11)	(19)
	Adjusted net income (loss)	**711**	**485**	**1,186**	**906**
	Adjusted net income (loss) attributable to CNH Industrial N.V.	707	480	1,178	900
	Weighted average shares outstanding – diluted (million)	1,355	1,260	1,357	1,267
	Adjusted diluted EPS	**$0.52**	**$0.38**	**$0.87**	**$0.71**
	Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates	**838**	**454**	**1,464**	**856**
(a)	Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates	13	60	1	85
(A)	**Adjusted income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates**	**851**	**514**	**1,465**	**941**
	Income tax (expense) benefit	(192)	(95)	(365)	(172)
(b)	Adjustments impacting Income tax (expense) benefit	(12)	(13)	(11)	(19)
(B)	**Adjusted income tax (expense) benefit**	**(204)**	**(108)**	**(376)**	**(191)**
	Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	**24%**	**21%**	**26%**	**20%**
(a)	**Adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates**	**13**	**60**	**1**	**85**
	Restructuring expenses	2	51	3	82
	Pre-tax gain related to the 2021 modification of a healthcare plan in the U.S.	(6)	(6)	(12)	(12)
	Loss on sale of Industrial Activities / Financial Services, Russia Operations	17	-	23	-
	Sale of certain non-core product lines	-	15	-	15
	Investment fair value adjustments	-	-	(13)	-
(b)	**Adjustments impacting Income tax (expense) benefit**	**(12)**	**(13)**	**(11)**	**(19)**
	Tax effect of adjustments impacting Income (loss) before income tax (expense) benefit and equity in income of unconsolidated subsidiaries and affiliates	(12)	(13)	(11)	(19)
	Adjustment to valuation allowances on deferred tax assets	-	-	-	-

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 monitors its operations through the use of several non-GAAP financial measures. CNH'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'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'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 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 (Expense) Benefit 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.

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 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 excluding FX or Constant Currency refers to 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.

Breaking New Ground

Innovation Sustainability Productivity

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