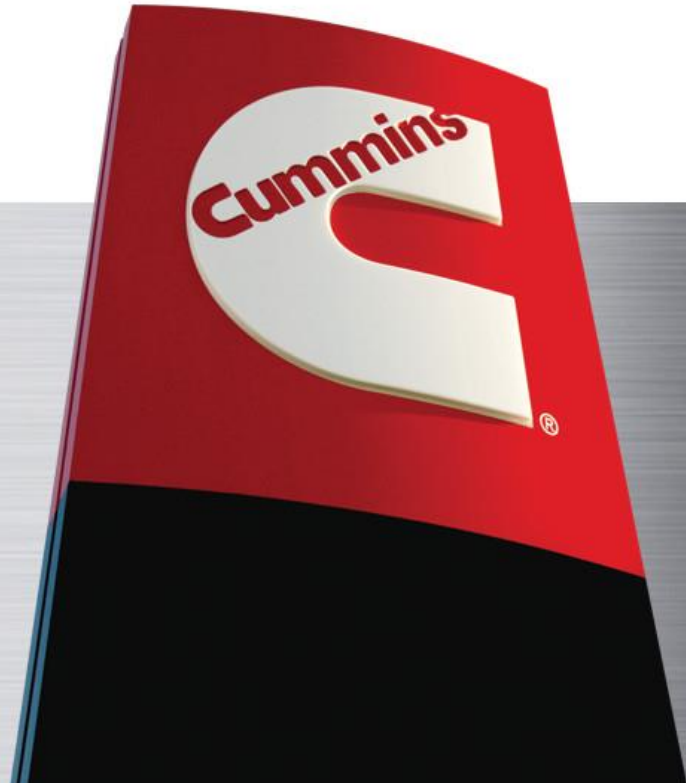


First Quarter 2017 Earnings Teleconference

May 2, 2017





Participants

Tom Linebarger	Chairman and Chief Executive Officer
Rich Freeland	President and Chief Operating Officer
Pat Ward	Vice President and Chief Financial Officer
Mark Smith	Vice President - Financial Operations



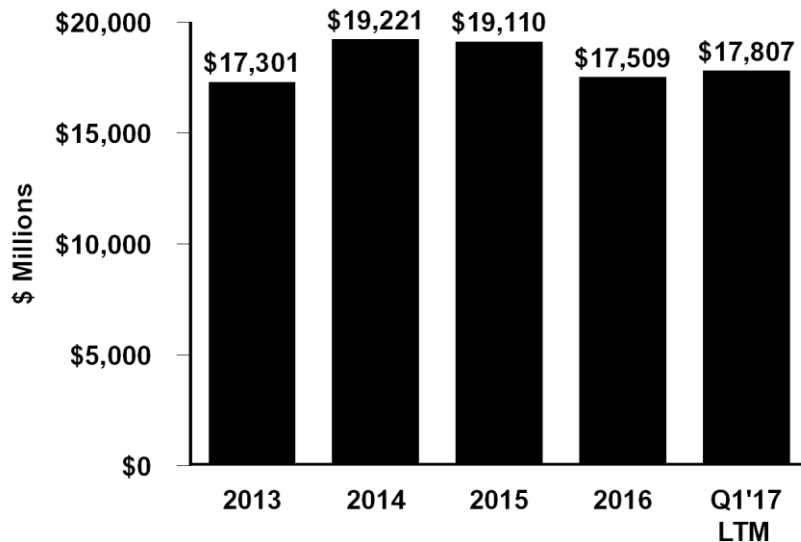
Disclosure Regarding Forward-Looking Statements

Information provided in this presentation that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our forecasts, expectations, hopes, beliefs and intentions on strategies regarding the future. Our actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to: the adoption and implementation of global emission standards; the price and availability of energy; the pace of infrastructure development; increasing global competition among our customers; general economic, business and financing conditions; governmental action; changes in our customers' business strategies; competitor pricing activity; expense volatility; labor relations; and other risks detailed from time to time in our Securities and Exchange Commission filings, particularly in the Risk Factors section of our 2016 Annual Report on Form 10-K. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

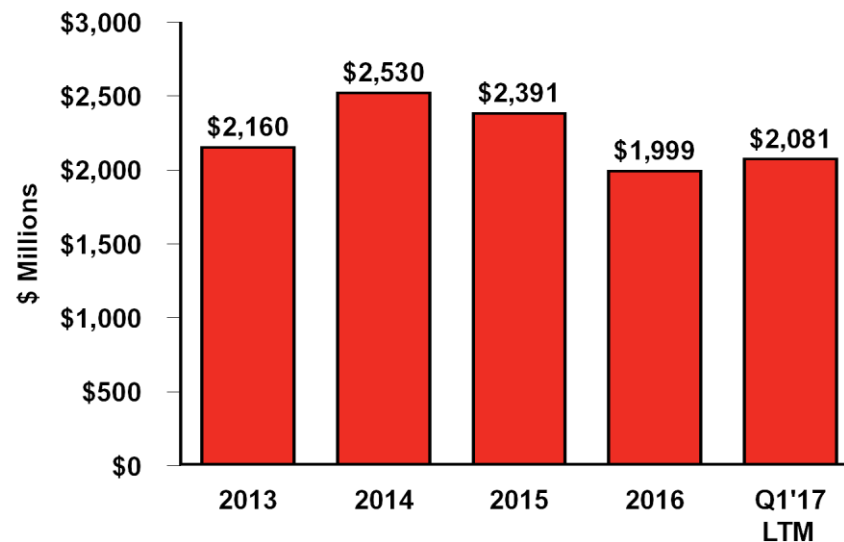


Cummins Inc.

Sales



EBIT¹



2017 Guidance

Sales Up 4 to 7%

EBIT 11.75 to 12.5%

¹ 2014 EBIT excludes \$32 million in operating actions within PSBU. 2015 EBIT excludes \$211 million of impairment of light-duty diesel assets and \$90 million of restructuring actions and other charges.



Cummins Inc.

Selected Financial Data

\$Millions	Q1'17	Q1'16
Sales	4,589	4,291
Gross Margin (% of Sales)	24.6%	24.6%
SAR (% of Sales)	15.1%	15.3%
EBIT	566	484
EBIT (% of Sales)	12.3%	11.3%
GAAP Net Income	396	321
GAAP Net Income (% of Sales)	8.6%	7.5%
Diluted EPS	\$2.36	\$1.87
Dividend Per Share	\$1.025	\$0.975
ROANA (LTM)	23%	25%
ROE (LTM)	19%	19%



Joint Venture Income

\$Millions	Q1'17	Q1'16
Engine	72	36
Distribution	11	18
Components	13	8
Power Systems	12	10
Total JV Income	108	72



Engine Segment Selected Financial Data

\$Millions	Q1'17	Q1'16	Change
Sales	2,023	1,976	+2%
EBIT	229	197	+16%
EBIT (% of Sales)	11.3%	10.0%	

- Sales increased from a year ago due to an 11% increase in international revenues primarily driven by growth in China, partially offset by a decline in North America.
- EBIT improved from a year ago due to an increase in engine and aftermarket sales, favorable pricing and material cost reductions, which were partially offset by higher warranty expense.



Engine Segment - Sales by Market

\$Millions	Q1'17	Q1'16	Change
Heavy-Duty Truck	620	631	-2%
Medium-Duty Truck & Bus	544	549	-1%
Light-Duty Automotive	423	433	-2%
On-Highway	1,587	1,613	-2%
Off-Highway	436	363	+20%

- On-highway revenues declined from a year ago primarily due to lower industry production of North American heavy-duty trucks.
- Off-highway revenues increased as a result of strong demand for construction equipment in China.



Key On-Highway Engine Markets - 2017

Key Market	2016	2017	Change Market Size
	Actual	Forecast	
Heavy Duty Truck - NAFTA Class 8, Group 2 - Production	201K units	195K units	Down 3%
Medium Duty Truck - NAFTA Class 6-7, and Class 8 Group 1 - Production	108K units	112K units	Up 4%
Heavy & Medium Truck - China Sales	962K units	1,030K Units	Up 7%
Heavy & Medium Truck - India Production	346K units	305K units	Down 12%
Heavy & Medium Truck - Brazil Production	61K units	61K units	Flat



Distribution Segment Selected Financial Data

\$Millions	Q1'17	Q1'16	Change
Sales	1,645	1,463	+12%
EBIT	100	87	+15%
EBIT (% of Sales)	6.1%	5.9%	

- Sales increased due to a 6% growth in organic sales in addition to a 6% increase from the acquisition completed in the fourth quarter of 2016.
- EBIT increased primarily due to higher sales and favorable pricing, partially offset by higher compensation and benefit costs.



Components Segment Selected Financial Data

\$Millions	Q1'17	Q1'16	Change
Sales	1,344	1,237	+9%
EBIT	179	163	+10%
EBIT (% of Sales)	13.3%	13.2%	

- Sales increased primarily due to a 60% increase in revenues from China, partially offset by a 2% decline in North American revenues.
- EBIT margins increased slightly due to higher volumes and material cost reductions, partially offset by unfavorable pricing and higher warranty costs associated with new products.



Power Systems Segment Selected Financial Data

\$Millions	Q1'17	Q1'16	Change
Sales	882	808	+9%
EBIT	57	46	+24%
EBIT (% of Sales)	6.5%	5.7%	

- Revenue increased primarily due to an increase in engine and aftermarket sales in Mining and Oil and Gas markets.
- EBIT increased primarily due to an increase in industrial engine shipments.



Guidance for 2017 Segment Results

Item	Engine	Distribution	Components	Power Systems
Consolidated Revenue Growth	Up 2 to 6%	Up 4 to 8%	Up 6 to 10%	Up 1 to 5%
EBIT Margins (% of Revenue)	10.25 to 11.25%	6.0 to 6.75%	12.5 to 13.5%	7.0 to 8.0%



Guidance for 2017 Consolidated Results

Item	Full Year Guidance
Consolidated Revenue	Up 4 to 7%
Earnings from JVs	Flat
EBIT Margin	11.75 to 12.5%
Effective Tax Rate ¹	26.0%
Capital Expenditures	\$500 to \$530 M
Global Pension Funding	\$134 M
Interest Expense	\$73 M

¹ Excluding discrete income tax items



Cash Flow

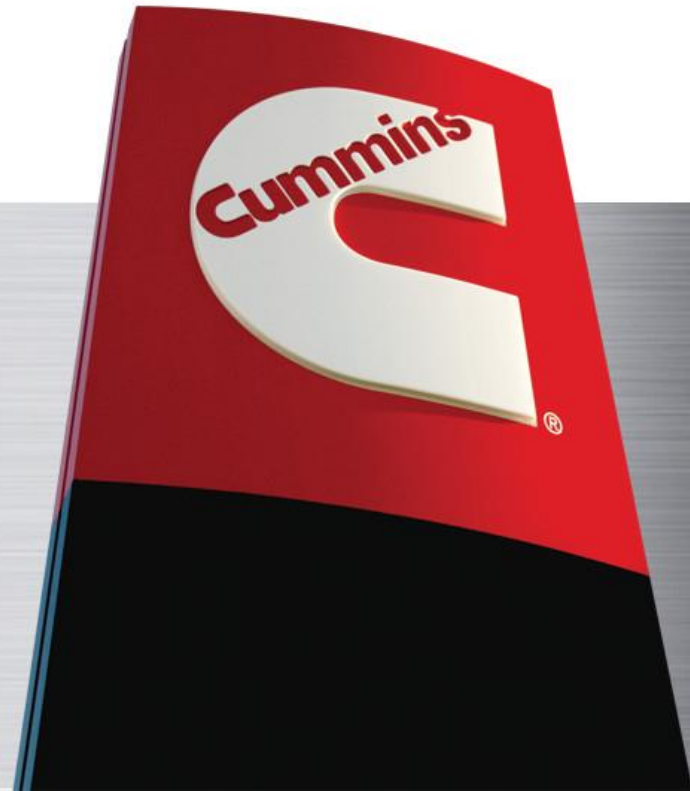
\$Millions	Q1'17	Q1'16
Operating Cash Inflow	379	267
Capital Expenditures	81	71
Working Capital Measure	3,973	3,871
Working Capital Measure (% of Annualized Net Sales)	21.6%	22.6%
Debt to Capital %	20.6%	20.1%

Thank You for Your Interest in



For additional information contact:
Adam Schumm, Investor Relations Executive Director
(812) 377-3121
Adam.J.Schumm@Cummins.com
www.Cummins.com

Appendix





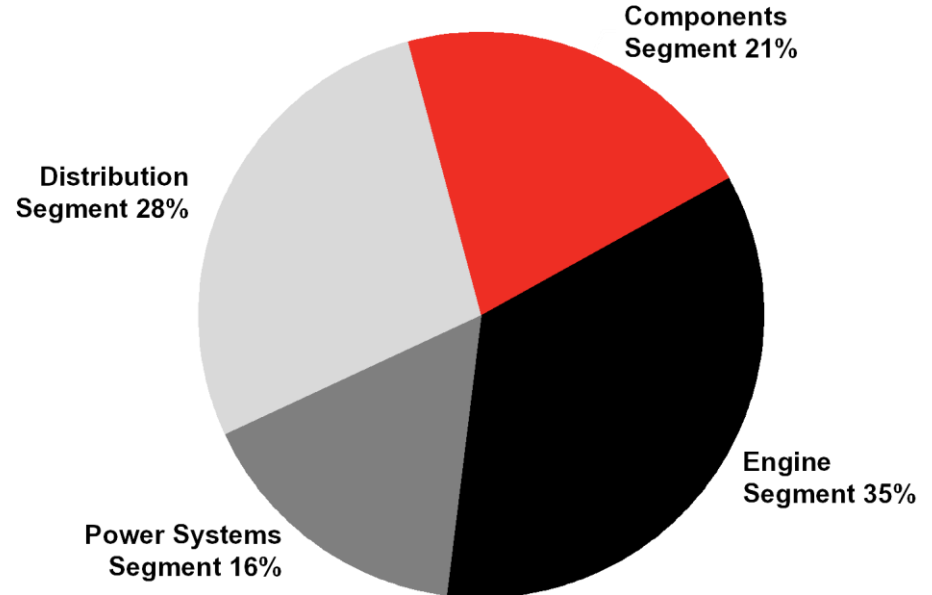
Cummins Inc.

- Strong product portfolio and global partners
- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership

Q1'17 LTM Results

Sales: \$17.8 billion
EBIT: \$2.1 billion
EBIT%: 11.7%

Q1'17 LTM Revenue by Segment

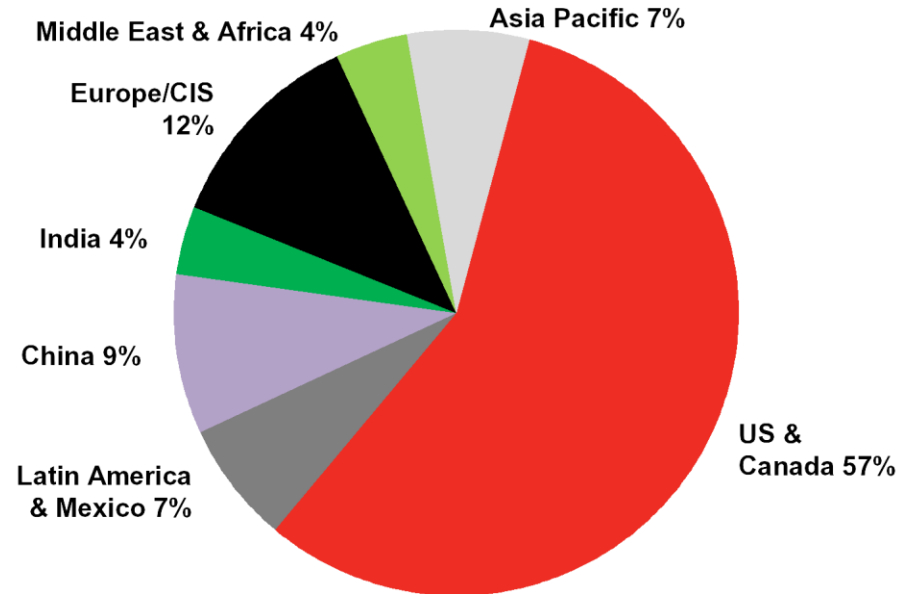




Cummins Inc.

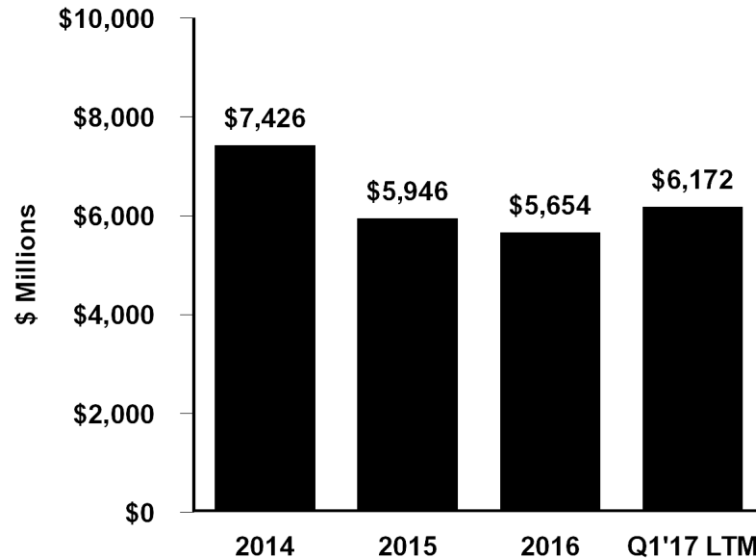
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in more than 190 countries and territories

Q1'17 LTM Revenue by Marketing Territory

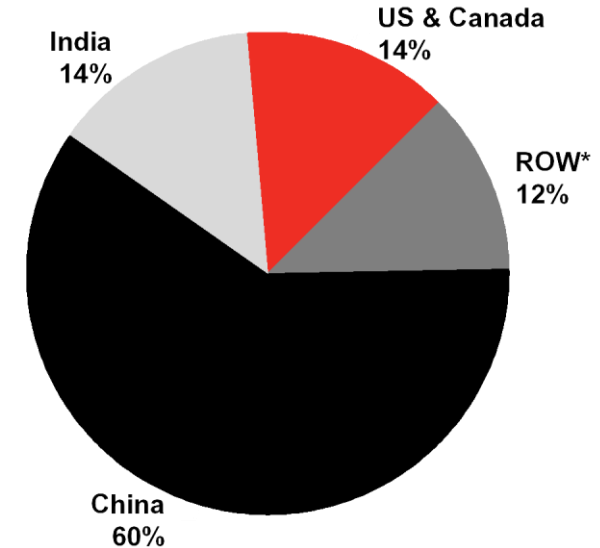




Cummins - Joint Venture Sales Unconsolidated



Q1'17 LTM Revenue



- Increased demand in China for off-highway equipment and commercial vehicles is the primary driver of the increase in revenues.

* Rest of world



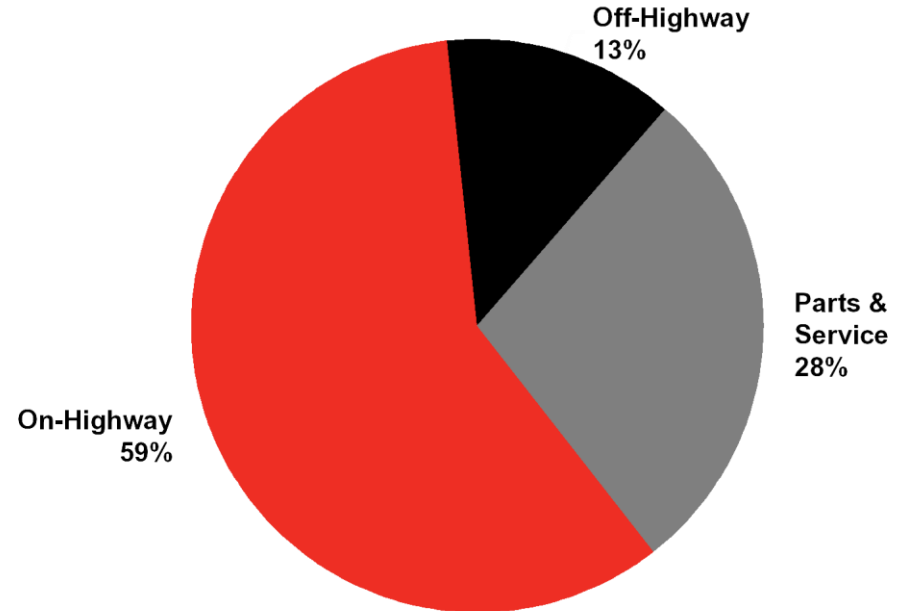
Engine Segment - Overview

- Diesel and natural gas engines from 2.8L to 15L and 48 hp to 715 hp
- Long-term engine supply agreements with key customers to stabilize pricing and to jointly engineer better integrated vehicles to market
- Leading market share in multiple end-markets and geographies

Q1'17 LTM Results

Sales: \$7.9 billion
EBIT: \$718 million
EBIT%: 9.1%

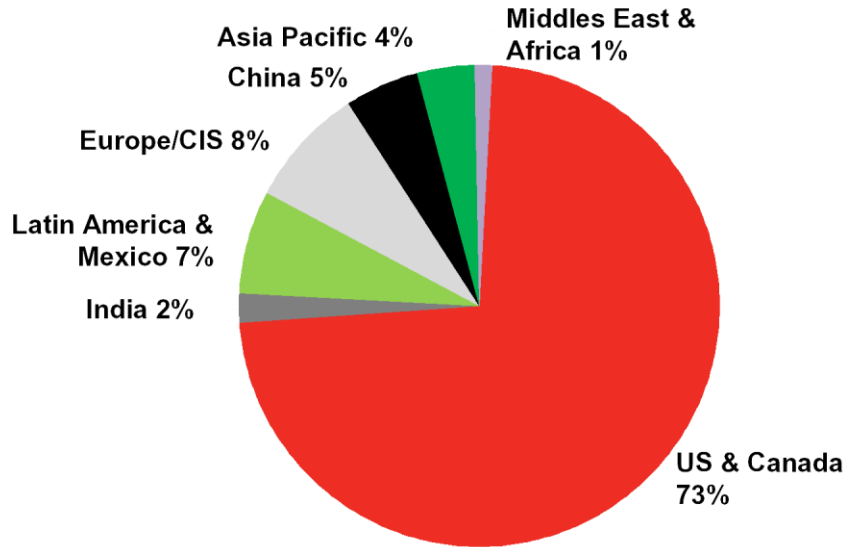
Q1'17 LTM Revenue by Product



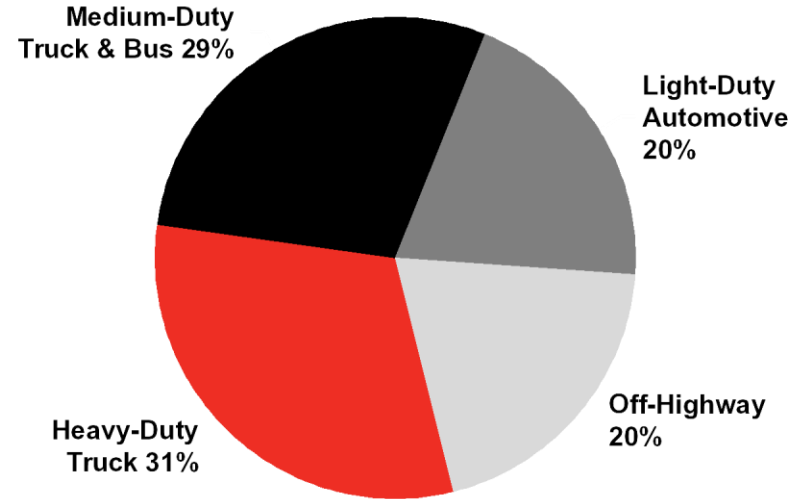


Engine Segment - Sales Mix

Geographic



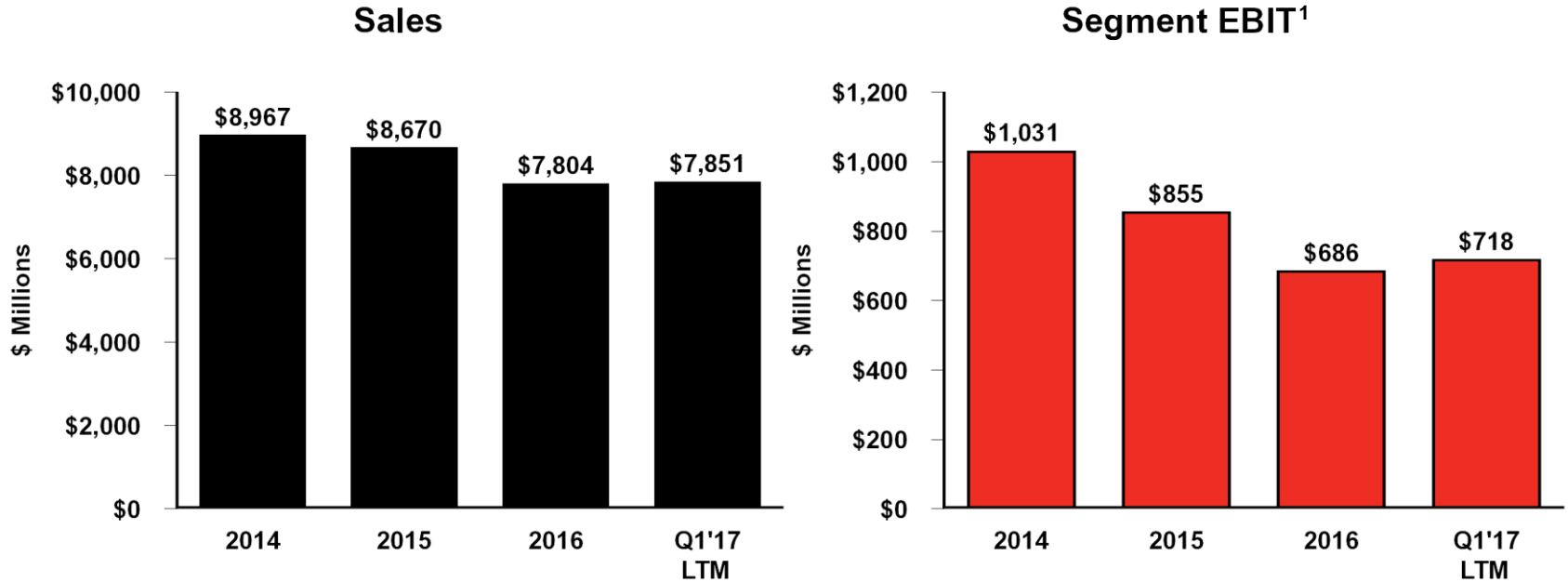
Application



Q1'17 LTM Revenue: \$7.9 billion



Engine Segment - Historical Performance

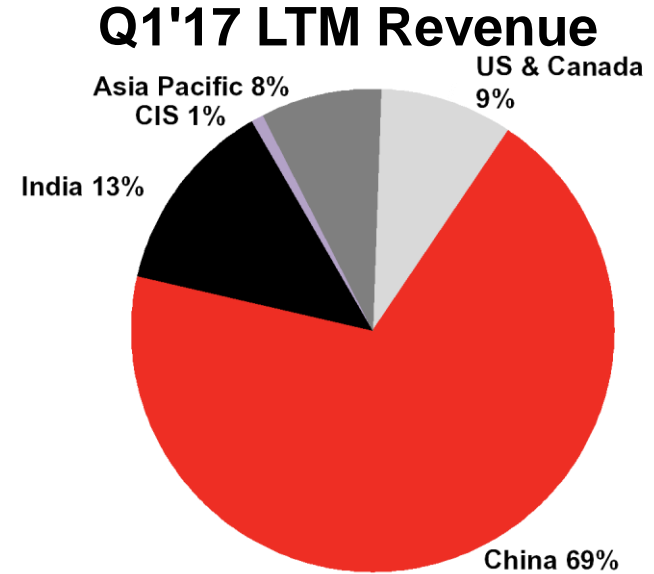
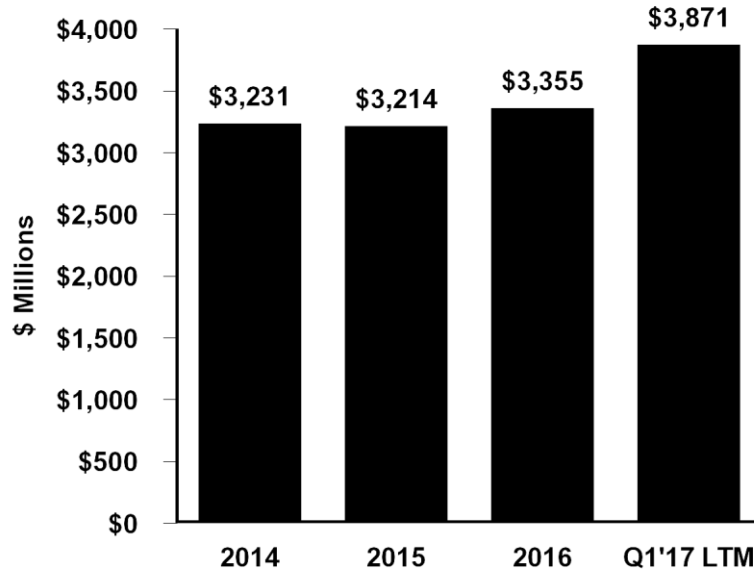


2017 Guidance	
Sales Up 2 to 6%	EBIT 10.25 to 11.25%

¹ 2015 EBIT excludes \$202 million of impairment of light-duty diesel assets and \$17 million of restructuring actions and other charges.



Engine Segment - Joint Venture Sales Unconsolidated





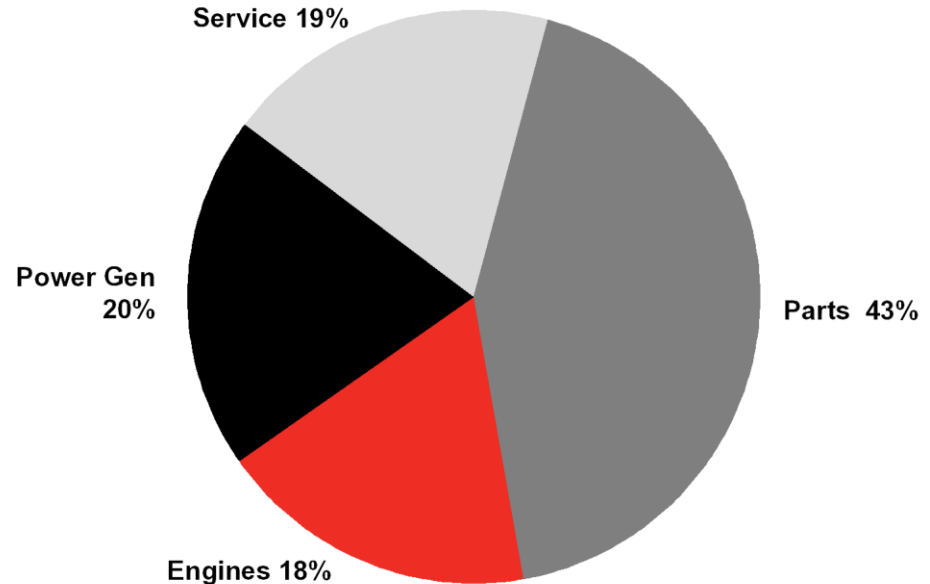
Distribution Segment - Overview

- Provide aftermarket support and increase solution-based revenue
- Acquired our North American distributors
- Increasing network capabilities in emerging markets to capture profitable growth

Q1'17 LTM Results

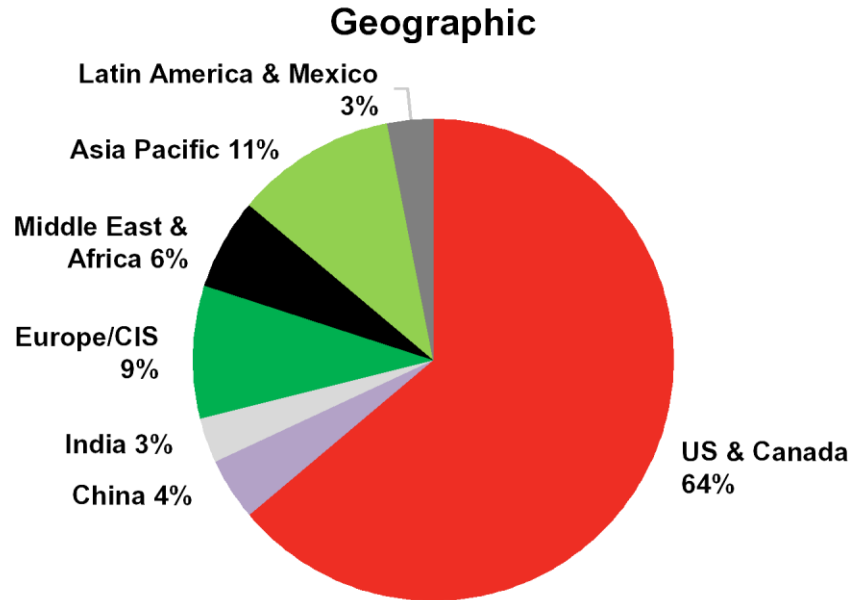
Sales: \$6.4 billion
EBIT: \$405 million
EBIT%: 6.4%

Q1'17 LTM Revenue by Product





Distribution Segment - Sales Mix

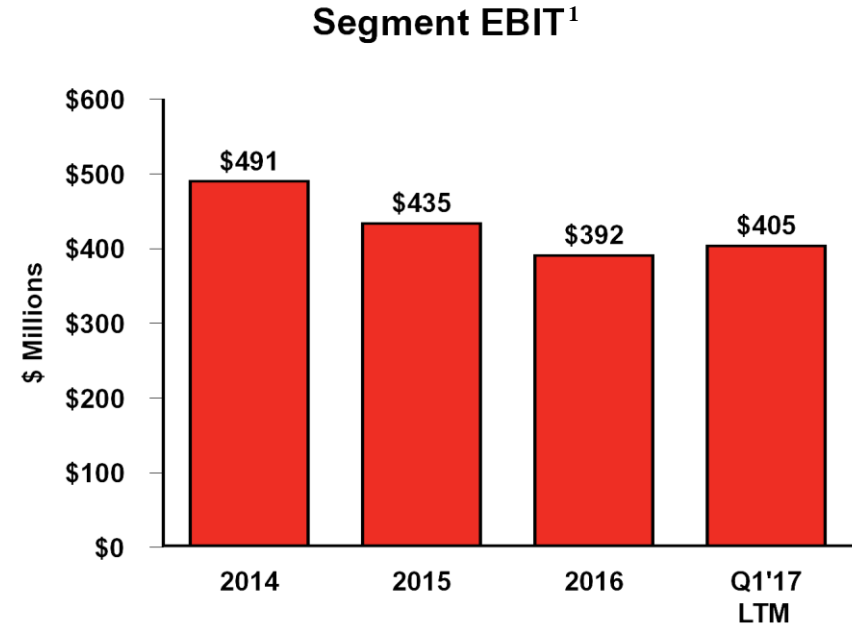
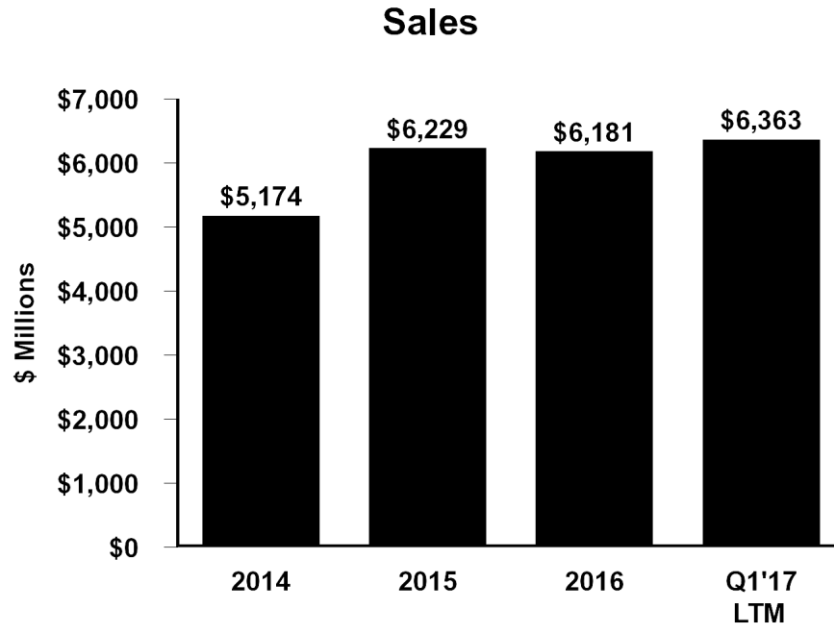


- Key enabler for Cummins growth
- Benefiting from increased population of product in the field

Q1'17 LTM Revenue: \$6.4 billion



Distribution Segment - Historical Performance

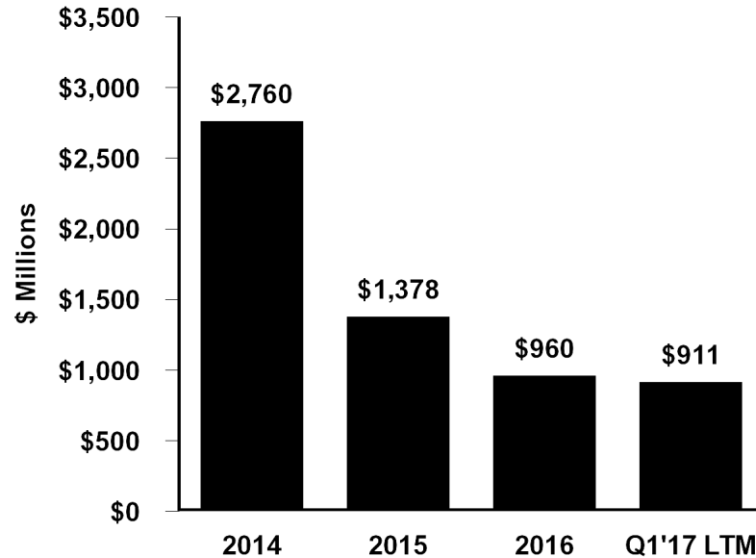


2017 Guidance	
Sales Up 4 to 8%	EBIT 6.0 to 6.75%

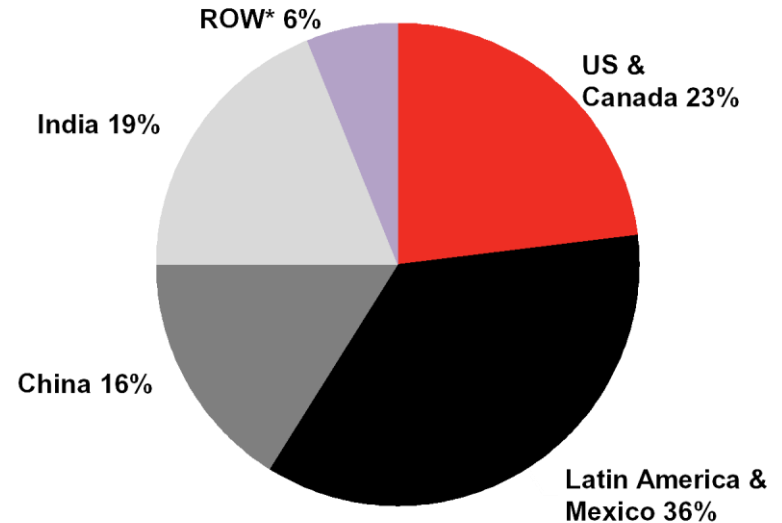
¹ 2015 EBIT excludes \$23 million of restructuring actions and other charges.



Distribution Segment - Joint Venture Sales Unconsolidated



Q1'17 LTM Revenue



■ Joint venture sales decline primarily due to the acquisition of the last remaining unconsolidated North American distributor in the fourth quarter of 2016.

* Rest of World



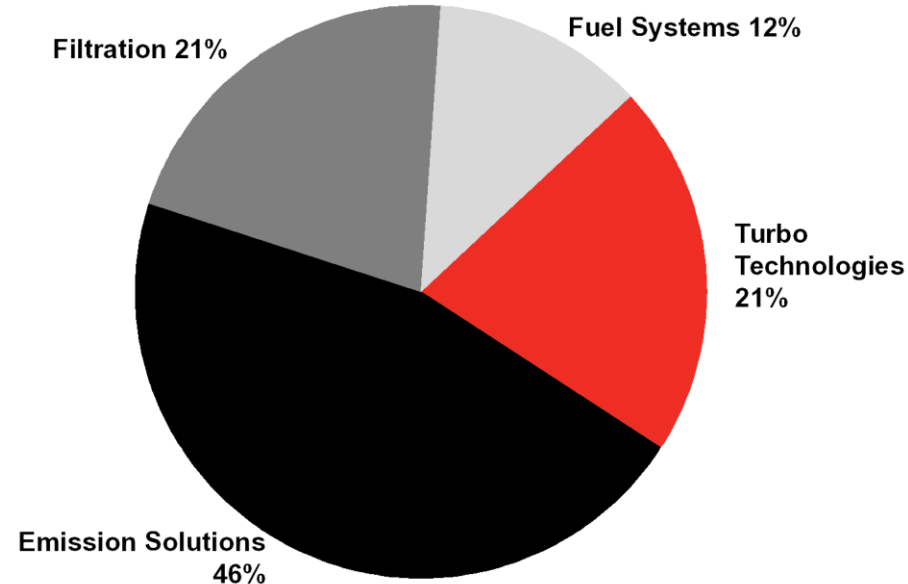
Components Segment - Overview

- Leading supplier of aftertreatment products for commercial vehicle applications
- Largest worldwide supplier of turbochargers from 3.8L to 25L for commercial applications
- World's leading supplier of filtration, coolant and chemical products

Q1'17 LTM Results

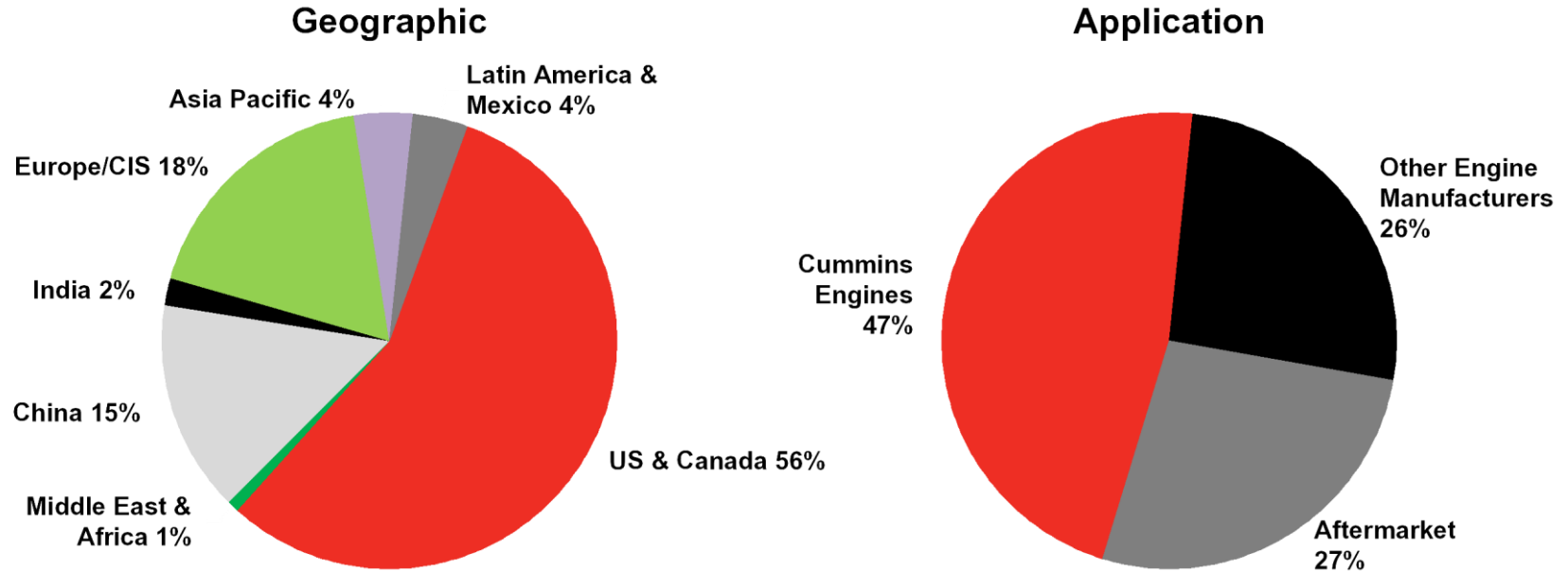
Sales: \$4.9 billion
EBIT: \$657 million
EBIT%: 13.3%

Q1'17 LTM Revenue by Business





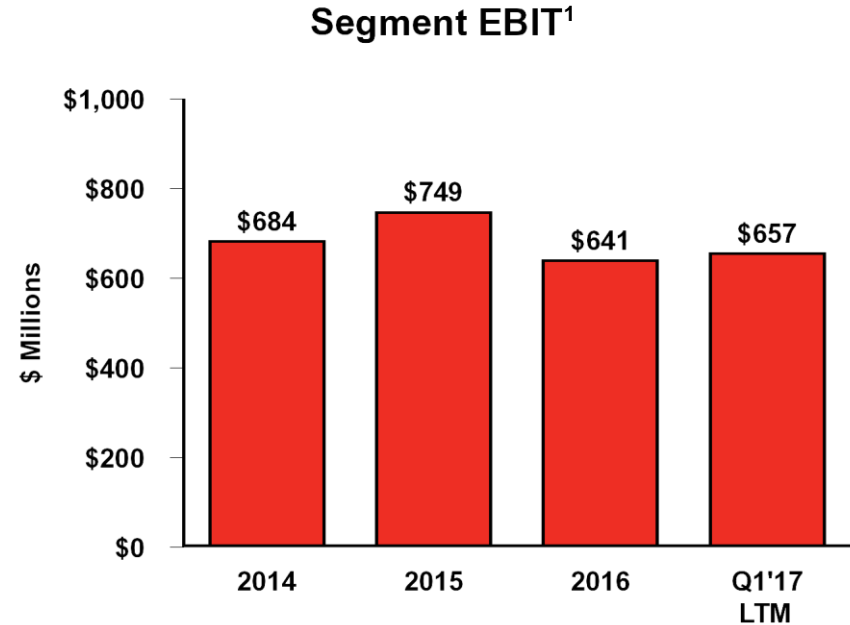
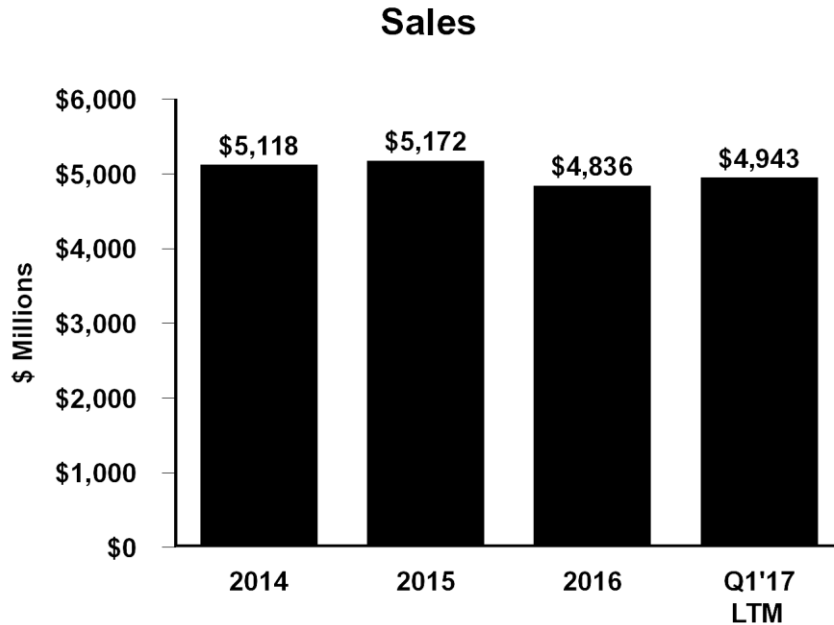
Components Segment - Sales Mix



Q1'17 LTM Revenue: \$4.9 billion



Components Segment - Historical Performance

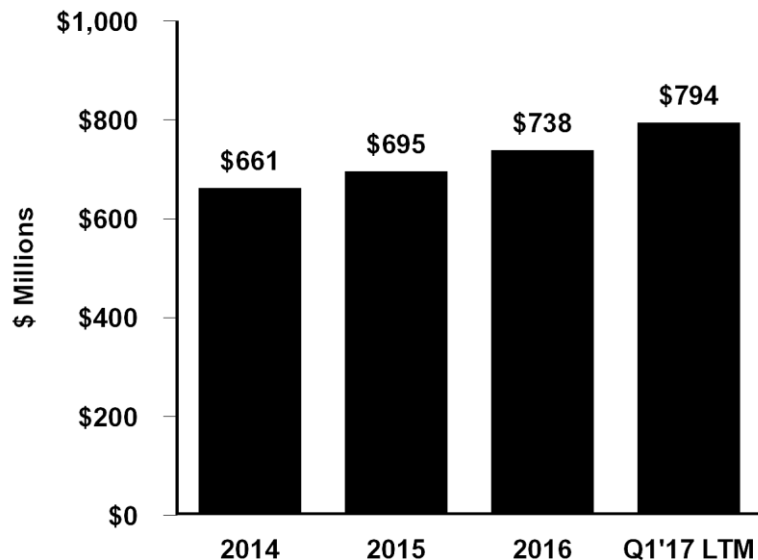


2017 Guidance	
Sales Up 6 to 10%	EBIT 12.5 to 13.5%

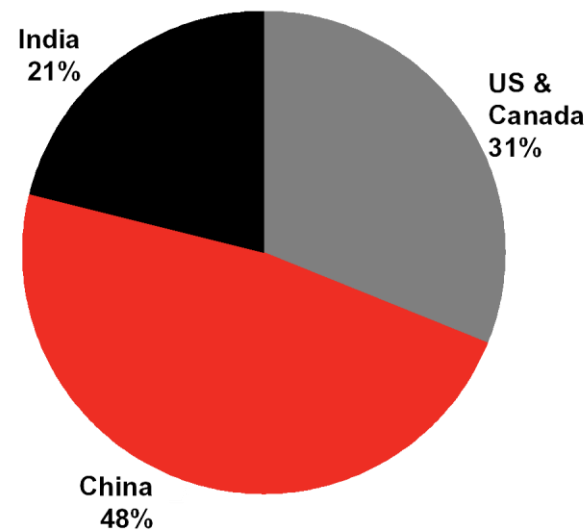
¹ 2015 EBIT excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges.



Components Segment - Joint Venture Sales Unconsolidated



Q1'17 LTM Revenue





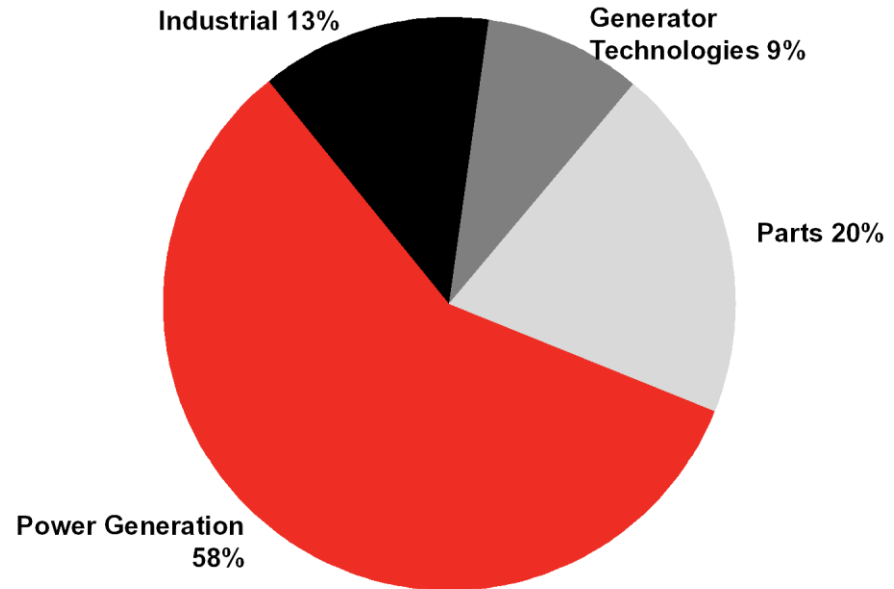
Power Systems Segment - Overview

- Global provider of power generation systems, components and services from 2kW to 3.5 Megawatts (MW)
- Leading supplier of alternators from 3kVA to 12,000kVa
- Leading market share in multiple geographies

Q1'17 LTM Results

Sales: \$3.6 billion
EBIT: \$274 million
EBIT%: 7.6%

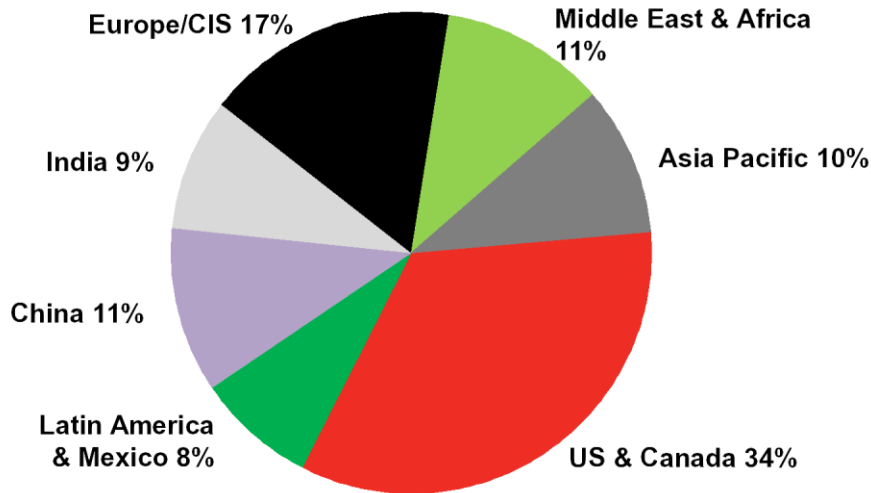
Q1'17 LTM Revenue by Product



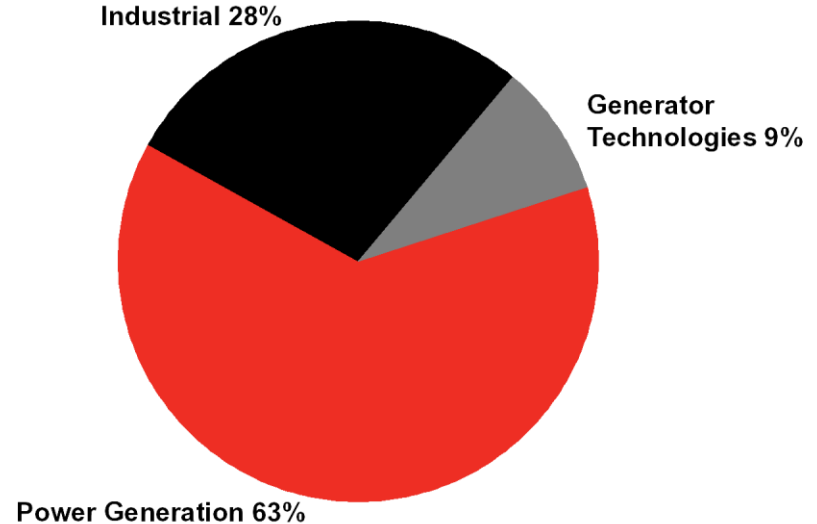


Power Systems Segment - Sales Mix

Geographic



Product Lines

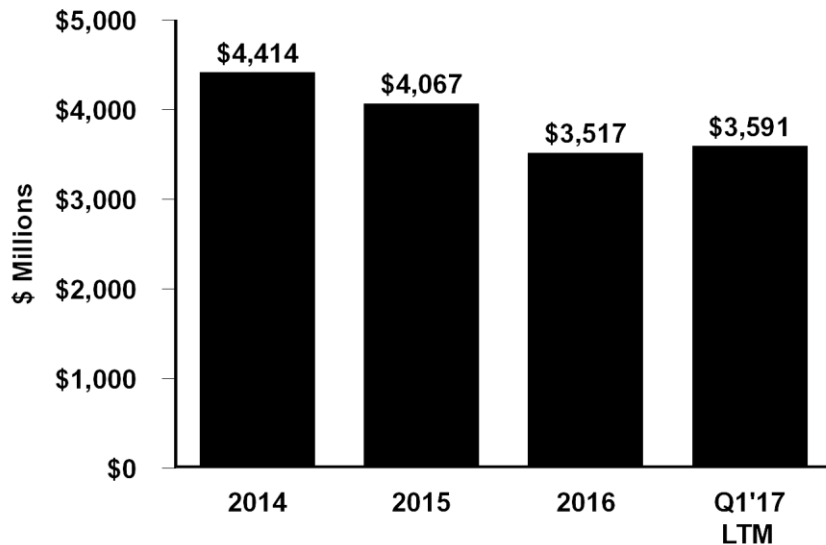


Q1'17 LTM Revenue: \$3.6 billion

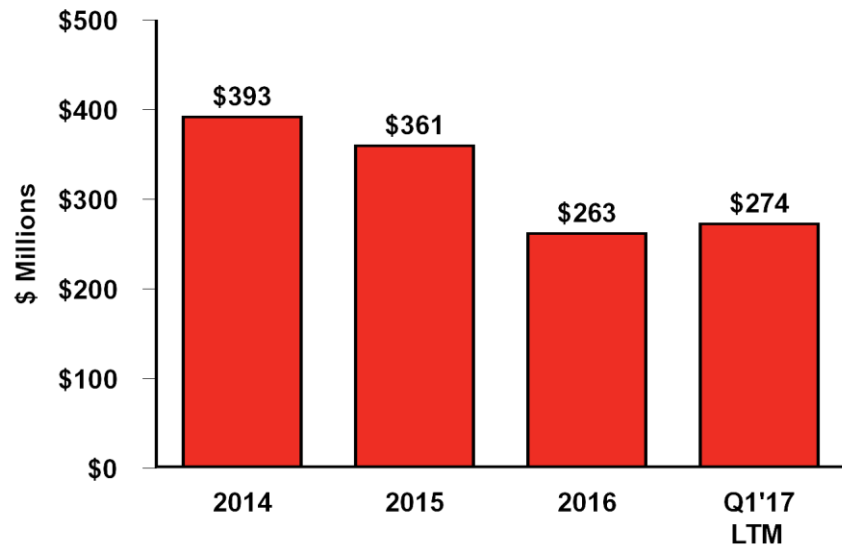


Power Systems Segment - Historical Performance

Sales



Segment EBIT¹



2017 Guidance

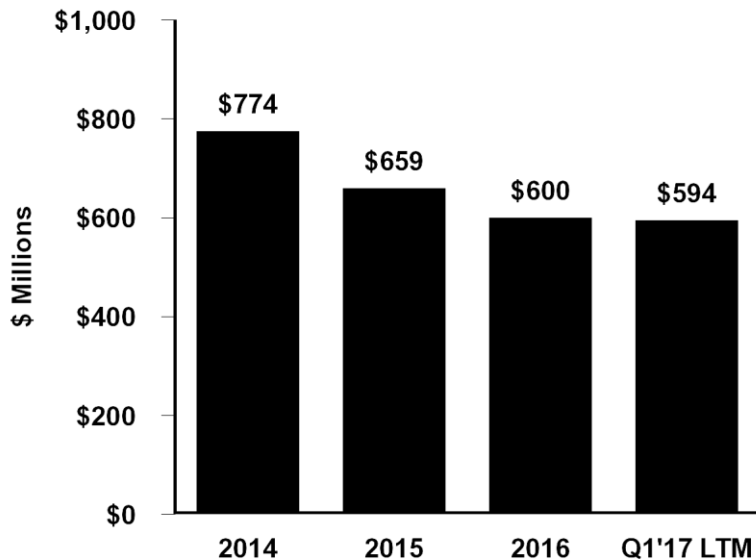
Sales Up 1 to 5%

EBIT 7.0 to 8.0%

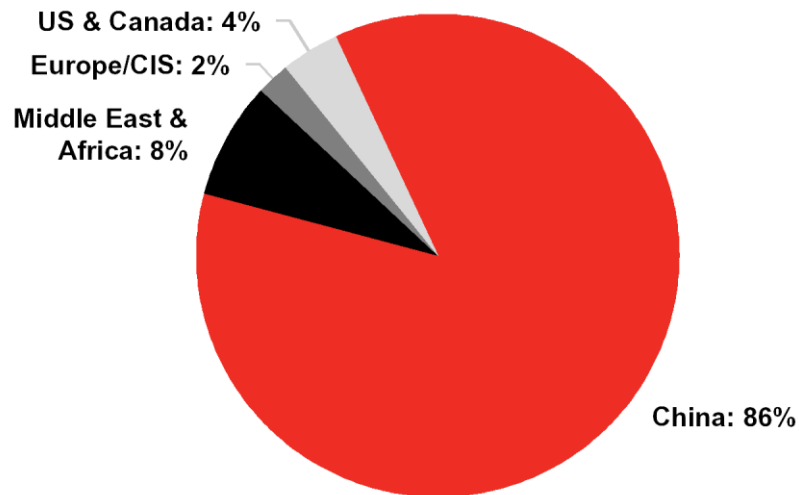
¹ 2014 EBIT excludes \$32 million in operating actions. 2015 EBIT excludes \$26 million of restructuring actions and other charges.



Power Systems Segment - Joint Venture Sales Unconsolidated

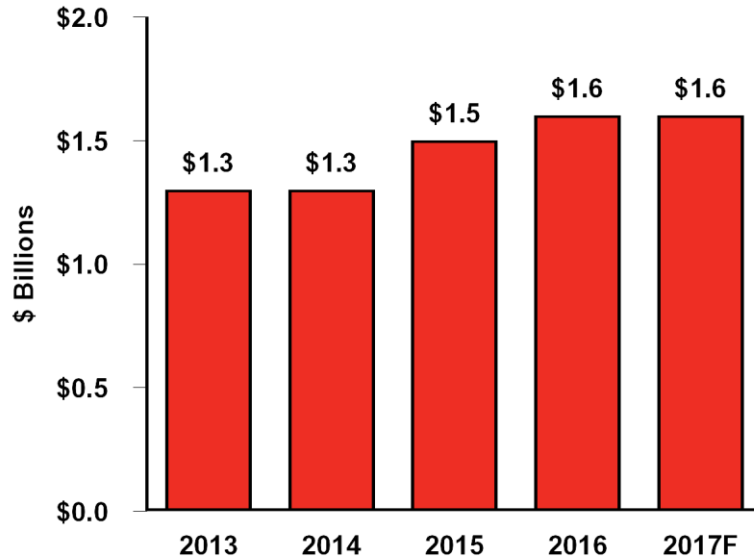


Q1'17 LTM Revenue





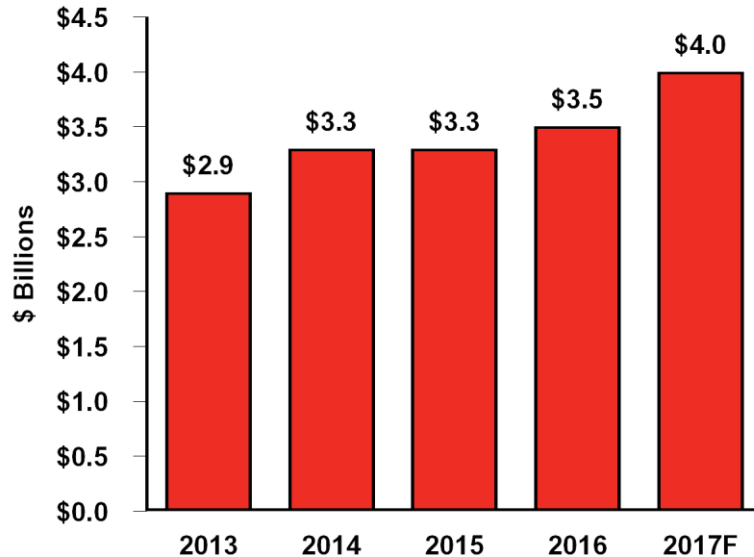
Emerging Market Sales - India¹



- Present in India for over 50 years
- Market leadership
- Strong OEM relationships
- Expanding our markets

¹ Domestic consolidated + unconsolidated revenue Before intercompany eliminations.

Emerging Market Sales - China¹



- Present in China for over 40 years
- Broad product portfolio for On- and Off-Highway
- Strong OEM partners
- Growth from new products and tightening emission standards

Domestic consolidated + unconsolidated revenue

¹ Before intercompany eliminations



Non-GAAP Reconciliation - EBIT

Three Months Ended

In Millions

	April 2, 2017	April 3, 2016
EBIT	\$ 566	\$ 484
Less: Interest Expense	18	19
Income before taxes	548	465
Less: Income tax expense	143	132
Consolidated net income	405	333
	9	12
Less: Net income attributable to noncontrolling interests		
Net income attributable to Cummins Inc.	\$ 396	\$ 321

We define EBIT as earnings before interest expense, provision for income taxes, and non-controlling interests in earnings of consolidated subsidiaries. We use EBIT to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation program. The table above reconciles EBIT, a non-GAAP financial measure, to our consolidated earnings before income taxes and non-controlling interests, for each of the applicable periods. We believe EBIT is a useful measure of our operating performance for the periods presented as it illustrates our operating performance without regard for financing methods, capital structure, or income taxes. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.



Non-GAAP Reconciliation - Working Capital

In Millions

	April 2, 2017	April 3, 2016
Accounts and notes receivable, net	\$ 3,247	\$ 2,921
Inventories	2,894	2,759
Less: Accounts Payable - (principally trade)	(2,168)	(1,809)
Working capital measure	\$ 3,973	\$ 3,871
Annualized Working capital measure (% of Net Sales)	21.6%	22.6%

A reconciliation of the calculation of working capital measure as a % of annualized net sales to our Condensed Consolidated Financial Statements is shown in the table above.



Non-GAAP Reconciliation - Net Assets

In Millions

	April 2, 2017	April 3, 2016
Net assets for operating segments	\$ 9,127	\$ 8,807
Liabilities deducted in arriving at net assets	6,320	5,789
Pension and other postretirement benefit adjustments excluded from net assets	(211)	(203)
Deferred tax assets not allocated to segments	396	432
Deferred debt costs not allocated to segments	2	2
Total Assets	<u>\$ 15,634</u>	<u>\$ 14,827</u>

A reconciliation of net assets for operating segments to total assets in our Condensed Consolidated Financial Statements is shown in the table above.



Non-GAAP Reconciliation - Equity Used for Return on Equity Calculation

In Millions

	April 2, 2017	April 3, 2016
Equity used for return on equity calculation	\$ 7,829	\$ 7,565
Defined benefit postretirement plans	(664)	22,392
Total shareholders equity	7,165	6,920
Noncontrolling Interest	311	340
Total Equity	\$ 7,476	\$ 7,260

A reconciliation of equity used for return on equity calculation to total shareholder's equity in our Consolidated Financial Statements is shown in the table above.