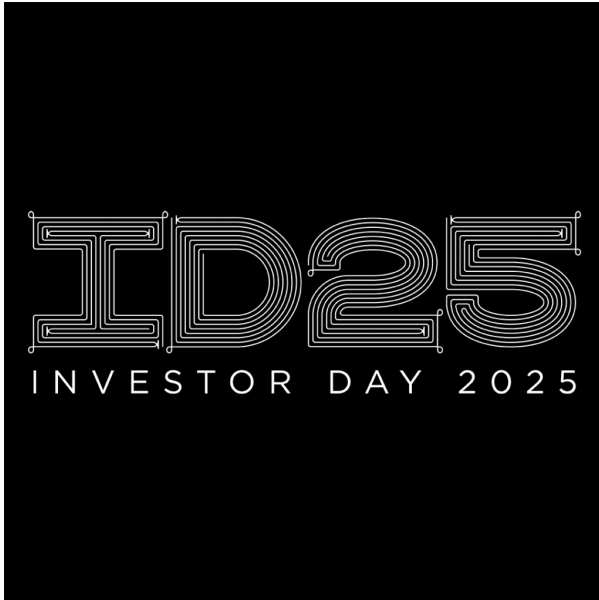


CNH presents Strategic Business Plan (SBP)

1 year ago



PATH TO 2030

Chief Executive Officer Gerrit Marx introduced the SBP's core pillars:

1. Breaking New Ground on Iron + Tech
2. Further expanding mid-cycle adjusted EBIT margins
3. Forward strategy for Construction
4. Returning substantially all Industrial Free Cash Flow (FCF) to shareholders through the cycle

"The strategy that we presented today shows that we have a clear path to achieve our goals. We are committed to delivering strong growth, in tandem with our cost efficiency targets. We have demonstrated our capability to deliver steady margin improvements in the past, and we will take that to the next level in this new phase of our journey," said Gerrit Marx, Chief Executive Officer at CNH.

BREAKING NEW GROUND ON IRON + TECH

CNH will consolidate its position as the first or second agriculture player in all major markets during the plan period.

We will solidify and strengthen our product leadership across all phases of the agricultural cycle through launches, updates and new features for our tractors, harvesters, crop production and crop protection

equipment. CNH already offers the industry's most advanced and sophisticated combine harvesters, and we will further expand our harvesting lineup to maintain our leading position. Our new generation twin and single rotor combines launched in 2024 are delivering for farmers with a 15% lower total cost of ownership. A full refresh of our tractor lineup covering the 20 to 700+ horsepower model range is underway, and from 2026 onwards, we will continue to progressively introduce new product lines.

Thanks to our investments in technology, and by adopting and embedding advanced Artificial Intelligence (AI) capabilities, we are creating the best user experience for customers through the seamless integration of our Precision Tech into our equipment (Iron). Our Precision Tech offering includes agronomic sensors, smart implements, advanced automation, autonomous features, satellite connectivity, agronomic insights, and machine data synchronization via our FieldOps™ digital platform.

We are installing our Precision Tech systems as factory-fit across all major product lines, as well as focusing on increasing integration across all products. By 2030, 90% of these systems will be developed in-house. By the end of the plan period, the contribution of Precision Tech sales will nearly double as a percentage of total Agriculture Net Sales, driving additional margin.

A new go-to-market strategy centered on an integrated and regionally tailored dealer network and brand strategy will see CNH drive higher farmer engagement with greater focus on better and faster customer service. We will leverage and balance our existing global network, which is industry-leading in terms of customer proximity with ~6,000 points of sale and service. Central to our strategy is the strengthening of our brands' identities: Case IH and New Holland as global brands and STEYR as a dedicated European brand, each serving distinct customer segments.

Crucial to this strategy is the establishment of a 'New Deal' with our dealers, which will see us invest ~100 bps of annual margin over the next five years in growth-oriented dealers. We are also investing in enhancing customer-centric service capabilities through integrated platforms and AI-powered solutions for programmed and predictive maintenance, increased connectivity for units, and retrofit solutions to deliver a seamless customer and dealer experience that targets 100% uptime and a 'fix right the first time' guarantee.

FURTHER EXPANDING MID-CYCLE EBIT MARGINS

CNH is targeting a 16-17% Agriculture mid-cycle adjusted EBIT margin by 2030. This ambition will be achieved through a combination of margin expansion initiatives tied to commercial growth, operational efficiency, and quality improvements.

Specifically, CNH expects to generate margin expansion through commercial growth initiatives that consist of Precision Tech product mix and go-to-market actions; operational efficiencies relating to strategic sourcing, plant efficiencies, and our manufacturing footprint; and quality enhancements driven by greater product reliability, advanced manufacturing processes, and stronger dealer partnerships. We are committed to delivering in excess of \$550 million in operational and quality cost improvements by 2030 to support this margin expansion.

For Construction, we are targeting a 7-8% mid-cycle adjusted EBIT margin by 2030. We will specifically generate this margin expansion via commercial actions, sourcing improvements, and manufacturing improvements.

BUILDING THE FUTURE: FORWARD STRATEGY FOR CONSTRUCTION

CNH's Construction segment is an independent and well-established business. Our new SBP pursues continued margin expansion and turnaround for Construction. Strategic actions will leverage the strengths of our well-known brands (CASE Construction Equipment, New Holland Construction and Eurocomach), widespread global network, and top-five position in North and South America.

Construction's continued growth and market share gains will be driven by new product launches, updates to existing product lines, integrated digital technologies, increased aftermarket sales, enhanced distribution and optimized costs. Through-cycle margin expansion will be achieved through manufacturing and sourcing efficiencies as well as aftermarket growth through our parts & connected services unit. Adding to Construction's position of strength are the cost efficiencies we continue to generate, which have created capacity for future growth investments.

MAXIMISING SHAREHOLDER RETURNS ACROSS THE INDUSTRIAL CYCLE

Throughout this plan period, CNH will prioritise investments in organic growth and margin expansion. A strong balance sheet and credit rating are also key areas of focus where we commit to preserving an investment grade rating. We will also maintain our ability to make inorganic growth investments for strategic, disciplined, and margin-accretive M&A actions that increase our competitiveness.