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CNH's new Strategic Business Plan set to enhance product leadership and expand margins

- *CNH's new Strategic Business Plan will:*
 - *Consolidate its position as the #1 or #2 player in all major markets*
 - *Target a 16-17% Agriculture mid-cycle adjusted EBIT margin by 2030*
 - *Execute an additional \$550M+ in run-rate operational and quality cost improvements*
 - *Increase through-cycle Industrial cash generation by 25%*
- *Key strategy pillars include:*
 - *Advancing Iron + Tech integration. Precision Tech sales will nearly double as a percentage of total Agriculture Net Sales during the plan period*
 - *Strengthening our go-to-market approach through a new dual-brand dealer strategy*
 - *Relentless focus on end-to-end quality*

Basildon, May 8, 2025

CNH (NYSE: CNH) presented its Strategic Business Plan (SBP) today at the Company's [Investor Day 2025](#).

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.**

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**Breaking
New Ground**
Innovation Sustainability Productivity



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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



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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.



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MAXIMIZING SHAREHOLDER RETURNS ACROSS THE INDUSTRIAL CYCLE

Throughout this plan period, CNH will prioritize 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.

We are committed to deliver increasing value to our shareholders. We will increase through-cycle Industrial cash generation by 25%, enabling higher returns to shareholders. After debt repayment and M&A opportunities, we plan to return substantially all Industrial FCF to shareholders through a consistent dividend (25-35% of net income) and share buybacks through the industry cycle.

All materials from CNH's [Investor Day 2025](#), including today's presentation, are available at: bit.ly/CNH_ID25

CNH Industrial (NYSE: CNH) is a world-class equipment, technology and services company. Driven by its purpose of *Breaking New Ground*, which centers on Innovation, Sustainability and Productivity, the Company provides the strategic direction, R&D capabilities, and investments that enable the success of its global and regional Brands. Globally, **Case IH** and **New Holland** supply 360° agriculture applications from machines to implements and the digital technologies that enhance them; and **CASE** and **New Holland Construction Equipment** deliver a full lineup of construction products that make the industry more productive. The Company's regionally focused Brands include: **STEYR**, for agricultural tractors; **Raven**, a leader in digital agriculture, precision technology and the development of autonomous systems; **Hemisphere**, a leading designer and manufacturer of high-precision satellite-based positioning, and heading technologies; **Flexi-Coil**, specializing in tillage and seeding systems; **Miller**, manufacturing application equipment; and **Eurocomach**, producing a wide range of mini and midi excavators for the construction sector, including electric solutions.

Across a history spanning over two centuries, CNH has always been a pioneer in its sectors and continues to passionately innovate and drive customer efficiency and success. As a truly global company, CNH's 35,000+ employees form part of a diverse and inclusive workplace, focused on empowering customers to grow, and build, a better world.

For more information and the latest financial and sustainability reports visit: cnh.com

For news from CNH and its Brands visit: media.cnh.com

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Forward-looking Statements

All statements other than statements of historical fact contained in this press release including competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. Forward-looking statements also include statements regarding the future performance of CNH 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, commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs and other protective measures issued to promote national interests or address foreign competition, which in turn result or may result in retaliatory tariffs or other measures enacted by affected trade partners; volatility in international trade caused by the imposition of tariffs and the related impact on costs and prices, which could consequently affect demand of our products, 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



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the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this press release, which are sometimes based upon estimates and data received from third-parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside CNH'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.

Additional factors could cause actual results to differ from those expressed or implied by the forward-looking statements included in the Company's filings with the SEC (including, but not limited to, the factors discussed in our 2024 Annual Report and subsequent quarterly reports).