

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549



FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-36085

CNH INDUSTRIAL N.V.

(Exact name of registrant as specified in its charter)

Netherlands

(State or other jurisdiction of incorporation or organization)

98-1125413

(I.R.S. Employer Identification No.)

Cranes Farm Road, Basildon, Essex, SS14 3AD, United Kingdom

(Address of principal executive offices)

Registrant's telephone number including area code: +44 207 925 1964

Former name, former address and former fiscal year, if changed since last report: N/A

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, par value €0.01	CNHI	New York Stock Exchange
3.850% Notes due 2027	CNHI27	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At March 31, 2024, 1,257,481,824 common shares, par value €0.01 per share, of the registrant were outstanding.

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Note:

CNH Industrial N.V. qualifies as a Foreign Private Issuer, as determined by Rule 3b-4 under the Securities Exchange Act of 1934 (the "Exchange Act") and is exempt from filing quarterly reports on Form 10-Q by virtue of Rules 13a-13 and 15d-13 under the Exchange Act. CNH Industrial N.V. has voluntarily elected to file this quarterly financial report using Form 10-Q.

As a Foreign Private Issuer, CNH Industrial N.V. is also exempt from the proxy solicitation rules under Section 14 of the Exchange Act and Regulation FD, and its officers, directors, and principal shareholders are not subject to the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

PART I - FINANCIAL INFORMATION
CNH INDUSTRIAL N.V.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2024 and December 31, 2023
(Unaudited)

(in millions of dollars)	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 3,236	\$ 4,322
Restricted cash	723	723
Trade receivables, net	155	133
Financing receivables, net	24,120	24,249
Financial receivables from Iveco Group N.V.	230	380
Inventories, net	6,189	5,545
Property, plant and equipment, net	1,903	1,913
Investments in unconsolidated subsidiaries and affiliates	559	563
Equipment under operating leases	1,374	1,417
Goodwill	3,603	3,614
Other intangible assets, net	1,265	1,292
Deferred tax assets	977	979
Derivative assets	103	136
Other assets	1,289	1,085
Total Assets	\$ 45,726	\$ 46,351
Liabilities and Equity		
Debt	\$ 27,780	\$ 27,326
Financial payables to Iveco Group N.V.	70	146
Trade payables	3,225	3,611
Deferred tax liabilities	39	35
Pension, postretirement and other postemployment benefits	458	476
Derivative liabilities	175	216
Other liabilities	5,967	6,307
Total Liabilities	37,714	38,117
Redeemable noncontrolling interest	57	54
Common shares, €0.01, par value; outstanding 1,257,481,824 common shares and 370,997,621 loyalty program special voting shares at 3/31/2024; and outstanding 1,290,937,585 common shares and 371,000,610 loyalty program special voting shares at 12/31/2023	25	25
Treasury stock, at cost; 106,918,372 shares at 3/31/2024 and 73,462,611 at 12/31/2023	(1,276)	(865)
Additional paid in capital	1,415	1,578
Retained earnings	10,151	9,750
Accumulated other comprehensive income (loss)	(2,423)	(2,374)
Noncontrolling interests	63	66
Total Equity	7,955	8,180
Total Liabilities and Equity	\$ 45,726	\$ 46,351

See accompanying notes to the consolidated financial statements

CNH INDUSTRIAL N.V.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
<i>(in millions of dollars and shares, except per share amounts)</i>		
Revenues		
Net sales	\$ 4,131	\$ 4,776
Finance, interest and other income	687	566
Total Revenues	4,818	5,342
Costs and Expenses		
Cost of goods sold	3,195	3,611
Selling, general and administrative expenses	411	438
Research and development expenses	228	231
Restructuring expenses	31	1
Interest expense	394	272
Other, net	157	163
Total Costs and Expenses	4,416	4,716
Income (loss) of Consolidated Group before Income Taxes	402	626
Income tax expense	(77)	(173)
Equity in income of unconsolidated subsidiaries and affiliates	77	33
Net income (loss)	402	486
Net income (loss) attributable to noncontrolling interests	1	4
Net income (loss) attributable to CNH Industrial N.V.	\$ 401	\$ 482
Earnings per share attributable to common shareholders		
Basic	\$ 0.32	\$ 0.36
Diluted	\$ 0.31	\$ 0.35
Weighted average shares outstanding		
Basic	1,260	1,342
Diluted	1,274	1,359
Cash dividends declared per common share	\$ —	\$ —

See accompanying notes to the consolidated financial statements

CNH INDUSTRIAL N.V.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)

(in millions of dollars)	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 402	\$ 486
Other comprehensive income (loss), net of tax		
Unrealized gain (loss) on cash flow hedges	7	10
Changes in retirement plans' funded status	—	(5)
Foreign currency translation	(50)	(33)
Share of other comprehensive income (loss) of entities using the equity method	(6)	(9)
Other comprehensive income (loss), net of tax	(49)	(37)
Comprehensive income (loss)	353	449
Less: Comprehensive income attributable to noncontrolling interests	1	5
Comprehensive income (loss) attributable to CNH Industrial N.V.	\$ 352	\$ 444

See accompanying notes to the consolidated financial statements

CNH INDUSTRIAL N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)

(in millions of dollars)	Three Months Ended March 31,	
	2024	2023
Cash Flows from Operating Activities		
Net Income (loss)	\$ 402	\$ 486
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense excluding depreciation and amortization of assets under operating leases	103	86
Depreciation and amortization expense of assets under operating leases	45	46
(Gain) loss on disposal of assets, net	—	6
Undistributed income of unconsolidated subsidiaries	(77)	9
Other non-cash items, net	57	32
Changes in operating assets and liabilities:		
Provisions	(39)	113
Deferred income taxes	(18)	(52)
Trade and financing receivables related to sales, net	(22)	(355)
Inventories, net	(681)	(1,057)
Trade payables	(332)	172
Other assets and liabilities	(332)	(187)
Net cash provided (used) by operating activities	(894)	(701)
Cash Flows from Investing Activities		
Additions to retail receivables	(1,769)	(1,601)
Collections of retail receivables	1,476	1,376
Expenditures for property, plant and equipment and intangible assets, excluding assets under operating leases	(96)	(90)
Expenditures for assets under operating leases	(106)	(107)
Other, net	76	(327)
Net cash provided (used) by investing activities	(419)	(749)
Cash Flows from Financing Activities		
Proceeds from long-term debt	4,584	995
Payments of long-term debt	(3,357)	(1,040)
Net increase in other financial liabilities	(326)	420
Dividends paid	(1)	(1)
Purchase of treasury stock and other	(581)	(71)
Net cash provided (used) by financing activities	319	303
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(92)	23
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,086)	(1,124)
Cash, cash equivalents and restricted cash, beginning of year	5,045	5,129
Cash, cash equivalents and restricted cash, end of period	\$ 3,959	\$ 4,005
Components of cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 3,236	\$ 3,213
Restricted cash	723	792
Total cash, cash equivalents and restricted cash	\$ 3,959	\$ 4,005

See accompanying notes to the consolidated financial statements

CNH INDUSTRIAL N.V.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)

(in millions of dollars)	Common Shares	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interest
Balance December 31, 2023	\$ 25	\$ (865)	\$ 1,578	\$ 9,750	\$ (2,374)	\$ 66	\$ 8,180	\$ 54
Net income (loss)	—	—	—	401	—	(3)	398	4
Other comprehensive income (loss), net of tax	—	—	—	—	(49)	—	(49)	—
Dividends paid	—	—	—	—	—	—	—	(1)
Acquisition of treasury stock	—	(581)	—	—	—	—	(581)	—
Common shares issued from treasury stock and capital increase for share-based compensation	—	173	(173)	—	—	—	—	—
Share-based compensation expense	—	—	10	—	—	—	10	—
Other changes	—	(3)	—	—	—	—	(3)	—
Balance March 31, 2024	\$ 25	\$ (1,276)	\$ 1,415	\$ 10,151	\$ (2,423)	\$ 63	\$ 7,955	\$ 57

(in millions of dollars)	Common Shares	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interest
Balance December 31, 2022	\$ 25	\$ (230)	\$ 1,504	\$ 7,906	\$ (2,278)	\$ —	\$ 6,927	\$ 49
Net income (loss)	—	—	—	482	—	—	482	4
Other comprehensive income (loss), net of tax	—	—	—	—	(38)	1	(37)	—
Dividends paid	—	—	—	—	—	—	—	(1)
Acquisition of treasury stock	—	(71)	—	—	—	—	(71)	—
Common shares issued from treasury stock and capital increase for share-based compensation	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	24	—	—	—	24	—
Other changes	—	—	—	—	—	74	74	—
Balance March 31, 2023	\$ 25	\$ (301)	\$ 1,528	\$ 8,388	\$ (2,316)	\$ 75	\$ 7,399	\$ 52

See accompanying notes to the consolidated financial statements

CNH INDUSTRIAL N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

CNH Industrial N.V. ("CNH" or the "Company") is incorporated in, and under the laws of, the Netherlands. CNH is a leading company in the capital goods sector that designs, produces and sells agricultural equipment and construction equipment. In addition, CNH's Financial Services segment offers an array of financial products and services, including retail financing for the purchase or lease of new and used CNH and other manufacturers' products and other retail financing programs and wholesale financing to dealers.

The consolidated financial statements of CNH Industrial N.V. and its consolidated subsidiaries have been voluntarily prepared by the Company without audit. Although prepared on a voluntary basis, the consolidated financial statements included in the report comply in all material respects with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") governing interim financial statements. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted as permitted by such rules and regulations. All adjustments, consisting only of normal recurring adjustments, have been reflected in these consolidated financial statements. Management believes that the disclosures are adequate to present fairly the financial position, results of operations, and cash flows at the dates and for the periods presented. These interim financial statements should be read in conjunction with the financial statements and the notes thereto appearing in the Company's annual report on Form 10-K for the year ended December 31, 2023. Results for interim periods are not necessarily indicative of those to be expected for the fiscal year. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and related accompanying notes and disclosures. Significant uncertainties, including rising inflation, and geopolitical events may impact the Company's business, which may cause actual results to differ materially from the estimates and assumptions used in preparation of the financial statements including, but not limited to, future cash flows associated with goodwill, indefinite life intangibles, definite life intangibles, long-lived impairment tests, determination of discount rates and other assumptions for pension and other post-retirement benefit expense and income taxes. Changes in estimates are recorded in results of operations in the period during which the events or circumstances giving rise to such changes occur.

Certain financial information in this report has been presented by geographic region. Our geographic regions are: (1) North America; (2) Europe, Middle East and Africa ("EMEA"); (3) South America and (4) Asia Pacific. The geographic designations have the following meanings:

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

Business Combinations

Effective October 12, 2023, CNH closed on its purchase of Hemisphere, a global satellite navigation technology leader, for a total consideration of \$181 million. The acquisition of Hemisphere consolidates our guidance and connectivity capabilities to advance CNH's in-house precision, automation and autonomy technology for the agriculture and construction industries. At December 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including \$111 million and \$51 million in preliminary goodwill and intangible assets, respectively. The valuation of assets acquired and liabilities assumed has not been finalized as of March 31, 2024. Thus, goodwill associated with the acquisition is subject to adjustment during the measurement period. Measurement period adjustments were recorded in the first quarter of 2024 which decreased goodwill by \$2 million and increased other intangible assets by \$6 million, offset by an increase in deferred tax liabilities and a decrease in other assets. Pro forma results of operations have not been presented because the effects of the Hemisphere acquisition were not material to the Company's consolidated results of operations for the quarter ended December 31, 2023. Additionally, Hemisphere's post-acquisition results were not material.

On March 15, 2023, CNH acquired a controlling interest in Bennamann LTD ("Bennamann") (ownership interest of 50.0085%) by purchasing an additional 34.4% interest through cash consideration of approximately \$51 million. At March 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including \$118 million and \$46 million in preliminary goodwill and intangible assets, respectively. There were no measurement period adjustments recorded in the current quarter. Measurement period adjustments were made

in the second and third quarters of 2023 reducing goodwill by \$3 million, primarily offset by increases in intangible assets as a result of updates of certain of the valuations. The valuation of assets acquired and liabilities assumed was finalized as of March 31, 2024. Pro forma results of operations have not been presented because the effects of the Bennamann acquisition were not material to the Company's consolidated results of operations for the quarter ended March 31, 2023. Additionally, Bennamann's post-acquisition results were not material.

On March 13, 2023, CNH purchased Augmenta Holding SAS ("Augmenta"). The Company acquired the remaining 89.5% of Augmenta it did not own for cash consideration of approximately \$80 million and a deferred payment of \$10 million. At March 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including \$76 million and \$35 million in preliminary goodwill and intangible assets, respectively. There were no measurement period adjustments recorded in the current quarter. Measurement period adjustments were recorded in the second and third quarters of 2023 reducing goodwill by \$14 million primarily offset by increases in intangible assets as a result of updates of certain of the valuations. The valuation of assets acquired and liabilities assumed was finalized as of March 31, 2024. Pro forma results of operations have not been presented because the effects of the Augmenta acquisition were not material to the Company's consolidated results of operations for the quarter ended March 31, 2023. Additionally, Augmenta's post-acquisition results were not material.

2. NEW ACCOUNTING PRONOUNCEMENTS

Adopted in 2024

Leases between entities under common control

In March 2023, the FASB issued ASU 2023-01, *Leases* (Topic 842): Common Control Arrangements ("ASU 2023-01"). ASU 2023-01 requires that leasehold improvements associated with common control leases be amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset. Additionally, the leasehold improvements are subject to the impairment guidance in Topic 360: *Property, Plant and Equipment*. The adoption did not have a material impact on our consolidated financial statements.

Not Yet Adopted

Improvements to income tax disclosures

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, to enhance the transparency and decision usefulness of income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this update are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have to our income tax disclosures.

Improvements to reportable segment disclosures

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, to improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. The amendments in this update are effective date for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption to our reportable segment disclosures.

Disclosure improvements

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, to amend certain disclosure and presentation requirements for a variety of topics within the Accounting Standards Codification ("ASC"). These amendments align the requirements in the ASC to the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K, announced by the SEC. The effective date for each amended topic in the ASC is the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. Early adoption is prohibited. The Company does not anticipate that the ASU will have a material effect on its financial statements and related disclosures.

3. REVENUE

The following table summarizes revenues for the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Three Months Ended March 31,	
	2024	2023
Agriculture	\$ 3,373	\$ 3,927
Construction	758	849
Total Industrial Activities	4,131	4,776
Financial Services	685	549
Eliminations and other	2	17
Total Revenues	\$ 4,818	\$ 5,342

The following table disaggregates revenues by major source for the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Three Months Ended March 31,	
	2024	2023
Revenues from:		
Sales of goods	\$ 4,120	\$ 4,767
Rendering of services and other revenues	11	9
Revenues from sales of goods and services	4,131	4,776
Finance and interest income	536	402
Rents and other income on operating lease	151	164
Finance, interest and other income	687	566
Total Revenues	\$ 4,818	\$ 5,342

Contract liabilities recorded in Other liabilities were \$55 million and \$50 million at March 31, 2024 and December 31, 2023, respectively. Contract liabilities primarily relate to extended warranties. During the three months ended March 31, 2024 and 2023, revenues included \$5 million and \$3 million, respectively, relating to contract liabilities outstanding at the beginning of each period.

As of March 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$55 million (approximately \$48 million at December 31, 2023). CNH expects to recognize revenue on approximately 31% and 93% of the remaining performance obligations over the next 12 and 36 months, respectively (approximately 32% and 95% as of December 31, 2023, respectively).

4. VARIABLE INTEREST ENTITIES

The Company consolidates various securitization trusts and facilities that have been determined to be variable interest entities ("VIEs") and of which the Company is a primary beneficiary. The Company has both the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. For further information regarding VIEs, please see "Note 9: Receivables."

The following table presents certain assets and liabilities of consolidated VIEs, which are included in the consolidated balance sheets included in this report. The assets in the table below include those assets that can only be used to settle obligations of the consolidated VIEs. The liabilities in the table below include third-party liabilities of the consolidated VIEs for which creditors do not have recourse to the general credit of the Company (in millions of dollars).

	March 31, 2024	December 31, 2023
Restricted cash	\$ 629	\$ 626
Financing receivables	10,369	10,365
Total Assets	\$ 10,998	\$ 10,991
Debt	\$ 10,072	\$ 10,033
Total Liabilities	\$ 10,072	\$ 10,033

5. EARNINGS PER SHARE

The Company's basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding during the period.

Diluted EPS reflects the potential dilution that could occur if dilutive securities were exercised into common stock. Stock options, restricted stock units and performance stock units are considered dilutive securities.

A reconciliation of basic and diluted earnings per share is as follows (in millions of dollars and shares, except per share amounts):

	Three Months Ended March 31,	
	2024	2023
Basic EPS attributable to common shareholders		
Net income (loss) attributable to CNH Industrial N.V	\$ 401	\$ 482
Weighted average common shares outstanding—basic	1,260	1,342
Basic earnings (loss) per share	\$ 0.32	\$ 0.36
Diluted EPS attributable to common shareholders		
Weighted average common shares outstanding—basic	1,260	1,342
Dilutive effect of stock compensation plans ⁽¹⁾	14	17
Weighted average common shares outstanding—diluted	1,274	1,359
Diluted earnings (loss) per share	\$ 0.31	\$ 0.35

(1) For the three months ended March 31, 2024, 301,000 shares were excluded from the computation of diluted earnings per share due to an anti-dilutive impact. For the three months ended March 31, 2023, no shares were excluded from the computation of diluted earnings per share due to an anti-dilutive impact.

6. EMPLOYEE BENEFIT PLANS AND POSTRETIREMENT BENEFITS

The following table summarizes the components of net periodic benefit cost of CNH's defined benefit pension plans and postretirement health and life insurance plans for the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Pension		Healthcare		Other	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024	2023	2024	2023	2024	2023
Service cost	\$ 2	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1
Interest cost	13	14	2	2	1	1
Expected return on assets	(13)	(11)	(1)	(1)	—	—
Amortization of:						
Prior service credit	—	—	(6)	(9)	—	—
Actuarial loss (gain)	5	4	—	—	—	—
Net periodic benefit cost	\$ 7	\$ 9	\$ (4)	\$ (7)	\$ 2	\$ 2

In 2021, CNH communicated plan changes for the U.S. retiree medical plan. The plan changes resulted in a reduction of the plan liability of \$100 million. This amount will be amortized from other comprehensive income to the income statement over approximately 4 years, which represents the average service period to attain eligibility conditions for active participants. For the three months ended March 31, 2024 and 2023, \$6 million and \$6 million of amortization was recorded as a pre-tax gain in Other, net, respectively.

7. INCOME TAXES

The effective tax rate for the three months ended March 31, 2024 and 2023 was 19.2% and 27.6%, respectively. The effective tax rate for the three months ended March 31, 2024 was lower than the effective tax rate for the three months ended March 31, 2023 due to discrete items that reduced the rate in 2024 compared to discrete items that increased the rate in 2023.

The Company operates in many jurisdictions around the world and is routinely subject to income tax audits. As various ongoing audits are concluded, or as the applicable statutes of limitations expire, it is possible the Company's amount of unrecognized tax benefits could change during the next twelve months. We do not expect changes to our assessment to have a material impact on the Company's results of operations, balance sheet, or cash flows.

8. SEGMENT INFORMATION

The operating segments through which the Company manages its operations are based on the internal reporting used by the Company's Chief Operating Decision Maker ("CODM") to assess performance and make decisions about resource allocation. The segments are organized based on products and services provided by the Company.

CNH has three operating segments:

Agriculture designs, manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, crawler tractors, combines, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements, and material handling equipment. We are also a leading provider of technology dedicated to Precision Agriculture. Agricultural equipment is sold under the New Holland Agriculture and Case IH brands. Regionally focused brands include: STEYR, for agricultural tractors; Flexi-Coil, specializing in tillage and seeding systems; Miller, manufacturing application equipment. The Raven brand supports Precision Agriculture, digital technology and the development of autonomous systems. Hemisphere, acquired in 2023, provides high-performance satellite positioning technology for the agriculture and construction industries.

Construction designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders, and compact track loaders along with a wide variety of attachments. Construction equipment is sold under the CASE Construction Equipment, New Holland Construction and Eurocomach brands.

Financial Services provides and administers financing to end-use customers for the purchase of new and used agricultural and construction equipment and components sold through CNH's dealer network, as well as revolving charge account financing and other financial services. Financial Services also provides wholesale financing to CNH dealers and distributors primarily to finance inventories of equipment for those dealers. Further, Financial Services provides trade receivables factoring services to CNH subsidiaries. The European Financial Services operations are supported by the Iveco Group's Financial Services segment. Financial Services also provides financial services to Iveco Group companies in the North America, South America and Asia Pacific regions.

Revenues for each reported segment are those directly generated by or attributable to the segment as a result of its business activities and include revenues from transactions with third parties as well as those deriving from transactions with other segments, recognized at normal market prices. Segment expenses represent expenses deriving from each segment's business activities both with third parties and other operating segments or which may otherwise be directly attributable to it. Expenses deriving from business activities with other segments are recognized at normal market prices.

With reference to the Agriculture and Construction segments, the CODM assesses segment performance and makes decisions about resource allocation based upon Adjusted EBIT. The Company believes Adjusted EBIT more fully reflects Agriculture and Construction segments profitability. Adjusted EBIT of the Agriculture and Construction segments is defined as net income (loss) before income taxes, Financial Services' results, Industrial Activities' segments interest expenses (net), foreign exchange gains/losses, finance and non-service component of pension and other post-employment benefit costs, restructuring expenses, and certain nonrecurring 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.

With reference to Financial Services, the CODM assesses the performance of the segment and makes decisions about resource allocation on the basis of net income prepared in accordance with U.S. GAAP.

The following table includes the reconciliation of Adjusted EBIT for Industrial Activities to net income, the most comparable U.S. GAAP financial measure, for the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Three Months Ended March 31,	
	2024	2023
Agriculture	\$ 421	\$ 570
Construction	51	44
Unallocated items, eliminations, and other	(67)	(59)
Financial Services Net Income	118	78
Financial Services Income Taxes	19	29
Interest expense of Industrial Activities, net of interest income and eliminations	(32)	(4)
Foreign exchange (gains) losses, net of Industrial Activities	—	(6)
Finance and non-service component of Pension and other post-employment benefit costs of Industrial Activities ⁽¹⁾	(1)	1
Restructuring expenses of Industrial Activities	(30)	(1)
Other discrete items of Industrial Activities ⁽²⁾	—	7
Income (loss) before taxes	479	659
Income tax benefit (expense)	(77)	(173)
Net Income (loss)	\$ 402	\$ 486

(1) In the three months ended March 31, 2024 and 2023, this item includes the pre-tax gain of \$6 million and \$6 million as a result of the amortization over the 4 years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification.

(2) In the three months ended March 31, 2024 this item did not include any other discrete items. In the three months ended March 31, 2023 this item included a gain of \$13 million in relation to the fair value remeasurement of Augmenta and Bennamann, partially offset by a \$6 million loss on the sale of our Russia Financial Services business.

9. RECEIVABLES

Financing Receivables, net

A summary of financing receivables as of March 31, 2024 and December 31, 2023 is as follows (in millions of dollars):

	March 31, 2024	December 31, 2023
Retail	\$ 13,914	\$ 13,868
Wholesale	10,177	10,334
Other	29	47
Total	\$ 24,120	\$ 24,249

CNH provides and administers retail note and lease financing to end-use customers for the purchase of new and used equipment and components sold through its dealer network, as well as revolving charge account financing. The terms of retail notes and finance leases generally range from two to seven years, and interest rates vary depending on the prevailing market interest rates and certain incentive programs offered on behalf of and sustained by Industrial Activities. Revolving charge accounts are generally accompanied by higher interest rates than the Company's other retail financing products, require minimum monthly payments and do not have pre-determined maturity dates.

Wholesale receivables arise primarily from dealer floorplan financing, and to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have "interest-free" periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer. Financial Services is compensated by Industrial Activities for providing the "interest-free" period based on market interest rates. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until CNH receives payment in full. The "interest-free" periods are determined based on the type of equipment sold and the time of year of the sale. The Company evaluates and assesses dealers on an ongoing basis as to their creditworthiness. CNH may be obligated to repurchase the dealer's equipment upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in the three months ended March 31, 2024 and 2023 relating to the termination of dealer contracts.

Transfers of Financial Assets

As part of its overall funding strategy, CNH periodically transfers certain receivables into special purpose entities ("SPE") as part of its asset backed securitization ("ABS") programs or into factoring transactions.

SPEs utilized in the securitization programs differ from other entities included in the Company's consolidated financial statements because the assets they hold are legally isolated from the Company's assets. For bankruptcy analysis purposes, the Company has sold the receivables to the SPEs in a true sale and the SPEs are separate legal entities. Upon transfer of the receivables to the SPEs, the receivables and certain cash flows derived from them become restricted for use in meeting obligations to the SPEs' creditors. The SPEs have ownership of cash balances that also have restrictions for the benefit of the SPEs' investors. The Company's interests in the SPEs' receivables are subordinate to the interests of third-party investors. None of the receivables that are directly or indirectly sold or transferred in any of these transactions are available to pay the Company's creditors until all obligations of the SPE have been fulfilled or the receivables are removed from the SPE.

Certain securitization trusts are also VIEs and consequently, the VIEs are consolidated since the Company has both the power to direct the activities that most significantly impact the VIEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs.

The Company may retain all or a portion of the subordinated interests in the SPEs. No recourse provisions exist that allow holders of the asset-backed securities issued by the trusts to put those securities back to the Company, although the Company provides customary representations and warranties that could give rise to an obligation to repurchase from the trusts any receivables for which there is a breach of the representations and warranties. Moreover, the Company does not guarantee any securities issued by the trusts. The trusts have a limited life and generally terminate upon final distribution of amounts owed to investors or upon exercise of a cleanup-call option by the Company, in its role as servicer.

Factoring transactions may be either with recourse or without recourse; certain without recourse transfers include deferred payment clauses (i.e., when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or requires a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not qualify for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, CNH continues to recognize the receivable transferred by this means in its consolidated statement of financial position and recognizes a financial liability of the same amount under asset-backed financing.

The secured borrowings related to the transferred receivables are obligations that are payable as the receivables are collected. At March 31, 2024 and December 31, 2023, the carrying amount of such restricted assets included in financing receivables are the following (in millions of dollars):

	March 31, 2024	December 31, 2023
Retail	\$ 7,830	\$ 7,707
Wholesale	6,418	6,381
Total	<u>\$ 14,248</u>	<u>\$ 14,088</u>

Allowance for Credit Losses

Allowance for credit losses for the three months ended March 31, 2024 is as follows (in millions of dollars):

	Retail	Wholesale
Opening Balance	\$ 310	\$ 53
Provision	38	(1)
Charge-offs	(11)	(1)
Recoveries	(1)	—
Foreign currency translation and other	(6)	(1)
Ending Balance	<u>\$ 330</u>	<u>\$ 50</u>

At March 31, 2024, the allowance for credit losses included an increase in retail reserves due to specific reserve needs primarily in South America. The provision for credit losses is included in selling, general and administrative expenses.

Allowance for credit losses for the three months ended March 31, 2023 is as follows (in millions of dollars):

	Retail	Wholesale
Opening Balance	\$ 270	\$ 64
Provision	17	—
Charge-offs	(11)	—
Recoveries	—	—
Foreign currency translation and other	(12)	(1)
Ending Balance	<u>\$ 264</u>	<u>\$ 63</u>

At March 31, 2023, the allowance for credit losses included a decrease in reserves of \$15 million due to the sale of the Russian financial services entities, partially offset by increased specific reserve needs and portfolio growth. The provision for credit losses is included in selling, general, and administrative expenses.

CNH assesses and monitors the credit quality of its financing receivables based on delinquency status. Receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent receivables for which CNH has ceased accruing finance income. These receivables are generally 90 days past due. Accrued interest is charged-off to interest income. Interest income charged-off was not material for the three months ended March 31, 2024.

Interest accrual is resumed if the receivable becomes contractually current and collection becomes probable. Previously suspended income is recognized at that time. As the terms for retail financing receivables are greater than one year, the performing/nonperforming information is presented by year of origination for North America, South America and Asia Pacific.

The aging of financing receivables by vintage as of March 31, 2024 is as follows (in millions of dollars):

	31-60 Days Past Due	61-90 Days Past Due	Total Past Due	Current	Total Performing	Non- Performing	Total	Gross Charge- offs
Retail								
North America								
2024					\$ 1,098	\$ —	\$ 1,098	\$ —
2023					3,389	5	3,394	3
2022					1,918	3	1,921	2
2021					1,184	2	1,186	1
2020					474	2	476	—
Prior to 2020					206	1	207	1
Total	41	2	43	8,226	8,269	13	8,282	7
South America								
2024					500	—	500	—
2023					1,828	16	1,844	—
2022					854	41	895	2
2021					516	17	533	1
2020					266	5	271	1
Prior to 2020					210	3	213	—
Total	56	2	58	4,116	4,174	82	4,256	4
Asia Pacific								
2024					660	—	660	—
2023					378	1	379	—
2022					205	1	206	—
2021					85	1	86	—
2020					18	—	18	—
Prior to 2020					1	—	1	—
Total	5	6	11	1,336	1,347	3	1,350	—
Europe, Middle East, Africa	—	—	—	18	18	8	26	—
Total Retail	\$ 102	\$ 10	\$ 112	\$ 13,696	\$ 13,808	\$ 106	\$ 13,914	\$ 11
Wholesale								
North America	\$ —	\$ —	\$ —	\$ 5,408	\$ 5,408	\$ —	\$ 5,408	\$ —
South America	—	—	—	1,208	1,208	2	1,210	—
Asia Pacific	3	1	4	821	825	—	825	1
Europe, Middle East, Africa	12	—	12	2,722	2,734	—	2,734	—
Total Wholesale	\$ 15	\$ 1	\$ 16	\$ 10,159	\$ 10,175	\$ 2	\$ 10,177	\$ 1

The aging of financing receivables by vintage as of December 31, 2023 is as follows (in millions of dollars):

	31-60 Days Past Due	61-90 Days Past Due	Total Past Due	Current	Total Performing	Non- Performing	Total	Gross Charge- offs
Retail								
North America								
2023					\$ 3,976	\$ 4	\$ 3,980	\$ 1
2022					2,133	4	2,137	10
2021					1,323	3	1,326	4
2020					561	2	563	3
2019					208	1	209	3
Prior to 2019					66	1	67	3
Total	44	3	47	8,220	8,267	15	8,282	24
South America								
2023					1,986	9	1,995	—
2022					955	32	987	—
2021					573	13	586	2
2020					294	4	298	7
2019					123	2	125	1
Prior to 2019					107	1	108	1
Total	22	—	22	4,016	4,038	61	4,099	11
Asia Pacific								
2023					609	—	609	—
2022					453	1	454	1
2021					255	1	256	1
2020					115	1	116	2
2019					31	1	32	2
Prior to 2019					3	—	3	1
Total	5	6	11	1,455	1,466	4	1,470	7
Europe, Middle East, Africa								
Total Retail	\$ 71	\$ 9	\$ 80	\$ 13,697	\$ 13,777	\$ 91	\$ 13,868	\$ 42
Wholesale								
North America	\$ —	\$ —	\$ —	\$ 5,154	\$ 5,154	\$ —	\$ 5,154	\$ —
South America	—	—	—	1,404	1,404	2	1,406	4
Asia Pacific	4	2	6	870	876	—	876	1
Europe, Middle East, Africa	5	—	5	2,893	2,898	—	2,898	—
Total Wholesale	\$ 9	\$ 2	\$ 11	\$ 10,321	\$ 10,332	\$ 2	\$ 10,334	\$ 5

Troubled Debt Restructurings

A restructuring of a receivable constitutes a troubled debt restructuring (“TDR”) when the lender grants a concession it would not otherwise consider to a borrower that is experiencing financial difficulties. As a collateral-based lender, the Company typically will repossess collateral in lieu of restructuring receivables. As such, for retail receivables, concessions are typically provided based on bankruptcy court proceedings. For wholesale receivables, concessions granted may include extended contract maturities, inclusion of interest-only periods, modification of a contractual interest rate to a below market interest rate and waiving of interest and principal.

As of March 31, 2024 and 2023, CNH's TDRs were immaterial.

10. INVENTORIES

Inventories as of March 31, 2024 and December 31, 2023 consist of the following (in millions of dollars):

	March 31, 2024	December 31, 2023
Raw materials	\$ 1,883	\$ 1,891
Work-in-process	588	443
Finished goods	3,718	3,211
Total inventories	<u>\$ 6,189</u>	<u>\$ 5,545</u>

11. LEASES

Lessee

The Company's leases are primarily operating lease contracts for buildings, plant and machinery, vehicles, information technology ("IT") equipment and machinery.

Leases with a term of 12 months or less are not recorded in the balance sheet. For these leases the Company recognized on a straight-line basis over the lease term, lease expense of \$1 million and \$1 million in the three months ended March 31, 2024 and 2023, respectively.

For the three months ended March 31, 2024 and 2023, the Company incurred operating lease expenses of \$26 million and \$19 million, respectively.

At March 31, 2024, the Company has recorded approximately \$314 million of right-of-use assets and \$318 million of related lease liability included in Other assets and Other liabilities, respectively. At March 31, 2024, the weighted average remaining lease term (calculated on the basis of the remaining lease term and the lease liability balance for each lease) and the weighted average discount rate for operating leases were 5.5 years and 4.6%, respectively.

During the three months ended March 31, 2024 and 2023, leased assets obtained in exchange for operating lease obligations were \$38 million and \$11 million, respectively. The operating cash outflow for amounts included in the measurement of operating lease obligations was \$25 million and \$18 million as of March 31, 2024 and 2023, respectively.

Lessor

The Company, primarily through its Financial Services segment, leases equipment to retail customers under operating leases. Our leases typically have terms of 3 to 5 years with options available for the lessee to purchase the equipment at the lease term date. Revenue for non-lease components is accounted for separately.

12. INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES

A summary of investments in unconsolidated subsidiaries and affiliates as of March 31, 2024 and December 31, 2023 is as follows (in millions of dollars):

	March 31, 2024	December 31, 2023
Equity method	\$ 504	\$ 509
Other investments, at carrying value	55	54
Total	<u>\$ 559</u>	<u>\$ 563</u>

13. GOODWILL AND OTHER INTANGIBLES

Changes in the carrying amount of goodwill for the three months ended March 31, 2024 were as follows (in millions of dollars):

	Agriculture	Construction	Financial Services	Total
Balance at January 1, 2024	\$ 3,426	\$ 47	\$ 141	\$ 3,614
Foreign currency translation and other	(9)	(1)	(1)	(11)
Balance at March 31, 2024	<u>\$ 3,417</u>	<u>\$ 46</u>	<u>\$ 140</u>	<u>\$ 3,603</u>

Goodwill and other indefinite-lived intangible assets are tested for impairment annually or more frequently if a triggering event occurred that would indicate it is more likely than not that the fair value of a reporting unit is less than book value. CNH performed its most recent annual impairment review as of December 31, 2023 and concluded that there was no impairment to goodwill for any of the reporting entities.

The acquisition of Hemisphere during the fourth quarter of 2023 led to an increase in goodwill for Agriculture of \$111 million. Goodwill related to the acquisition was calculated as the excess of the consideration transferred over the net assets recognized. During the first quarter of 2024 a measurement period adjustment was recorded which decreased goodwill by \$2 million. The valuation of assets and liabilities assumed was not finalized as of March 31, 2024. Thus, goodwill associated with this acquisition is subject to adjustment during the measurement period.

The acquisitions of Augmenta and Bennamann during the first quarter of 2023 led to an increase in goodwill for Agriculture of \$76 million and \$118 million, respectively. Goodwill related to the acquisitions was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. During the second and third quarters of 2023, measurement period adjustments were recorded reducing goodwill by \$14 million and \$3 million for Augmenta and Bennamann, respectively. The valuation of assets acquired and liabilities assumed was finalized as of March 31, 2024.

As of March 31, 2024 and December 31, 2023, the Company's other intangible assets and related accumulated amortization consisted of the following (in millions of dollars):

	Weighted Avg. Life	March 31, 2024			December 31, 2023		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Other intangible assets subject to amortization:							
Dealer networks	20-25	\$ 245	\$ 224	\$ 21	\$ 246	\$ 223	\$ 23
Patents, concessions, licenses and other	5-25	929	539	390	928	523	405
Capitalized software	2-5	1,120	843	277	1,070	810	260
		2,294	1,606	688	2,244	1,556	688
Other intangible assets not subject to amortization:							
In-process research and development		215	—	215	213	—	213
Software in-progress		89	—	89	119	—	119
Trademarks		273	—	273	272	—	272
Total other intangible assets		\$ 2,871	\$ 1,606	\$ 1,265	\$ 2,848	\$ 1,556	\$ 1,292

During the fourth quarter of 2023, the Company recorded \$51 million in intangible assets based on the preliminary valuation for Hemisphere. During the first quarter of 2024 a measurement period adjustment was recorded which increased intangible assets by \$6 million. The valuation of assets acquired and liabilities assumed has not been finalized as of March 31, 2024. Thus, intangibles associated with the acquisition is subject to adjustment during the measurement period.

During the first quarter of 2023, the Company recorded \$81 million in intangible assets based on the preliminary valuation for the Augmenta and Bennamann acquisitions. Measurement period adjustments were recorded in the second and third quarters increasing intangible assets by \$12 million and \$5 million for Augmenta and Bennamann, respectively. The valuation of assets acquired and liabilities assumed was finalized as of March 31, 2024.

CNH recorded amortization expense of \$45 million and \$38 million for the three months ended March 31, 2024 and 2023, respectively.

14. SUPPLY CHAIN FINANCE PROGRAMS

Under the supply chain finance ("SCF") programs, administered by a third party, our suppliers are given the opportunity to sell receivables from us to participating financial institutions at their sole discretion. Our responsibility is limited to making payment on the terms originally negotiated with our supplier, regardless of whether the supplier sells its receivable to a financial institution. The range of payment terms we negotiate with our suppliers is consistent, irrespective of whether a supplier participates in the program. No guarantees are provided by the Company under the SCF program.

As of March 31, 2024 and December 31, 2023, \$161 million and \$148 million of obligations remain outstanding that we have confirmed as valid to the administrators of the SCF programs. We have no economic interest in a supplier's decision to participate in the SCF program, and we have no direct financial relationship with the financial institutions, as it relates to the SCF program. These balances are included within "Accounts payable" in our consolidated balance sheets and are reflected as cash flow from operating activities in our consolidated statements of cash flows when settled.

15. OTHER LIABILITIES

A summary of "Other liabilities" as of March 31, 2024 and December 31, 2023 is as follows (in millions of dollars):

	March 31, 2024	December 31, 2023
Warranty and campaign programs	\$ 601	\$ 610
Marketing and sales incentive programs	2,336	2,409
Tax payables	473	704
Accrued expenses and deferred income	1,003	946
Accrued employee benefits	415	524
Lease liabilities	318	300
Legal reserves and other provisions	359	342
Contract reserve	23	24
Contract liabilities	55	50
Restructuring reserve	42	43
Other	342	355
Total	<u>\$ 5,967</u>	<u>\$ 6,307</u>

Warranty and Campaign Programs

CNH pays for basic warranty and other service action costs. A summary of recorded activity for the three months ended March 31, 2024 and 2023, for the basic warranty and accruals for campaign programs are as follows (in millions of dollars):

	Three Months Ended March 31,	
	2024	2023
Balance, beginning of period	\$ 610	\$ 544
Current year additions	142	109
Claims paid	(142)	(107)
Currency translation adjustment and other	(9)	5
Balance, end of period	<u>\$ 601</u>	<u>\$ 551</u>

Restructuring Expense

The Company incurred restructuring expenses of \$31 million and \$1 million during the three months ended March 31, 2024 and 2023, respectively, primarily due to employee separation costs.

16. COMMITMENTS AND CONTINGENCIES

As a global company with a diverse business portfolio, CNH in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealer and supplier litigation, intellectual property right disputes, product warranty and defective product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues, competition law and other investigations and environmental claims. The most significant of these matters are described below.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in one or more of these proceedings, claims or investigations could require CNH to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect CNH's financial position and results. When it is probable that such a loss has been incurred and the amount can be reasonably estimated, such amounts are provided for in Company's income statement and the related accrual is recorded in "Other liabilities" on the consolidated balance sheets.

Although the ultimate outcome of legal matters pending against CNH and its subsidiaries cannot be predicted, CNH believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its consolidated financial statements.

Environmental

Pursuant to the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), which imposes strict and, under certain circumstances, joint and several liability for remediation and liability for natural resource damages, and other federal and state laws that impose similar liabilities, CNH has received inquiries for information or notices of its potential liability regarding 66 non-owned U.S. sites at which regulated materials allegedly generated by CNH were released or disposed (“Waste Sites”). Of the Waste Sites, 16 are on the National Priority List (“NPL”) promulgated pursuant to CERCLA. For 60 of the Waste Sites, the monetary amount or extent of the Company’s liability has either been resolved, it has not been named as a potentially responsible party (“PRP”), or its liability is likely *de minimis*.

Because estimates of remediation costs are subject to revision as more information becomes available about the extent and cost of remediation and settlement agreements can be reopened under certain circumstances, the Company’s potential liability for remediation costs associated with the 66 Waste Sites could change. Moreover, because liability under CERCLA and similar laws can be joint and several, CNH could be required to pay amounts in excess of its *pro rata* share of remediation costs. However, when appropriate, the financial strength of other PRPs has been considered in the determination of the Company’s potential liability. CNH believes that the costs associated with the Waste Sites will not have a material effect on the Company’s business, financial position, or results of operations.

The Company is conducting environmental investigatory or remedial activities at certain properties that are currently or were formerly owned and/or operated or that are being decommissioned. The Company believes that the outcome of these activities will not have a material adverse effect on its business, financial position, or results of operations.

The actual costs for environmental matters could differ materially from those costs currently anticipated due to the nature of historical handling and disposal of hazardous substances typical of manufacturing and related operations, the discovery of currently unknown conditions and as a result of more aggressive enforcement by regulatory authorities and changes in existing laws and regulations. As in the past, CNH plans to continue funding its costs of environmental compliance from operating cash flows.

Investigation, analysis and remediation of environmental sites is a time-consuming activity. The Company expects such costs to be incurred and claims to be resolved over an extended period of time that could exceed 30 years for some sites. As of March 31, 2024 and December 31, 2023, environmental reserves of approximately \$19 million and \$20 million, respectively, were established to address these specific estimated potential liabilities. Such reserves are undiscounted and do not include anticipated recoveries, if any, from insurance companies. After considering these reserves, management is of the opinion that the outcome of these matters will not have a material adverse effect on the Company’s financial position or results of operations.

Other Litigation and Investigations

Iveco Follow-on Damages Claims: in 2011 Iveco S.p.A. (“Iveco”), which, following the Demerger, is now part of Iveco Group N.V., and its competitors in the European Union were subject to an investigation by the European Commission (the “Commission”) into certain business practices in the European Union (in the period 1997-2011) in relation to Medium and Heavy trucks. On July 19, 2016, the Commission announced a settlement with Iveco (the “Decision”). Following the Decision, the Company, Iveco and Iveco Magirus AG (“IMAG”) have been named as defendants in proceedings across Europe. The consummation of the Demerger will not allow CNH to be excluded from current and future follow-on proceedings originating from the Decision because under EU competition law a company cannot use corporate reorganizations to avoid liability for private damage claims. In the event one or more of these judicial proceedings would result in a decision against CNH ordering it to compensate such claimants as a result of the conduct that was the subject matter of the Decision, and Iveco and IMAG do not comply with such decisions, as a result of various intercompany arrangements, then CNH will ultimately have recourse against Iveco and IMAG for the reimbursement of the damages effectively paid to such claimants. The extent and outcome of these claims cannot be predicted at this time. The Company believes that the risk of either Iveco or IMAG or Iveco Group defaulting on potential payment obligations arising from such follow-up on damage claims is remote.

FPT Emissions Investigation: on July 22, 2020, a number of the Company’s (pre-Demerger) offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany and Turin, Italy in relation to alleged noncompliance of two engine models produced by FPT Industrial S.p.A., which is a wholly-controlled subsidiary Iveco Group N.V. The Italian criminal investigation has been dismissed in 2023. As a result of FPT Industrial’s full cooperation and ongoing discussions with the investigative authorities, all German criminal investigation have also been concluded in December 2023. In certain instances CNH and other third parties have also

received various requests for compensation by German and Austrian customers on various contractual and tort grounds, including requests for damages resulting from the termination of the purchase contracts, or in the form of requests for an alleged lower residual value of their vehicles as a consequence of the alleged non-compliance with other approval regulations regarding emissions. In certain instances, other customers have brought judicial claims on the same legal and factual bases. While the Company had no role in the design and sale of such engine models and vehicles, the Company cannot predict at this time the extent and outcome of these requests and directly or indirectly related legal proceedings, including customer claims or potential class actions alleging emissions non-compliance. The Company believes that the risk of either FPT Industrial or Iveco Group N.V. defaulting on potential payment obligations arising from such proceedings is remote.

Guarantees

CNH provided guarantees on the debt or commitments of third parties and performance guarantees on non-consolidated affiliates as of March 31, 2024 and December 31, 2023 totaling of \$35 million and \$37 million, respectively.

17. FINANCIAL INSTRUMENTS

CNH may elect to measure financial instruments and certain other items at fair value. This fair value option would be applied on an instrument-by-instrument basis with changes in fair value reported in earnings. The election can be made at the acquisition of an eligible financial asset, financial liability or firm commitment or, when certain specified reconsideration events occur. The fair value election may not be revoked once made. CNH has not elected the fair value measurement option for eligible items.

Fair Value Hierarchy

The hierarchy of valuation techniques for financial instruments is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices for *identical* instruments in active markets.

Level 2 - Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

This hierarchy requires the use of observable market data when available.

Determination of Fair Value

When available, the Company uses quoted market prices to determine fair value and classifies such items in Level 1. In some cases where a market price is not available, the Company will use observable market-based inputs to calculate fair value, in which case the items are classified in Level 2.

If quoted or observable market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters such as interest rates, currency rates, or yield curves. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, and the key inputs to those models as well as any significant assumptions.

Derivatives

CNH utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. CNH designates derivatives that are effective at reducing the risk associated with the exposure being hedged as accounting hedges at the inception of the contract and does not hold or enter into derivative or other financial instruments for speculative purposes. The credit and market risk related to derivatives is reduced through diversification among various counterparties, utilizing mandatory termination clauses and/or collateral support agreements. Derivative instruments are generally classified as Level 2 in the fair value hierarchy. The cash flows underlying all derivative contracts were recorded in operating activities in the consolidated statements of cash flows.

Foreign Exchange Derivatives

CNH has entered into foreign exchange forward contracts and swaps in order to manage and preserve the economic value of cash flows in a currency different from the functional currency of the relevant legal entity. CNH conducts its business on a global basis in a wide variety of foreign currencies and hedges foreign currency exposures arising from various receivables, liabilities, and expected inventory purchases and sales. Derivative instruments utilized to hedge the foreign currency risk associated with anticipated inventory purchases and sales in foreign currencies are designated as cash flow hedges. Gains and losses on these instruments are deferred in accumulated other comprehensive income/(loss) and recognized in earnings when the related transaction occurs. If a derivative instrument is terminated because the hedge relationship is no longer effective or because the hedged item is a forecasted transaction that is no longer determined to be probable, the cumulative amount recorded in accumulated other comprehensive income (loss) is recognized immediately in earnings. Such amounts were insignificant in all periods presented.

CNH also uses forwards and swaps to hedge certain assets and liabilities denominated in foreign currencies. Such derivatives are considered economic hedges and not designated as hedging instruments. The changes in the fair values of these instruments are recognized directly in income in "Other, net" and are expected to offset the foreign exchange gains or losses on the exposures being managed.

All of CNH's foreign exchange derivatives are considered Level 2 as the fair value is calculated using market data input and can be compared to actively traded derivatives. The total notional amount of CNH's foreign exchange derivatives was \$5.4 billion and \$6.1 billion at March 31, 2024 and December 31, 2023, respectively.

Interest Rate Derivatives

CNH has entered into interest rate derivatives (swaps and caps) in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives that have been designated as cash flow hedges are being used by the Company to mitigate the risk of rising interest rates related to existing debt and anticipated issuance of fixed-rate debt in future periods. Gains and losses on these instruments are deferred in accumulated other comprehensive income (loss) and recognized in interest expense over the period in which CNH recognizes interest expense on the related debt.

Interest rate derivatives that have been designated as fair value hedge relationships have been used by CNH to mitigate the volatility in the fair value of existing fixed rate bonds and medium-term notes due to changes in floating interest rate benchmarks. Gains and losses on these instruments are recorded in "Interest expense" in the period in which they occur and an offsetting gain or loss is also reflected in "Interest expense" based on changes in the fair value of the debt instrument being hedged due to changes in floating interest rate benchmarks.

CNH also enters into offsetting interest rate derivatives with substantially similar terms that are not designated as hedging instruments to mitigate interest rate risk related to CNH's committed asset-backed facilities. Unrealized and realized gains and losses resulting from fair value changes in these instruments are recognized directly in income. Net gains and losses on these instruments were insignificant for the three months ended March 31, 2024 and 2023.

All of CNH's interest rate derivatives outstanding as of March 31, 2024 and December 31, 2023 are considered Level 2. The fair market value of these derivatives is calculated using market data input and can be compared to actively traded derivatives. The total notional amount of CNH's interest rate derivatives was approximately \$8.7 billion and \$9.0 billion at March 31, 2024 and December 31, 2023, respectively.

As a result of the reform and replacement of specific benchmark interest rates, the Company elected to make the replacement using the optional expedient under ASC 848, which allows the change in critical terms without de-designation and the Company also elected the optional expedient to apply a spread adjustment to hedged items cash flows that resulted in no change to the cumulative basis adjustment reflected in earnings.

Financial Statement Impact of Derivatives

The following table summarizes the gross impact of changes in the fair value of derivatives designated as cash flow hedges recognized in accumulated other comprehensive income (loss) and net income (loss) during the three months ended March 31, 2024 and 2023 (in millions of dollars):

For the Three Months Ended March 31,	Gain (Loss) Recognized in Accumulated Other Comprehensive Income	Recognized in Net Income	
		Classification of Gain (Loss)	Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
2024			
Foreign exchange contracts	\$ (4)		
		Net sales	(1)
		Cost of goods sold	(4)
		Other, net	6
Interest rate contracts	10	Interest expense	(5)
Total	\$ 6		\$ (4)
2023			
Foreign exchange contracts	\$ 15		
		Net sales	(1)
		Cost of goods sold	(27)
		Other, net	7
Interest rate contracts	(22)	Interest expense	5
Total	\$ (7)		\$ (16)

The following table summarizes the activity in accumulated other comprehensive income related to the derivatives held by the Company during the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated derivative net losses as of December 31, 2023	\$ (19)	\$ 9	\$ (10)
Net changes in fair value of derivatives	6	(2)	4
Net losses reclassified from accumulated other comprehensive income into income	4	(1)	3
Accumulated derivative net losses as of March 31, 2024	\$ (9)	\$ 6	\$ (3)
	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated derivative net losses as of December 31, 2022	\$ 71	\$ (27)	\$ 44
Net changes in fair value of derivatives	(7)	4	(3)
Net losses reclassified from accumulated other comprehensive income into income	16	(2)	14
Accumulated derivative net losses as of March 31, 2023	\$ 80	\$ (25)	\$ 55

The following tables summarize the impact related to changes in the fair value of fair value hedges and derivatives not designated as hedges during the three months ended March 31, 2024 and 2023 (in millions of dollars):

	Classification of Gain (Loss)	For the Three Months Ended March 31,	
		2024	2023
Fair Value Hedges			
Interest rate derivatives	Interest expense	\$ (4)	\$ 16
Not Designated as Hedges			
Foreign exchange contracts	Other, Net	\$ (10)	\$ (24)

The fair values of CNH's derivatives as of March 31, 2024 and December 31, 2023 in the consolidated balance sheets are recorded as follows (in millions of dollars):

	March 31, 2024		December 31, 2023	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments				
Interest rate contracts	Derivative assets	\$ 39	Derivative assets	\$ 60
Foreign currency contracts	Derivative assets	19	Derivative assets	31
Total derivative assets		\$ 58		\$ 91
Interest rate contracts	Derivative liabilities	\$ 106	Derivative liabilities	\$ 117
Foreign currency contracts	Derivative liabilities	31	Derivative liabilities	49
Total derivative liabilities		\$ 137		\$ 166
Derivatives not designated as hedging instruments				
Interest rate contracts	Derivative assets	\$ 33	Derivative assets	\$ 31
Foreign currency contracts	Derivative assets	12	Derivative assets	14
Total derivative assets		\$ 45		\$ 45
Interest rate contracts	Derivative liabilities	\$ 33	Derivative liabilities	\$ 30
Foreign currency contracts	Derivative liabilities	5	Derivative liabilities	20
Total derivative liabilities		\$ 38		\$ 50

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2024 and December 31, 2023 (in millions of dollars):

	Level 1		Level 2		Total	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Assets						
Foreign exchange derivatives	\$ —	\$ —	\$ 31	\$ 46	\$ 31	\$ 46
Interest rate derivatives	—	—	72	90	72	90
Total Assets	\$ —	\$ —	\$ 103	\$ 136	\$ 103	\$ 136
Liabilities						
Foreign exchange derivatives	\$ —	\$ —	\$ 36	\$ 69	\$ 36	\$ 69
Interest rate derivatives	—	—	139	147	139	147
Total Liabilities	\$ —	\$ —	\$ 175	\$ 216	\$ 175	\$ 216

Fair Value of Other Financial Instruments

The carrying value of cash and cash equivalents, restricted cash, trade accounts receivable and accounts payable included in the consolidated balance sheets approximates its fair value.

Financial Instruments Not Carried at Fair Value

The estimated fair market values of financial instruments not carried at fair value in the consolidated balance sheets as of March 31, 2024, and December 31, 2023, were as follows (in millions of dollars):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financing receivables	\$ 24,120	\$ 24,061	\$ 24,249	\$ 24,129
Debt	\$ 27,780	\$ 28,118	\$ 27,326	\$ 27,624

Financing Receivables

The fair value of financing receivables is based on the discounted values of their related cash flows at current market interest rates and they are classified as a Level 3 fair value measurement.

Debt

All debt is classified as a Level 2 fair value measurement with the exception of bonds issued by CNH Industrial Finance Europe S.A. and bonds issued by CNH Industrial N.V. that are classified as a Level 1 fair value measurement.

18. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The Company's share of other comprehensive income (loss) includes net income plus other comprehensive income, which includes changes in fair value of certain derivatives designated as cash flow hedges, certain changes in pension and other retirement benefit plans, foreign currency translations gains and losses, changes in the fair value of available-for-sale securities, the Company's share of other comprehensive income (loss) of entities accounted for using the equity method, and reclassifications for amounts included in net income (loss) less net income (loss) and other comprehensive income (loss) attributable to the non-controlling interest. For more information on derivative instruments, see "Note 17: Financial Instruments". For more information on pensions and retirement benefit obligations, see "Note 6: Employee Benefit Plans and Postretirement Benefits". The Company's other comprehensive income (loss) amounts are aggregated within accumulated other comprehensive income (loss). The tax effect for each component of other comprehensive income (loss) for the three months ended March 31, 2024 and 2023 consisted of the following (in millions of dollars):

	Three Months Ended March 31, 2024		
	Gross Amount	Income Taxes	Net Amount
Unrealized gain (loss) on cash flow hedges	\$ 10	\$ (3)	\$ 7
Changes in retirement plans' funded status	(1)	1	—
Foreign currency translation	(50)	—	(50)
Share of other comprehensive income (loss) of entities using the equity method	(6)	—	(6)
Other comprehensive income (loss)	<u>\$ (47)</u>	<u>\$ (2)</u>	<u>\$ (49)</u>

	Three Months Ended March 31, 2023		
	Gross Amount	Income Taxes	Net Amount
Unrealized gain (loss) on cash flow hedges	\$ 9	\$ 1	\$ 10
Changes in retirement plans' funded status	(6)	1	(5)
Foreign currency translation	(33)	—	(33)
Share of other comprehensive income (loss) of entities using the equity method	(9)	—	(9)
Other comprehensive income (loss)	<u>\$ (39)</u>	<u>\$ 2</u>	<u>\$ (37)</u>

The changes, net of tax, in each component of accumulated other comprehensive income (loss) in the three months ended March 31, 2024 and 2023 consisted of the following (in millions of dollars):

	Unrealized Gain (Loss) on Cash Flow Hedges	Change in Retirement Plans' Funded Status	Foreign Currency Translation	Share of Other Comprehensive Income (Loss) of Entities Using the Equity Method	Total
Balance January 1, 2024	\$ (10)	\$ (351)	\$ (1,763)	\$ (250)	\$ (2,374)
Other comprehensive income (loss), before reclassifications	4	—	(50)	(6)	(52)
Amounts reclassified from other comprehensive income	3	—	—	—	3
Other comprehensive income (loss)*	7	—	(50)	(6)	(49)
Balance March 31, 2024	<u>\$ (3)</u>	<u>\$ (351)</u>	<u>\$ (1,813)</u>	<u>\$ (256)</u>	<u>\$ (2,423)</u>
Balance January 1, 2023	\$ 46	\$ (285)	\$ (1,800)	\$ (239)	\$ (2,278)
Other comprehensive income (loss), before reclassifications	(4)	(1)	(34)	(9)	(48)
Amounts reclassified from other comprehensive income	14	(4)	—	—	10
Other comprehensive income (loss)*	10	(5)	(34)	(9)	(38)
Balance March 31, 2023	<u>\$ 56</u>	<u>\$ (290)</u>	<u>\$ (1,834)</u>	<u>\$ (248)</u>	<u>\$ (2,316)</u>

(*) Excluded from the table above is other comprehensive income (loss) allocated to non-controlling interests of \$— million and \$1 million for the three months ended March 31, 2024 and 2023, respectively.

Significant amounts reclassified out of each component of accumulated other comprehensive income (loss) in the three months ended March 31, 2024 and 2023 consisted of the following (in millions of dollars):

	Amounts Reclassified from Other Comprehensive Income (Loss)		Consolidated Statement of Operations Line
	Three Months Ended March 31,		
	2024	2023	
Cash flow hedges	\$ 1	\$ 1	Net sales
	4	27	Cost of goods sold
	(6)	(7)	Other, net
	5	(5)	Interest expense
	(1)	(2)	Income taxes
	3	14	
Change in retirement plans' funded status:			
Amortization of actuarial losses	5	4	*
Amortization of prior service cost	(6)	(9)	*
	1	1	Income taxes
	—	(4)	
Total reclassifications, net of tax	<u>\$ 3</u>	<u>\$ 10</u>	

(*) These amounts are included in net periodic pension and other postretirement benefit cost. See "Note 6: Employee Benefit Plans and Postretirement Benefits" for additional information.

19. RELATED PARTY INFORMATION

As of March 31, 2024, CNH's related parties were primarily EXOR N.V. and the companies that EXOR N.V. controlled or had a significant influence over, including Stellantis N.V., Ferrari N.V. and Iveco Group N.V., which effective January 1, 2022 separated from CNH Industrial N.V. by way of a demerger under Dutch law and became a public listed company independent from CNH.

As of March 31, 2024, EXOR N.V. held 45.1% of CNH's voting power and had the ability to significantly influence the decisions submitted to a vote of CNH's shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets and issuances of equity and the incurrence of indebtedness. The percentage above has been calculated as the ratio of (i) the aggregate number of common shares and special voting shares owned by EXOR N.V. to (ii) the aggregate number of outstanding common shares and special voting shares of CNH as of March 31, 2024. In addition, CNH engages in transactions with its unconsolidated subsidiaries and affiliates over which CNH has a significant influence or joint control.

The Company's Audit Committee reviews and approves all significant related party transactions.

Transactions with EXOR N.V. and its Subsidiaries and Affiliates

EXOR N.V. is an investment holding company. As of March 31, 2024 and December 31, 2023, among other things, EXOR N.V. managed a portfolio that includes investments in Stellantis, Iveco Group and Ferrari. CNH did not enter into any significant transactions with EXOR N.V. during the three months ended March 31, 2024 and 2023.

Transactions with Iveco Group post-Demerger

CNH and Iveco Group post-Demerger entered into transactions consisting of the sale of engines from Iveco Group to CNH. Additionally, concurrent with the Demerger, the Companies entered into services contracts in relation to general administrative and specific technical matters, provided by either CNH to Iveco Group and vice versa as follows:

Master Service Agreements: CNH and Iveco Group entered into a two-year Master Services Agreement ("MSA") starting in 2022, with a two-year extension, whereby each Party (and its subsidiaries) may provide services to the other (and its subsidiaries). Services provided under the MSA relate mainly to lease of premises and depots and IT services.

Engine Supply Agreement: in relation to the design and supply of off-road engines from Iveco Group to CNH post-Demerger, Iveco Group and CNH entered into a ten-year Engine Supply Agreement ("ESA"), whereby Iveco Group will sell to CNH post-Demerger diesel, CNG and LNG engines and provide post-sale services.

Financial Service Agreement: in relation to certain financial services activities carried out by either CNH to Iveco Group or vice versa, in connection with the execution of the Demerger Deed, CNH and Iveco Group entered into a three-year Master Services Agreement ("FS MSA") starting in 2022, with a three-year extension, whereby each Party (and its subsidiaries) may provide services and/or financial services activities to the other (and its subsidiaries). Services provided under the FS MSA relate mainly to wholesale and retail financing activities to suppliers, distribution network and customers.

The transactions with Iveco Group post-Demerger are reflected in the consolidated financial statements as follows (in millions of dollars):

	Three Months Ended March 31,	
	2024	2023
Net sales	\$ 38	\$ 20
Purchases	\$ 211	\$ 255
	March 31, 2024	December 31, 2023
Trade receivables	\$ 15	\$ 25
Financial receivables from Iveco Group N.V.	\$ 230	\$ 380
Trade payables	\$ 173	\$ 335
Financial payables to Iveco Group N.V.	\$ 70	\$ 146

Transactions with Unconsolidated Subsidiaries and Affiliates

CNH sells agricultural and construction equipment and provides technical services to unconsolidated subsidiaries and affiliates such as CNH de Mexico SA de CV, Turk Traktor ve Ziraat Makineleri A.S. and New Holland HFT Japan Inc.. CNH also purchases equipment from unconsolidated subsidiaries and affiliates, such as Turk Traktor ve Ziraat Makineleri A.S.

The following table sets forth the related party transactions entered into for the time period presented:

	Three Months Ended March 31,	
	2024	2023
Net sales	\$ 158	\$ 133
Purchases	\$ 142	\$ 150

	March 31, 2024	December 31, 2023
Trade receivables	\$ 6	\$ 2
Trade payables	\$ 111	\$ 54

At March 31, 2024 and December 31, 2023, CNH had provided guarantees totaling \$35 million and \$37 million, respectively, on certain commitments of its affiliate CNH Industrial Capital Europe S.a.S.

20. SUBSEQUENT EVENTS

On April 19, 2024, the Company terminated its five-year multicurrency revolving credit agreement dated March 18, 2021 and entered into a new multicurrency revolving credit agreement with Citibank Europe Plc, as facility agent, and other lenders named therein (the "Credit Agreement"). The Credit Agreement which provides for an unsecured, committed revolving credit facility in an aggregate principal amount equal to €3.25 billion. The Company may elect to increase the total commitments under the Credit Facility up to an additional €500 million. The proceeds of the loans under the Credit Agreement may be used for general corporate and working capital purposes, including without limitation the refinancing of existing indebtedness of the CNH group. The Credit Agreement will mature, and all outstanding loans will become due and payable, on April 19, 2029, or such later date as may be extended pursuant to the two extension options of 1-year each which are available to the Company on the terms set forth in the Credit Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

CNH Industrial N.V. ("CNH" or the "Company") is incorporated in, and under the laws of the Netherlands. CNH has its corporate seat in Amsterdam, the Netherlands, and its principal office in Basildon, England, United Kingdom. Unless otherwise indicated or the context otherwise requires, the terms "CNH" and the "Company" refer to CNH and its consolidated subsidiaries.

The Company has three reportable segments reflecting the three businesses directly managed by CNH Industrial N.V., consisting of: (i) Agriculture, which designs, produces and sells agricultural equipment (ii) Construction, which designs, produces and sells construction equipment, and (iii) Financial Services, which provides financial services to customers acquiring our products. The Company's worldwide Agriculture and Construction operations, as well as corporate functions, are collectively referred to as "Industrial Activities."

The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and the notes to our unaudited consolidated financial statements in this report, as well as our annual report on Form 10-K for the year ended December 31, 2023 ("2023 Annual Report") filed with the U.S. Securities and Exchange Commission ("SEC"). Results for the interim periods presented are not necessarily indicative of the results to be expected for the full fiscal year due to seasonal and other factors.

Certain financial information in this report has been presented by geographic region. Our geographic regions are: (1) North America; (2) Europe, Middle East and Africa ("EMEA"); (3) South America and (4) Asia Pacific. The geographic designations have the following meanings:

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

Non-GAAP Financial Measures

CNH monitors its operations through the use of 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 to 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.

Our primary non-GAAP financial measures are defined as follows:

Adjusted EBIT of Industrial Activities

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. Such non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of ongoing operational activities.

Net Cash (Debt) and Net Cash (Debt) of Industrial Activities

Net Cash (Debt) is defined as total debt less: intersegment notes receivable, cash and cash equivalents, restricted cash, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and derivative hedging debt. CNH provides the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable measure included in the consolidated balance sheets. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.

Revenues on a Constant Currency Basis

We discuss the fluctuations in revenues on a constant currency basis by applying the prior-year average exchange rates to current year's revenue expressed in local currency in order to eliminate the impact of foreign exchange ("FX") rate fluctuations.

A. OPERATING RESULTS

The operations and key financial measures and financial analysis differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, management believes that certain supplemental disclosures are important in understanding our consolidated operations and financial results. For further information, see "Supplemental Information" within this section, where we present supplemental consolidating data split by Industrial Activities and Financial Services. Transactions between Industrial Activities and Financial Services have been eliminated to arrive at the consolidated data.

Global Business Conditions

In combination with the downturn in our industry cycle, lower commodity prices, changes in government policies, higher interest rates and repercussions from geopolitical events, the global economy continues to experience events affecting our suppliers, customers and business operations. These events have contributed to an inflationary environment which has affected, and may continue to affect, the price and availability of certain products and services necessary for the Company's operations, how we plan production for the end-customer demand, and how we invest in future innovations.

For a discussion of the Company's risks and uncertainties, see Part 1, Item 1A: Risk Factors in the Company's Form 10-K for the year ended December 31, 2023 and Part II, Item 1A: Risk Factors within this Form 10-Q.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Consolidated Results of Operations

(in millions of dollars)	Three Months Ended March 31,	
	2024	2023
Revenues		
Net sales	\$ 4,131	\$ 4,776
Finance, interest and other income	687	566
Total Revenues	4,818	5,342
Costs and Expenses		
Cost of goods sold	3,195	3,611
Selling, general and administrative expenses	411	438
Research and development expenses	228	231
Restructuring expenses	31	1
Interest expense	394	272
Other, net	157	163
Total Costs and Expenses	4,416	4,716
Income of Consolidated Group before Income Taxes	402	626
Income tax expense	(77)	(173)
Equity in income of unconsolidated subsidiaries and affiliates	77	33
Net income (loss)	402	486
Net income (loss) attributable to noncontrolling interests	1	4
Net income (loss) attributable to CNH Industrial N.V.	\$ 401	\$ 482

Revenues

We recorded revenues of \$4,818 million for the three months ended March 31, 2024, a decline of 9.8% (down 10.4% on a constant currency basis) compared to the three months ended March 31, 2023. Net sales were \$4,131 million in the three months ended March 31, 2024, a decrease of 13.5% (down 14.0% on a constant currency basis) compared to the three months ended March 31, 2023. This decline is mainly due to lower industry demand. Price realization continued to be favorable for Agriculture and essentially flat for Construction.

Cost of Goods Sold

Cost of goods sold was \$3,195 million for the three months ended March 31, 2024 compared with \$3,611 million for the three months ended March 31, 2023. As a percentage of net sales of Industrial Activities, cost of goods sold was 77.3% in the three months ended March 31, 2024 (75.6% for the three months ended March 31, 2023), which was impacted by lower production volumes, partially offset by favorable price realization and production cost efficiencies.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$411 million for the three months ended March 31, 2024 (8.5% of total revenues), down \$27 million compared to the three months ended March 31, 2023 (8.2% of total revenues). Total expenses were lower primarily due to a decrease in labor costs, driven by the Company's restructuring program, partially offset by higher credit risk provisions in the Financial Services segment.

Research and Development Expenses

Research and development expenses were \$228 million and \$231 million for the three months ended March 31, 2024 and 2023, respectively.

Restructuring Expenses

Restructuring expenses were \$31 million and \$1 million for the three months ended March 31, 2024 and 2023, respectively. The Company's restructuring program announced in November 2023 targets both labor and non-labor SG&A expenses. The Company has incurred a total of \$78 million from launch to March 31, 2024 under this program and expects to incur aggregated restructuring charges of up to \$200 million in 2023 and 2024.

Interest Expense

Interest expense was \$394 million for the three months ended March 31, 2024 compared to \$272 million for the three months ended March 31, 2023. The increase in interest expense is primarily due to both higher rates and outstanding debt in our Financial Services segment. The interest expense attributable to Industrial Activities for the three months ended March 31, 2024, net of interest income and eliminations, was \$32 million, compared to \$4 million in the three months ended March 31, 2023.

Other, net

Other, net expenses were \$157 million for the three months ended March 31, 2024 and included a pre-tax gain of \$6 million (\$5 million after-tax) as a result of the amortization over four years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification.

Other, net expenses were \$163 million for the three months ended March 31, 2023 and included a pre-tax gain of \$6 million (\$5 million after-tax) as a result of the amortization over four years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification and a gain of \$13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann; partially offset by a loss on the sale of our Russia Financial Services business of \$6 million and foreign exchange losses of \$6 million.

Income Taxes

(in millions of dollars, except percentages)

	Three Months Ended March 31,	
	2024	2023
Income of Consolidated Group before Income Taxes	\$ 402	\$ 626
Income tax (expense) benefit	\$ (77)	\$ (173)
Effective tax rate	19.2 %	27.6 %

Income tax expense for the three months ended March 31, 2024 was \$77 million compared to \$173 million for the three months ended March 31, 2023. The effective tax rate for the three months ended March 31, 2024 and 2023 was 19.2% and 27.6%, respectively. The effective tax rate for the three months ended March 31, 2024 was lower than the effective tax rate for the three months ended March 31, 2023 due to discrete items that reduced the rate in 2024 compared to discrete items that increased the rate in 2023.

Equity in Income of Unconsolidated Subsidiaries and Affiliates

Equity in income of unconsolidated subsidiaries and affiliates was \$77 million and \$33 million for the three months ended March 31, 2024 and 2023, respectively.

Net Income

Net income was \$402 million for the three months ended March 31, 2024, compared to net income of \$486 million for the three months ended March 31, 2023. Net income for the three months ended March 31, 2024 included restructuring expense of \$31 million, and \$6 million (\$5 million after-tax) as a result of the amortization over 4 years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification.

Net income was \$486 million for the three months ended March 31, 2023 and included pre-tax gain of \$6 million (\$5 million after-tax) as a result of the amortization over four years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification and a gain of \$13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann, partially offset by a loss on the sale of our Russia Financial Services business of \$6 million and restructuring expenses of \$1 million.

Industrial Activities and Business Segments

The following tables show revenues and Adjusted EBIT by segment. We have also included a discussion of our results by Industrial Activities and each of our business segments:

(in millions of dollars, except percentages)	Three Months Ended March 31,			
	2024	2023	% Change	% Change Excl. FX
Revenues:				
Agriculture	\$ 3,373	\$ 3,927	(14.1)%	(14.6)%
Construction	758	849	(10.7)%	(11.3)%
Eliminations and other	—	—		
Total Net sales of Industrial Activities	4,131	4,776	(13.5)%	(14.0)%
Financial Services	685	549	24.8 %	23.4 %
Eliminations and other	2	17		
Total Revenues	\$ 4,818	\$ 5,342	(9.8)%	(10.4)%

(in millions of dollars, except percentages)	Three Months Ended March 31,				
	2024	2023	\$ Change	2024 Adj EBIT Margin	2023 Adj EBIT Margin
Adjusted EBIT by segment:					
Agriculture	\$ 421	\$ 570	\$ (149)	12.5 %	14.5 %
Construction	51	44	7	6.7 %	5.2 %
Unallocated items, eliminations and other	(67)	(59)	(8)		
Total Adjusted EBIT of Industrial Activities	\$ 405	\$ 555	\$ (150)	9.8 %	11.6 %

Net sales of Industrial Activities were \$4,131 million during the three months ended March 31, 2024, a decrease of 13.5% compared to the three months ended March 31, 2023 (down 14.0% on a constant currency basis). This decline is mainly due to lower volume across regions, driven by lower industry demand. Price realization continued to be favorable for Agriculture and essentially flat for Construction.

Adjusted EBIT of Industrial Activities was \$405 million during the three months ended March 31, 2024, compared to an adjusted EBIT of \$555 million during the three months ended March 31, 2023. The decline was primarily due to lower volume in the Agricultural segment on lower industry demand, partially offset by improved product costs and a continued reduction in SG&A expenses.

Segment Performance

Agriculture

Net Sales

The following table shows Agriculture net sales by geographic region for the three months ended March 31, 2024 compared to the three months ended March 31, 2023:

Agriculture Sales—by geographic region

(in millions of dollars, except percentages)	Three Months Ended March 31,		
	2024	2023	% Change
North America	\$ 1,442	\$ 1,488	(3.1)%
Europe, Middle East and Africa	1,118	1,347	(17.0)%
South America	482	730	(34.0)%
Asia Pacific	331	362	(8.6)%
Total	\$ 3,373	\$ 3,927	(14.1)%

Agriculture's net sales totaled \$3,373 million in the three months ended March 31, 2024, a decline of 14.1% compared to the three months ended March 31, 2023 (down 14.6% on a constant currency basis) primarily due to lower industry volume across all regions and dealer inventory management, partially offset by favorable price realization.

In North America, industry volume was down 15% year-over-year in the first quarter for tractors under 140 HP and was down 2% for tractors over 140 HP; combines were down 17%. In Europe, Middle East and Africa (EMEA), tractor and combine demand was down 15% and down 24%, respectively. South America tractor demand was down 18% and combine demand was down 40% continuing the negative trend of the second half of 2023. Asia Pacific tractor demand was down 12% while combine demand was up 16% in the region as a whole, but down 22% in Australia and New Zealand.

Adjusted EBIT

Adjusted EBIT was \$421 million in the three months ended March 31, 2024, compared to \$570 million in the three months ended March 31, 2023. The decrease was driven by lower volumes, partially offset by improved purchasing and manufacturing costs, and a continued reduction in SG&A expenses. R&D investments accounted for 6.0% of sales (5.3% in Q1 2023). Income from unconsolidated subsidiaries increased \$42 million year-over-year. Adjusted EBIT margin was 12.5%.

Construction

Net Sales

The following table shows Construction net sales by geographic region for the three months ended March 31, 2024 compared to the three months ended March 31, 2023:

Construction Sales—by geographic region

(in millions of dollars, except percentages)	Three Months Ended March 31,		
	2024	2023	% Change
North America	\$ 439	\$ 463	(5.2)%
Europe, Middle East and Africa	154	213	(27.7)%
South America	105	109	(3.7)%
Asia Pacific	60	64	(6.3)%
Total	\$ 758	\$ 849	(10.7)%

Construction's net sales totaled \$758 million in the three months ended March 31, 2024, a decline of 10.7% compared to the three months ended March 31, 2023 (down 11.3% on a constant currency basis), due to lower volume across all regions driven mainly by lower market demand.

Global industry volume for construction equipment decreased 1% year-over-year in the first quarter for Heavy construction equipment; Light construction equipment was down 8%. Aggregated demand decreased 14% in EMEA, decreased 6% in North America, decreased 10% in South America and increased 3% in Asia Pacific.

Adjusted EBIT

Adjusted EBIT was \$51 million in the three months ended March 31, 2024, compared to \$44 million in the three months ended March 31, 2023 as a result of improved product costs and lower SG&A expenses, partially offset by the lower volumes. Adjusted EBIT margin was 6.7%.

Financial Services Performance

Finance, Interest and Other Income

Revenues of Financial Services were \$685 million in the three months ended March 31, 2024, up 24.8% compared to the three months ended March 31, 2023 (up 23.4% on a constant currency basis), due to favorable volumes and yields across all regions, partially offset by lower used equipment sales due to decreased operating lease maturities.

Net Income

Net income of Financial Services was \$118 million in the three months ended March 31, 2024, an increase of \$40 million compared to the three months ended March 31, 2023, primarily due to favorable volumes in all regions, margin improvement in South America, and a favorable effective tax rate due to discrete items in the quarter; partially offset by increased risk costs due to higher aged delinquencies in South America.

In the first quarter of 2024, retail loan originations, including unconsolidated joint ventures, were \$2.5 billion, up \$0.3 billion compared to the first quarter of 2023 (up \$0.2 billion on a constant currency basis.) The managed portfolio (including unconsolidated joint ventures) was \$28.7 billion as of March 31, 2024 (of which retail was 65% and wholesale was 35%), up \$4.2 billion compared to March 31, 2023 (up \$4.3 billion on a constant currency basis).

At March 31, 2024, the receivables balance greater than 30 days past due as a percentage of receivables was 1.7% (1.4% as of March 31, 2023).

Reconciliation of Net Income (Loss) to Adjusted EBIT

The following table includes the reconciliation of Adjusted EBIT, a non-GAAP financial measure, to net income, the most comparable U.S. GAAP financial measure:

(in millions of dollars)	Three Months Ended March 31,	
	2024	2023
Agriculture	\$ 421	\$ 570
Construction	51	44
Unallocated items, eliminations and other	(67)	(59)
Total Adjusted EBIT of Industrial Activities	405	555
Financial Services Net income (loss)	118	78
Financial Services Income Taxes	19	29
Interest expense of Industrial Activities, net of interest income and eliminations	(32)	(4)
Foreign exchange gains (losses), net of Industrial Activities	—	(6)
Finance and non-service component of Pension and other post-employment benefit cost of Industrial Activities ⁽¹⁾	(1)	1
Restructuring expense of Industrial Activities	(30)	(1)
Other discrete items ⁽²⁾	—	7
Income (loss) before taxes	479	659
Income tax (expense) benefit	(77)	(173)
Net income (loss)	\$ 402	\$ 486

(1) In the three months ended March 31, 2024 and 2023, this item includes the pre-tax gain of \$6 million and \$6 million, respectively, as a result of the amortization over the 4 years of the \$101 million positive impact from the 2021 U.S. healthcare plan modification.

(2) In the three months ended March 31, 2024, this item did not include any discrete items. In the three months ended March 31, 2023 this item included a \$13 million gain in relation to the fair value remeasurement of Augmenta and Bennamann, partially offset by a \$6 million loss on the sale of our Russia Financial Services business.

Supplemental Information

The operations, key financial measures, and financial analysis differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, management believes that certain supplemental disclosures are important in understanding the consolidated operations and financial results of CNH. This supplemental information does not purport to represent the operations of each group as if each group were to operate on a standalone basis. This supplemental data includes:

Industrial Activities—The financial information captioned “Industrial Activities” reflects the consolidation of all majority-owned subsidiaries except for the Financial Services business.

Financial Services—The financial information captioned “Financial Services” reflects the consolidation or combination of the Financial Services business.

(in millions of dollars)	Statement of Operations							
	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Revenues								
Net sales	\$ 4,131	\$ —	\$ —	\$ 4,131	\$ 4,776	\$ —	\$ —	\$ 4,776
Finance, interest and other income	42	685	(40) ⁽²⁾	687	57	549	(40) ⁽²⁾	566
Total Revenues	4,173	685	(40)	4,818	4,833	549	(40)	5,342
Costs and Expenses								
Cost of goods sold	3,195	—	—	3,195	3,611	—	—	3,611
Selling, general & administrative expenses	342	69	—	411	387	51	—	438
Research and development expenses	228	—	—	228	231	—	—	231
Restructuring expenses	30	1	—	31	1	—	—	1
Interest expense	74	360	(40) ⁽³⁾	394	61	251	(40) ⁽³⁾	272
Other, net	34	123	—	157	20	143	—	163
Total Costs and Expenses	3,903	553	(40)	4,416	4,311	445	(40)	4,716
Income of Consolidated Group before Income Taxes	270	132	—	402	522	104	—	626
Income tax expense	(58)	(19)	—	(77)	(144)	(29)	—	(173)
Equity in income of unconsolidated subsidiaries and affiliates	72	5	—	77	30	3	—	33
Net income (loss)	\$ 284	\$ 118	\$ —	\$ 402	\$ 408	\$ 78	\$ —	\$ 486

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes the Company's Agriculture and Construction segments, and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.

(2) Eliminations of Financial Services' interest income earned from Industrial Activities.

(3) Eliminations of Industrial Activities' interest expense to Financial Services.

Balance Sheets

(in millions of dollars)	March 31, 2024				December 31, 2023			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Assets								
Cash and cash equivalents	\$ 2,666	\$ 570	\$ —	\$ 3,236	\$ 3,532	\$ 790	\$ —	\$ 4,322
Restricted cash	94	629	—	723	96	627	—	723
Trade receivables, net	158	6	(9) ⁽²⁾	155	136	9	(12) ⁽²⁾	133
Financing receivables, net	281	24,327	(488) ⁽³⁾	24,120	393	24,539	(683) ⁽³⁾	24,249
Financial receivables from Iveco Group N.V.	188	42	—	230	302	78	—	380
Inventories, net	6,161	28	—	6,189	5,522	23	—	5,545
Property, plant and equipment, net	1,902	1	—	1,903	1,912	1	—	1,913
Investments in unconsolidated subsidiaries and affiliates	433	126	—	559	440	123	—	563
Equipment under operating leases	32	1,342	—	1,374	39	1,378	—	1,417
Goodwill, net	3,463	140	—	3,603	3,473	141	—	3,614
Other intangible assets, net	1,241	24	—	1,265	1,266	26	—	1,292
Deferred tax assets	907	194	(124) ⁽⁴⁾	977	933	181	(135) ⁽⁴⁾	979
Derivative assets	35	77	(9) ⁽⁵⁾	103	48	104	(16) ⁽⁵⁾	136
Other assets	1,349	125	(185) ⁽²⁾	1,289	1,149	119	(183) ⁽²⁾	1,085
Total Assets	\$ 18,910	\$ 27,631	\$ (815)	\$ 45,726	\$ 19,241	\$ 28,139	\$ (1,029)	\$ 46,351
Liabilities and Equity								
Debt	\$ 5,109	\$ 23,305	\$ (634)	\$ 27,780	\$ 4,433	\$ 23,721	\$ (828) ⁽³⁾	\$ 27,326
Financial payables from Iveco Group N.V.	4	66	—	70	6	140	—	146
Trade payables	3,064	169	(8) ⁽²⁾	3,225	3,424	198	(11) ⁽²⁾	3,611
Deferred tax liabilities	39	124	(124) ⁽⁴⁾	39	35	135	(135) ⁽⁴⁾	35
Pension, postretirement and other postemployment benefits	453	5	—	458	471	5	—	476
Derivative liabilities	74	110	(9) ⁽⁵⁾	175	116	116	(16) ⁽⁵⁾	216
Other liabilities	4,968	1,039	(40) ⁽²⁾	5,967	5,311	1,035	(39) ⁽²⁾	6,307
Total Liabilities	13,711	24,818	(815)	37,714	13,796	25,350	(1,029)	38,117
Redeemable noncontrolling interest	57	—	—	57	54	—	—	54
Equity	5,142	2,813	—	7,955	5,391	2,789	—	8,180
Total Liabilities and Equity	\$ 18,910	\$ 27,631	\$ (815)	\$ 45,726	\$ 19,241	\$ 28,139	\$ (1,029)	\$ 46,351

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes the Company's Agriculture and Construction segments, and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.

(2) Eliminations of primarily receivables/payables between Industrial Activities and Financial Services.

(3) Eliminations of financing receivables/payables between Industrial Activities and Financial Services.

(4) Reclassification of deferred tax assets/liabilities in the same jurisdiction and reclassification needed for appropriate consolidated presentation.

(5) Elimination of derivative assets/liabilities between Industrial Activities and Financial Services.

Cash Flow Statements									
(in millions of dollars)	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023				
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	
Cash flow from Operating Activities									
Net income (loss)	\$ 284	\$ 118	\$ —	\$ 402	\$ 408	\$ 78	\$ —	\$ 486	
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization expense excluding assets under operating lease	102	1	—	103	85	1	—	86	
Depreciation and amortization expense of assets under operating lease	2	43	—	45	1	45	—	46	
(Gain) loss from disposal of assets, net	—	—	—	—	6	—	—	6	
Undistributed income of unconsolidated subsidiaries	(12)	(5)	(60) ⁽²⁾	(77)	12	(3)	—	9	
Other non-cash items, net	20	37	—	57	14	18	—	32	
Changes in operating assets and liabilities:									
Provisions	(40)	1	—	(39)	114	(1)	—	113	
Deferred income taxes	17	(35)	—	(18)	(56)	4	—	(52)	
Trade and financing receivables related to sales, net	(25)	6	(3) ⁽³⁾	(22)	9	(365)	1 ⁽³⁾	(355)	
Inventories, net	(761)	80	—	(681)	(1,150)	93	—	(1,057)	
Trade payables	(307)	(28)	3 ⁽³⁾	(332)	203	(31)	—	172	
Other assets and liabilities	(372)	40	—	(332)	(189)	3	(1) ⁽³⁾	(187)	
Net cash provided (used) by operating activities	(1,092)	258	(60)	(894)	(543)	(158)	—	(701)	
Cash Flow from Investing Activities									
Additions to retail receivables	—	(1,769)	—	(1,769)	—	(1,601)	—	(1,601)	
Collections of retail receivables	—	1,476	—	1,476	—	1,376	—	1,376	
Proceeds from sale of asset, excluding assets sold under operating leases	—	—	—	—	—	—	—	—	
Expenditures for property, plant and equipment and intangible assets, excluding assets under operating lease	(96)	—	—	(96)	(90)	—	—	(90)	
Expenditures for assets under operating lease	(4)	(102)	—	(106)	(4)	(103)	—	(107)	
Other, net	123	(46)	(1)	76	(345)	18	—	(327)	
Net cash provided (used) by investing activities	23	(441)	(1)	(419)	(439)	(310)	—	(749)	
Cash Flow from Financing Activities									
Proceeds from long-term debt	842	3,742	—	4,584	—	995	—	995	
Payments of long-term debt	(21)	(3,336)	—	(3,357)	(3)	(1,037)	—	(1,040)	
Net increase (decrease) in other financial liabilities	32	(358)	—	(326)	23	397	—	420	
Dividends paid	(1)	(60)	60 ⁽²⁾	(1)	(1)	—	—	(1)	
Purchase of treasury stock and other	(581)	(1)	1	(581)	(71)	—	—	(71)	
Net cash provided (used) by financing activities	271	(13)	61	319	(52)	355	—	303	
Effect of foreign exchange rate changes on cash and cash equivalents and restricted cash	(70)	(22)	—	(92)	23	—	—	23	
Net increase (decrease) in cash and cash equivalents	(868)	(218)	—	(1,086)	(1,011)	(113)	—	(1,124)	
Cash and cash equivalents, beginning of year	3,628	1,417	—	5,045	3,960	1,169	—	5,129	
Cash and cash equivalents, end of period	\$ 2,760	\$ 1,199	\$ —	\$ 3,959	\$ 2,949	\$ 1,056	\$ —	\$ 4,005	

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes the Company's Agriculture and Construction segments, and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.

(2) This item includes the elimination of dividends from Financial Services to Industrial Activities, which are included in Industrial Activities net cash used in operating activities.

(3) This item includes the elimination of certain minor activities between Industrial Activities and Financial Services.

B. CRITICAL ACCOUNTING ESTIMATES

See our critical accounting estimates discussed in Part II, Item 7. Management's Discussion and Analysis of Financial Condition—Critical Accounting Estimates of our 2023 Annual Report. There have been no material changes to these estimates.

C. LIQUIDITY AND CAPITAL RESOURCES

The following discussion of liquidity and capital resources principally focuses on our consolidated statement of cash flows and our consolidated statement of financial position. Our operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. Whenever necessary, funds from operating activities are supplemented from external sources. CNH focuses on cash preservation and leveraging its good access to funding in order to maintain solid financial strength and liquidity.

Cash Flow Analysis

At March 31, 2024, Cash and cash equivalents and Restricted cash were \$3,959 million, a decrease of \$1,086 million from \$5,045 million at December 31, 2023, primarily due to operating activity cash absorption, the shares buyback program, receivable portfolio absorption, and investments in fixed assets, partially offset by an increase in external borrowing to support working capital requirements.

At March 31, 2024, Cash and cash equivalents were \$3,236 million (\$4,322 million at December 31, 2023) and Restricted cash was \$723 million (\$723 million at December 31, 2023), respectively. Undrawn medium-term unsecured committed facilities were \$5,036 million (\$5,945 million at December 31, 2023). At March 31, 2024, the aggregate of Cash and cash equivalents, Restricted cash, undrawn medium-term unsecured committed facilities, and net financial receivables from Iveco Group which we consider to constitute our principal liquid assets (or "available liquidity"), totaled \$9,155 million (\$11,224 million at December 31, 2023). At March 31, 2024, this amount also included \$160 million net financial receivables from Iveco Group (\$234 million net financial receivables at December 31, 2023) consisting of net financial receivables mainly towards Financial Services of Iveco Group.

Net Cash from Operating Activities

Cash used in operating activities in the three months ended March 31, 2024 totaled \$894 million and primarily comprised the following elements:

- \$402 million net income;
- plus \$148 million in non-cash charges for depreciation and amortization (\$103 million excluding equipment on operating leases);
- less change in provisions of \$39 million;
- less change in deferred income taxes of \$18 million;
- less change in working capital of \$1,367 million;

In the three months ended March 31, 2023, net cash used in operating activities was \$701 million primarily as a result of \$1,427 million change in working capital, partially offset by \$486 million in net income, \$132 million in non-cash charges for depreciation and amortization, along with \$32 million in Other non-cash items driven by share-based payments.

Net Cash from Investing Activities

Net cash used in investing activities was \$419 million in the three months ended March 31, 2024 and was primarily due to net additions to retail receivables (\$293 million), expenditures for assets under operating leases (\$106 million), and expenditures for property, plant and equipment and intangible assets, excluding assets under operating lease (\$96 million).

Net cash used in investing activities was \$749 million in the three months ended March 31, 2023 and was primarily due to expenditures for assets under operating leases (\$107 million), expenditures for property, plant and equipment and intangible assets, net of assets under operating lease (\$90 million), additions to retail receivables (\$225 million) and cash paid for acquisitions/investments of third party businesses (\$137 million).

Net Cash from Financing Activities

Net cash provided by financing activities was \$319 million in the three months ended March 31, 2024 compared to \$303 million in the three months ended March 31, 2023 and was primarily due to an increase in external borrowings to support working capital requirements and an increase to our Financial Services portfolio, partially offset by the shares buyback program.

A summary of total debt as of March 31, 2024 and December 31, 2023 is as follows (in millions of dollars):

	March 31, 2024			December 31, 2023		
	Industrial Activities	Financial Services	Total	Industrial Activities	Financial Services	Total
Total bonds	\$ 3,909	\$ 5,544	\$ 9,453	\$ 3,986	\$ 5,170	\$ 9,156
Asset-backed debt	—	11,807	11,807	—	11,716	11,716
Other debt	982	5,538	6,520	146	6,308	6,454
Intersegment debt	218	416	—	301	527	—
Total Debt	5,109	23,305	27,780	4,433	23,721	27,326
Financial payables to Iveco Group	4	66	70	6	140	146
Total Debt (including Financial payables to Iveco Group)	\$ 5,113	\$ 23,371	\$ 27,850	\$ 4,439	\$ 23,861	\$ 27,472

A summary of issued bonds outstanding as of March 31, 2024 is as follows (in millions of dollars, except percentages):

	Currency	Face value of outstanding bonds	Coupon	Maturity	Outstanding amount
Industrial Activities					
Euro Medium Term Notes:					
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	750	— %	April 2, 2024	811
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	650	1.750 %	September 12, 2025	703
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	100	3.500 %	November 12, 2025	108
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	500	1.875 %	January 19, 2026	540
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	600	1.750 %	March 25, 2027	649
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	50	3.875 %	April 21, 2028	54
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	500	1.625 %	July 3, 2029	540
CNH Industrial Finance Europe S.A. ⁽¹⁾	EUR	50	2.200 %	July 15, 2039	54
Other Bonds:					
CNH Industrial N.V. ⁽²⁾	USD	500	3.850 %	November 15, 2027	500
Hedging effects, bond premium/discount, and unamortized issuance costs					(50)
Total Industrial Activities					\$ 3,909
Financial Services					
CNH Industrial Capital LLC	USD	500	3.950 %	May 23, 2025	500
CNH Industrial Capital LLC	USD	400	5.450 %	October 14, 2025	400
CNH Industrial Capital LLC	USD	500	1.875 %	January 15, 2026	500
CNH Industrial Capital LLC	USD	600	1.450 %	July 15, 2026	600
CNH Industrial Capital LLC	USD	600	4.550 %	April 10, 2028	600
CNH Industrial Capital LLC	USD	500	5.500 %	January 12, 2029	500
CNH Industrial Capital LLC	USD	600	5.100 %	April 20, 2029	600
CNH Industrial Capital Australia Pty Ltd.	AUD	425	1.750% 5.800%	2024/2026	277
CNH Industrial Capital Canada Ltd	CAD	300	1.500 %	October 1, 2024	221
CNH Industrial Capital Canada Ltd	CAD	400	5.500 %	August 11, 2026	294
CNH Industrial Capital Canada Ltd	CAD	400	4.800 %	March 25, 2027	294
CNH Industrial Capital Argentina SA	USD	113	0.000% 7.500%	2025/2026	113
Banco CNH Industrial Capital S.A.	BRL	3,547	11.590% 13.110%	2024/2028	711
Hedging effects, bond premium/discount, and unamortized issuance costs					(66)
Total Financial Services					\$ 5,544

(1) Bond listed on the Irish Stock Exchange.

(2) Bond listed on the New York Stock Exchange.

The calculation of Net Debt as of March 31, 2024 and December 31, 2023 and the reconciliation of Total Debt, the U.S. GAAP financial measure that we believe to be most directly comparable to Net Debt are shown below (in millions of dollars):

	Consolidated		Industrial Activities		Financial Services	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Third party (debt)	\$ (27,780)	\$ (27,326)	\$ (4,891)	\$ (4,132)	\$ (22,889)	\$ (23,194)
Intersegment notes payable	—	—	(218)	(301)	(416)	(527)
Financial payables to Iveco Group N.V.	(70)	(146)	(4)	(6)	(66)	(140)
Total Debt ⁽¹⁾	(27,850)	(27,472)	(5,113)	(4,439)	(23,371)	(23,861)
Cash and cash equivalents	3,236	4,322	2,666	3,532	570	790
Restricted cash	723	723	94	96	629	627
Intersegment notes receivable	—	—	416	527	218	301
Financial receivables from Iveco Group N.V.	230	380	188	302	42	78
Other current financial assets ⁽²⁾	—	—	—	—	—	—
Derivatives hedging debt	(59)	(41)	(33)	(34)	(26)	(7)
Net Cash/(Debt) ⁽³⁾	\$ (23,720)	\$ (22,088)	\$ (1,782)	\$ (16)	\$ (21,938)	\$ (22,072)

(1) Total (Debt) of Industrial Activities includes Intersegment notes payable to Financial Services of \$218 million and \$301 million as of March 31, 2024 and December 31, 2023, respectively. Total (Debt) of Financial Services includes Intersegment notes payable to Industrial Activities of \$416 million and \$527 million as of March 31, 2024 and December 31, 2023, respectively.

(2) This item includes short-term deposits and investments towards high-credit rating counterparties.

(3) The net intersegment receivable/(payable) balance recorded by Financial Services relating to Industrial Activities was \$(198) million and \$(226) million as of March 31, 2024 and December 31, 2023, respectively.

Excluding positive exchange rate differences of \$361 million, Net Debt at March 31, 2024 increased by \$1,993 million compared to December 31, 2023, mainly reflecting a Free Cash Flow absorption from Industrial Activities of \$1,209 million, the increase in portfolio receivables of Financial Services of \$253 million, and the cash out of \$581 million related to the share buyback program.

Available committed unsecured facilities expiring after twelve months amounted to approximately \$5.0 billion at March 31, 2024 (\$5.9 billion at December 31, 2023). Total committed secured facilities expiring after twelve months amounted to approximately \$3.1 billion at March 31, 2024 (\$3.7 billion at December 31, 2023), of which \$0.2 billion was available at March 31, 2024 (\$3.7 billion at December 31, 2023).

With the liquidity position at the end of March 2024 and the demonstrated access to the financial markets, CNH believes that its cash and cash equivalents, access to credit facilities and cash flows from future operations will be adequate to fund its known cash needs.

Please refer to "Note 10: Debt" in our 2023 Form 10-K for more information related to our debt and credit facilities.

Contingencies

As a global company with a diverse business portfolio, CNH is exposed to numerous legal risks, including legal proceedings, claims and governmental investigations, particularly in the areas of product liability (including asbestos-related liability), product performance, emissions and fuel economy, retail and wholesale credit, competition and antitrust law, intellectual property matters (including patent infringement), disputes with dealers and suppliers and service providers, environmental risks, and tax and employment matters. For more information, please refer to the information presented in "Note 16: Commitments and Contingencies" to our consolidated financial statements.

SAFE HARBOR STATEMENT

This Quarterly Report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact contained in this filing, 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 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.

Forward-looking statements are based upon assumptions relating to the factors described in this filing, 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 2023 Annual Report and subsequent quarterly reports).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Part II, Item 7A of our 2023 Annual Report. There has been no material change in this information.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the evaluation of our disclosure controls and procedures as of March 31, 2024, our principal executive officer and principal financial officer concluded that, as a result of the material weakness in our internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of March 31, 2024.

Material Weakness in Internal Control over Financial Reporting

In connection with the preparation of our quarterly report on Form 10-Q for the three months ended September 30, 2023 we identified a material weakness in our internal control over financial reporting, which remained as of December 31, 2023 and continues to persist as of March 31, 2024. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness relates to the design and implementation of information technology (IT) general controls in the areas of user access limits and segregation of duties related to multiple enterprise resource planning (ERP) applications.

These control deficiencies have not resulted in an error or misstatements to our financial statements or the need to revise any previously published financial results. However, these deficiencies if not timely remediated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatements to one or more assertions, and IT controls and underlying data that support the effectiveness of IT system-generated data and reports).

The control deficiencies could have resulted in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute a material weakness.

Management's Plan to Remediate the Material Weakness

Subsequent to the identification of the material weakness, management under the oversight of the Audit Committee has been implementing measures and taking steps to address the underlying causes of the material weakness, including enhancing our IT general controls framework that addresses risks associated with user access and security, application change management and IT operations. We are implementing enhanced compensating controls and providing focused training for control owners to help sustain effective control operations and comprehensive remediation efforts relating to segregation of duties to strengthen user access controls and security.

While we believe these efforts have improved our internal controls and address the underlying cause of the material weakness, the material weakness will not be remediated until our remediation plan has been fully implemented and tested and we have concluded that following the improvements to our internal controls, our control environment is operating effectively for a sufficient period of time. In particular, the enhanced compensating controls and training will require time to test and assess. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting, or that in the future we will not have additional material weaknesses in our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

As described above, the Company is taking steps to remediate the material weakness noted above. Other than in connection with these remediation steps, there have been no changes in our internal control over financial reporting during the three months ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered

relative to the costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See “Note 16: Commitments and Contingencies” to our consolidated financial statements.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in our 2023 Annual Report on Form 10-K (Part I, Item 1A). The risks described in our 2023 Annual Report, and in the “Safe Harbor Statement” within this report are not the only risks faced by us. Additional risks and uncertainties not currently known, or that are currently judged to be immaterial, may also materially affect our business, financial condition or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On November 7, 2023 CNH announced its \$1 billion share buyback program that expired on March 1, 2024. In February 2024, the Company’s Board of Directors authorized a \$500 million share buyback program under which the Company may repurchase its common shares commencing after the maturity or exhaustion of the limit of the existing \$1 billion share buyback program in the open market or through privately negotiated or other transactions, including at the Company’s election trading plans under Rule 10b5-1 under the Securities Exchange Act of 1934 depending on share price, market conditions and other factors.

The Company’s purchases of its common shares under the buyback programs during the three months ended March 31, 2024, were as follows:

Period	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid per Share (\$)	Approximate USD Value of Shares that May Yet Be Purchased under the Plans or Programs (\$)
1/1/2024 - 1/31/2024 ⁽¹⁾	31,583,784	11.86	223,722,772
2/1/2024 -2/29/2024	14,029,286	12.18	52,881,603
3/1/2024 - 3/31/2024 ⁽²⁾	2,999,218	11.95	470,091,739
Total	48,612,288		470,091,739

1) January 2024 activity included 2,715,373 shares repurchased on Euronext Milan at an average price per share of €10.98 and have been translated from Euros at the exchange rate reported by the European Central Bank on the respective transaction dates.

2) The \$1 billion share buyback program expired on March 1, 2024 and the \$500 million share buyback announced in February 2024 commenced.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Articles of Association of CNH Industrial N.V., dated September 29, 2013 (Previously filed as Exhibit 1.1 to the Annual Report on Form 20-F of the registrant for the year ended December 31, 2014 (File No. 001-36085) and incorporated herein by reference).
31.1	Certification of Chief Executive Officer of CNH Industrial NV, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer of CNH Industrial NV, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer of CNH Industrial NV and Chief Financial Officer of CNH Industrial NV, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover page Interactive Data File is formatted in Inline XBRL and is contained in Exhibits 101

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosures other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular any warranties or representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of instruments defining the rights of holders of certain long-term debt have not been filed. The registrant will furnish copies thereof to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CNH INDUSTRIAL N.V.

/s/ SCOTT W. WINE

Scott W. Wine
Chief Executive Officer

/s/ ODDONE INCISA

Oddone Incisa
Chief Financial Officer

May 6, 2024

CNH INDUSTRIAL N.V.

CERTIFICATION OF SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott W. Wine, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CNH Industrial N.V. (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or others performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

May 6, 2024

CNH INDUSTRIAL N.V.

/s/ SCOTT W. WINE

Scott W. Wine
Chief Executive Officer

CNH INDUSTRIAL N.V.

CERTIFICATION OF SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Oddone Incisa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CNH Industrial N.V. (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or others performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

May 6, 2024

CNH INDUSTRIAL N.V.

/s/ ODDONE INCISA

Oddone Incisa

Chief Financial Officer

CNH INDUSTRIAL N.V.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of CNH Industrial N.V. (the "Company") on Form 10-Q for the period ended March 31, 2024 (the Report) as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2024

CNH INDUSTRIAL N.V.

*/s/ SCOTT W. WINE***Scott W. Wine***President and Chief Executive Officer*

*/s/ ODDONE INCISA***Oddone Incisa***Chief Financial Officer*