



Company	Ticker	Sector	Industry
Cummins Inc.	CMI-US	Industrials	Machinery

## Business Description

Cummins, Inc. designs, manufactures and markets diesel and natural gas engines. It operates through the following segments: Engine, Distribution, Components, Power Systems, and New Power. The Engine segment manufactures and markets diesel and natural gas-powered engines under the Cummins brand name, for the heavy- and medium-duty truck, bus, recreational vehicle, light-duty automotive, construction, mining, marine, rail, oil and gas, defense, and agricultural markets. The Distribution segment consists of parts, engines, power generation and service, which service and distribute its products and services. The Components segment supplies products such as, aftertreatment systems, turbochargers, transmissions, filtration products, electronics and fuel systems for commercial diesel, and natural gas applications. The Power Systems segment engages in power generation, industrial and generator technologies. The New Power segment designs, manufactures, sells and supports hydrogen production solutions, as well as electrified power systems ranging from fully electric to hybrid along with components and subsystems, including battery and fuel cell technologies. The company was founded by Clessie Lyle Cummins and William Glanton Irwin on February 3, 1919, and is headquartered in Columbus, IN.

## Price Chart

## Key Info & Metrics



<b>Empirical Research Rank:</b>	<b>4</b>
Date Purchased:	01/26/2022
Price:	\$251.66
52-Week Range:	\$185.89 - \$256.51
Dividend Yield:	2.40%
Market Cap (\$M):	\$35,490
Forward Price-to-Earnings:	13

## Total Return

Year-to-Date:	3.9%
1 Year:	14.1%
3 Year:	69.3%
5 Year:	67.3%

## Investment Case - Updated: November 6, 2022

Cummins, the leading diesel engine producer for commercial vehicles, has seen its market share decline from 45 to 35 percent as manufacturers vertically integrate engine production. However, the shift towards electrification has created an opportunity to regain share. While customers balance investments between traditional drivetrain and newer battery, fuel cell, and hybrid engine solutions, Cummins has implemented a “leave diesel to us” strategy. Recent contract wins with Daimler and Isuzu support this outlook. Though inevitable, the transition from diesel will be slow and costly. More stringent global emissions standards are forcing diesel engine upgrades near-term, providing a steady cash flow stream for Cummins that funds investment in their own clean power technologies. The company formed partnerships to introduce hydrogen-powered engines for heavy-duty vehicles and could emerge a leader in this space. Despite near-term pressure from supply chain disruptions, it has rapidly grown revenues from pandemic-related 2020 lows.

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