

WE HELP OUR CUSTOMERS **BUILD A BETTER, MORE SUSTAINABLE WORLD.**

Third Quarter 2024 Financial Review

October 30, 2024

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Forward-Looking Statements

Certain statements in this financial review relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “forecast,” “target,” “guide,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance and speak only as of the date they are made, and we do not undertake to update our forward-looking statements.

Caterpillar’s actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) commodity price changes, material price increases, fluctuations in demand for our products or significant shortages of material; (iii) government monetary or fiscal policies; (iv) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (v) international trade policies and their impact on demand for our products and our competitive position, including the imposition of new tariffs or changes in existing tariff rates; (vi) our ability to develop, produce and market quality products that meet our customers’ needs; (vii) the impact of the highly competitive environment in which we operate on our sales and pricing; (viii) information technology security threats and computer crime; (ix) inventory management decisions and sourcing practices of our dealers and our OEM customers; (x) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xi) union disputes or other employee relations issues; (xii) adverse effects of unexpected events; (xiii) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xiv) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (xv) our Financial Products segment’s risks associated with the financial services industry; (xvi) changes in interest rates or market liquidity conditions; (xvii) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xviii) currency fluctuations; (xix) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xx) increased pension plan funding obligations; (xxi) alleged or actual violations of trade or anti-corruption laws and regulations; (xxii) additional tax expense or exposure, including the impact of U.S. tax reform; (xxiii) significant legal proceedings, claims, lawsuits or government investigations; (xxiv) new regulations or changes in financial services regulations; (xxv) compliance with environmental laws and regulations; (xxvi) catastrophic events, including global pandemics such as the COVID-19 pandemic; and (xxvii) other factors described in more detail in Caterpillar’s Forms 10-Q, 10-K and other filings with the Securities and Exchange Commission.

A reconciliation of non-GAAP financial information can be found in our press release describing third-quarter 2024 financial results which is available on our website at www.caterpillar.com/earnings.

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Thank you to our Global Team

We continue to execute our strategy for long-term profitable growth

DELIVERED STRONG

3Q ADJUSTED OPERATING PROFIT MARGIN¹ AND ADJUSTED PROFIT PER SHARE¹

EXPECT FULL-YEAR ADJUSTED OPERATING PROFIT MARGIN¹ TO BE
ABOVE THE TOP OF THE TARGET RANGE²

INCREASING FULL-YEAR EXPECTATIONS FOR ME&T FREE CASH FLOW³ TO BE
NEAR THE TOP OF THE TARGET RANGE²

RESULTS REFLECT THE BENEFIT OF THE DIVERSITY OF OUR END MARKETS

¹ Adjusted operating profit margin and adjusted profit per share are non-GAAP measures, and a reconciliation to the most directly comparable GAAP measures are included in the appendix. Adjusted operating profit margin and adjusted profit per share were consistent with our expectations at the time of the 2Q 2024 earnings call.

² Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

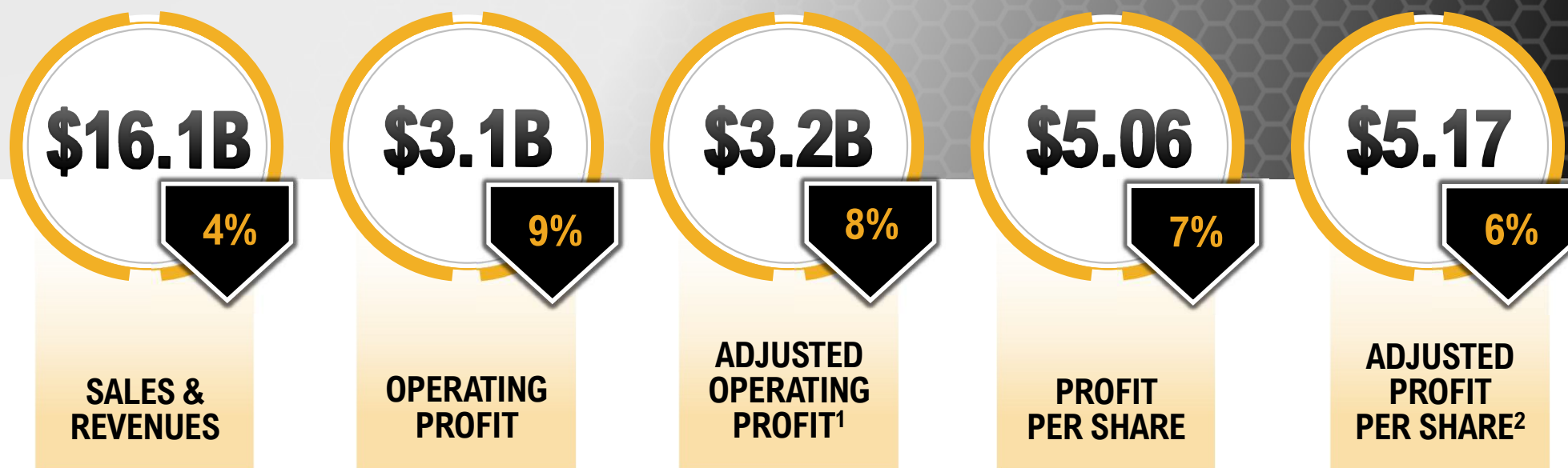
³ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

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Key Takeaways

Third Quarter 2024 vs. Third Quarter 2023



¹ Adjusted operating profit is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

² Third-quarter 2024 adjusted profit per share excluded restructuring costs of \$0.11 per share. Third-quarter 2023 adjusted profit per share excluded restructuring costs of \$0.07 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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ME&T Free Cash Flow¹ & Capital Deployment

\$6.4B

ME&T FREE CASH FLOW¹ SEPTEMBER 2024 YTD

Expect to return substantially
all ME&T Free Cash Flow¹
to shareholders over time

\$9.0B

DEPLOYED TO SHAREHOLDERS SEPTEMBER 2024 YTD

Through share repurchases
and dividends

**31
Years**

DIVIDEND ARISTOCRAT

Higher annual dividends
to shareholders
for 31 consecutive years²

¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

² With dividend payable on November 20, 2024, Caterpillar will have paid higher annual dividends for 31 years (dividend declared October 2024).

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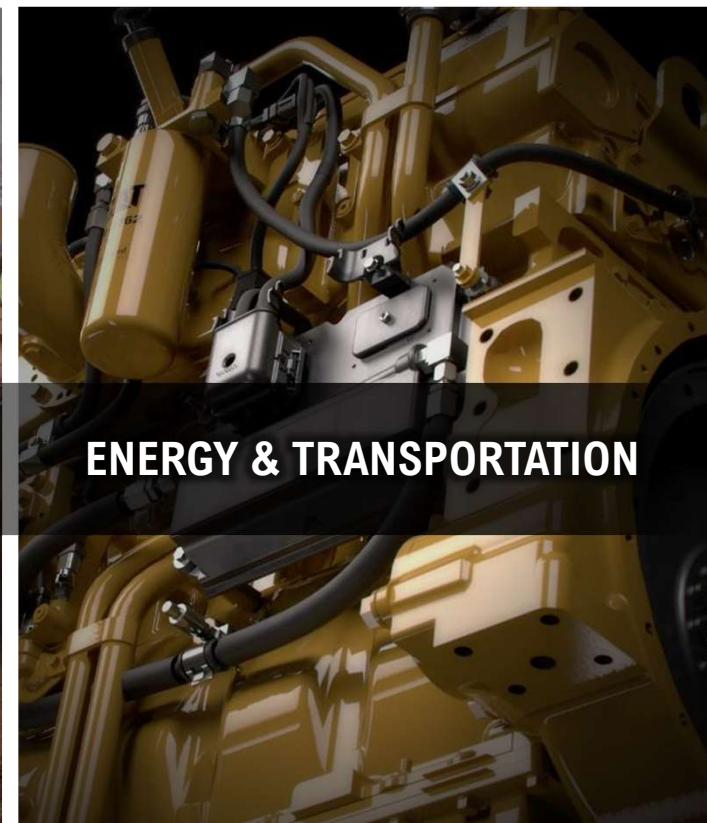
End Market Commentary



CONSTRUCTION INDUSTRIES



RESOURCE INDUSTRIES



ENERGY & TRANSPORTATION

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Strategy and Sustainability



ADDITIONAL MULTI-YEAR INVESTMENT TO FURTHER EXPAND LARGE ENGINE VOLUME OUTPUT CAPABILITY



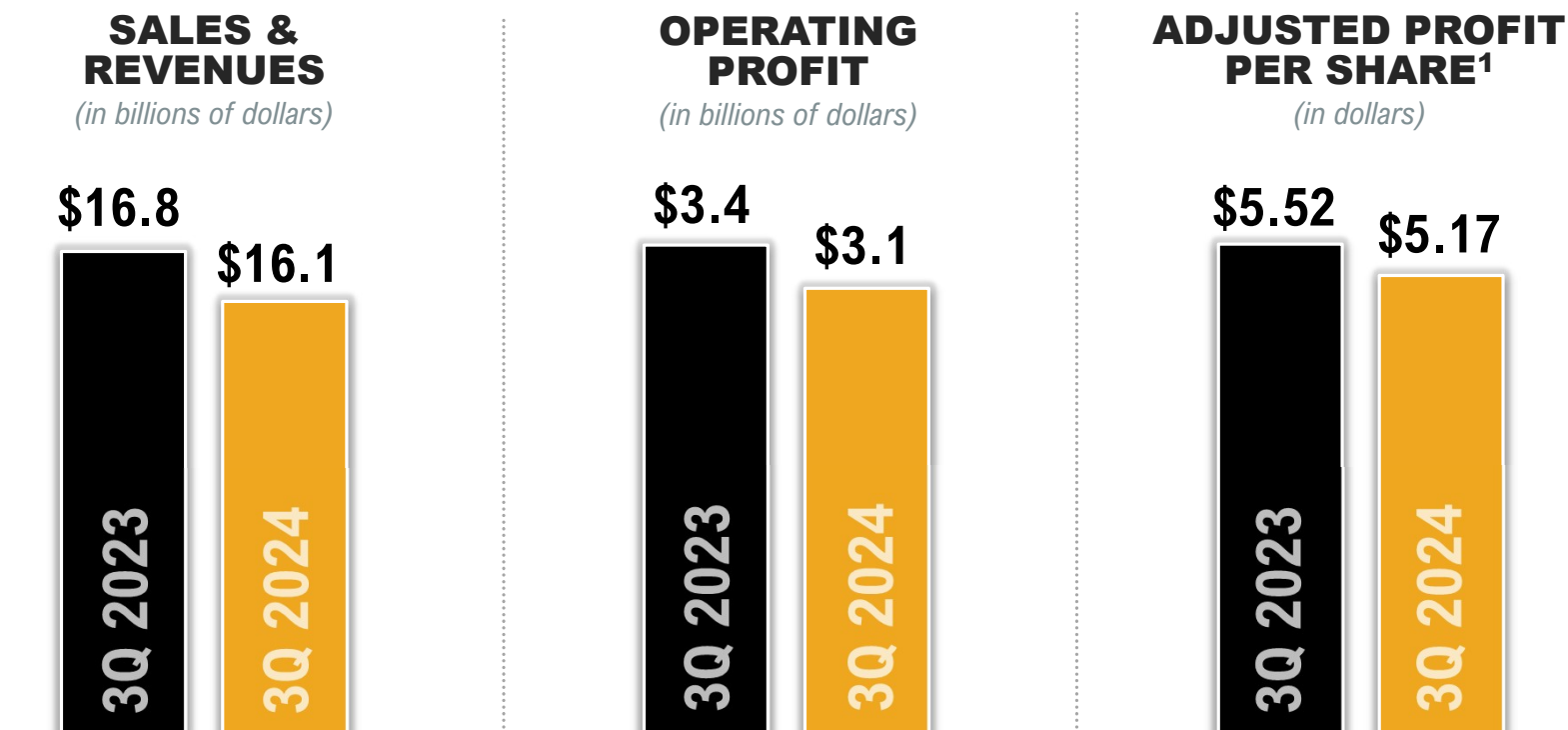
CAT DYNAMIC ENERGY TRANSFER (DET) SYSTEM



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Financial Results Summary

Third Quarter 2024 vs. Third Quarter 2023



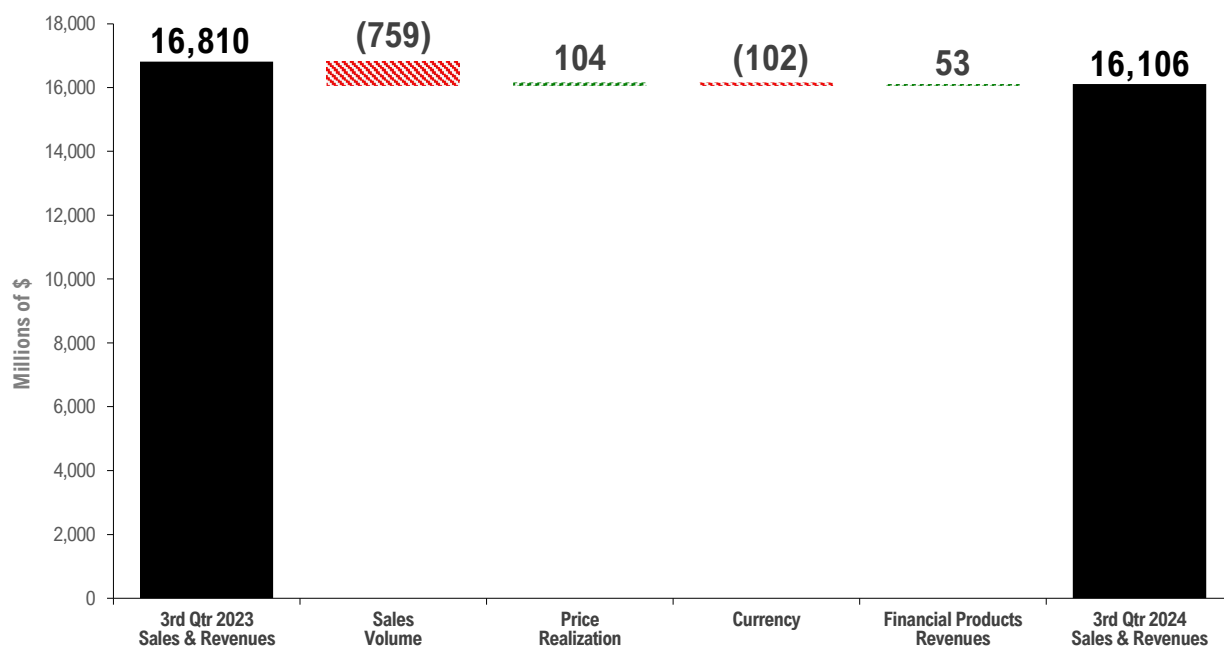
¹ Third-quarter 2024 adjusted profit per share excluded restructuring costs of \$0.11 per share. Third-quarter 2023 adjusted profit per share excluded restructuring costs of \$0.07 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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Consolidated Sales & Revenues

Third Quarter 2024 vs. Third Quarter 2023



3RD QUARTER HIGHLIGHTS

Sales & Revenues Decreased \$704M or 4%

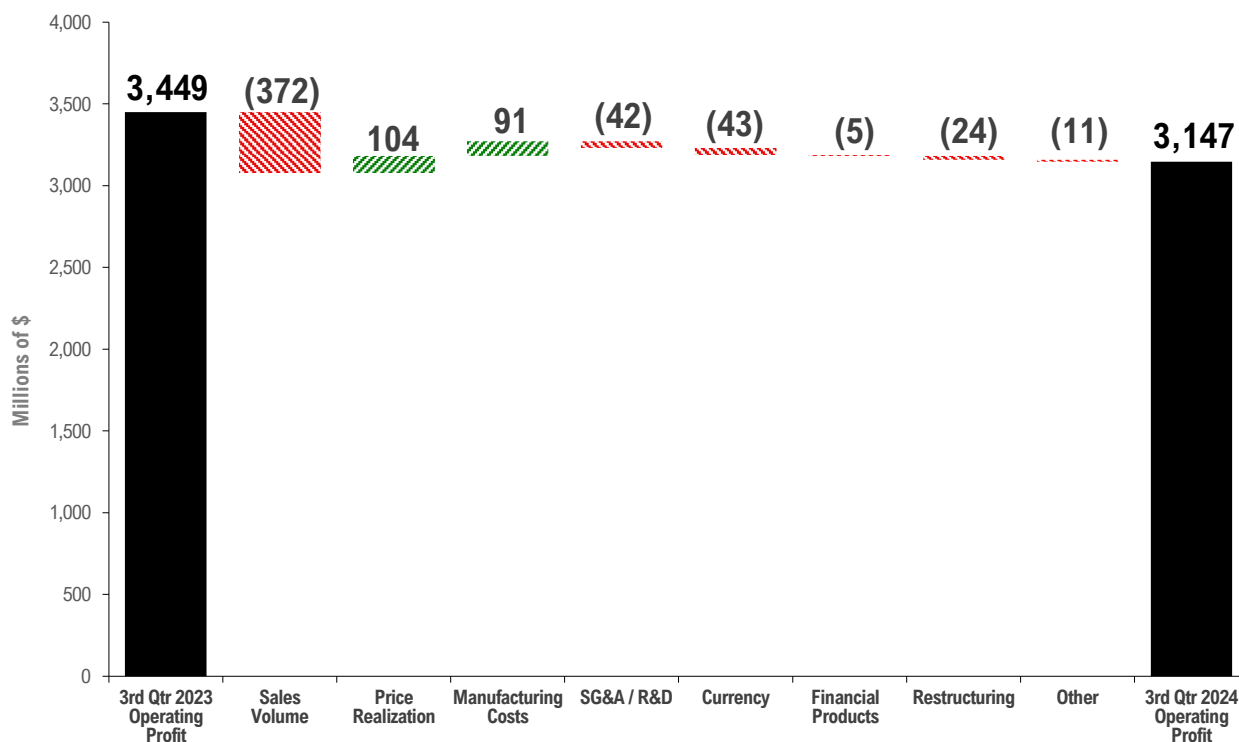
- Lower sales volume
 - Lower sales of equipment to end users
 - Unfavorable impact from changes in dealer inventories
 - Dealer inventory increased less during 3Q 2024 than during 3Q 2023

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Consolidated Operating Profit

Third Quarter 2024 vs. Third Quarter 2023



3RD QUARTER HIGHLIGHTS

Operating Profit Decreased \$302M or 9%

- Profit impact of lower sales volume of \$372M
- Favorable price realization of \$104M

Operating Profit Margin of 19.5%

Adjusted Operating Profit Margin¹ of 20.0%

¹ Adjusted operating profit margin is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

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Construction Industries

Third Quarter 2024 vs. Third Quarter 2023

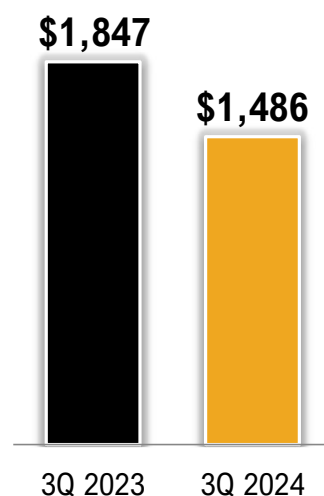
TOTAL SALES*

(in billions of dollars)



SEGMENT PROFIT

(in millions of dollars)



SEGMENT PROFIT

(as a percent of total sales*)



3RD QUARTER HIGHLIGHTS

Total Sales Decreased by \$654M or 9%

- **North America** – Lower sales volume
- **Latin America** – Higher sales volume, partially offset by unfavorable currency impacts and unfavorable price realization
- **EAME** – Lower sales volume
- **Asia/Pacific** – Lower sales volume and unfavorable currency impacts

Segment Profit Decreased \$361M or 20%

- Profit impact of lower sales volume of \$276M
- Unfavorable price realization of \$147M

* Includes inter-segment sales.

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Resource Industries

Third Quarter 2024 vs. Third Quarter 2023

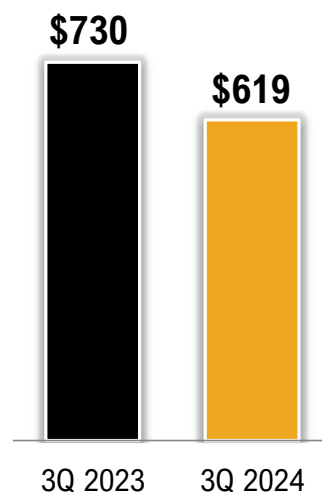
TOTAL SALES*

(in billions of dollars)



SEGMENT PROFIT

(in millions of dollars)



SEGMENT PROFIT

(as a percent of total sales*)



3RD QUARTER HIGHLIGHTS

Total Sales Decreased \$323M or 10%

- Lower sales volume

Segment Profit Decreased \$111M or 15%

- Profit impact of lower sales volume

* Includes inter-segment sales.

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Energy & Transportation

Third Quarter 2024 vs. Third Quarter 2023

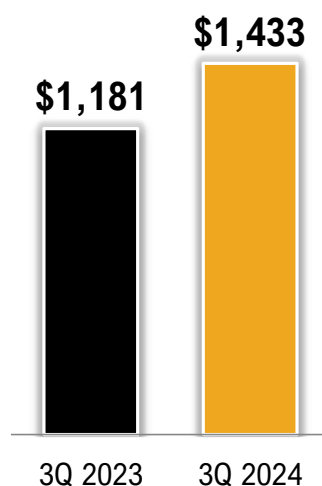
TOTAL SALES*

(in billions of dollars)



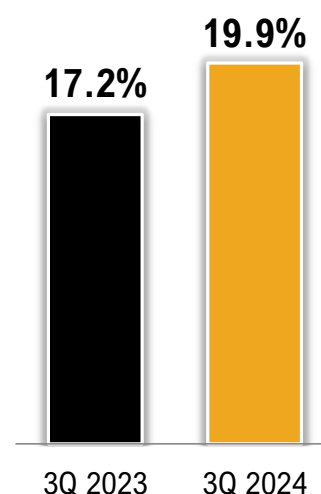
SEGMENT PROFIT

(in millions of dollars)



SEGMENT PROFIT

(as a percent of total sales*)



* Includes inter-segment sales.

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3RD QUARTER HIGHLIGHTS

Total Sales Increased \$328M or 5%

- **Oil and Gas** – Slight decrease as lower sales of reciprocating engines used in well servicing were primarily offset by higher sales for turbines and turbine-related services
- **Power Generation** – Increase in large reciprocating engines, primarily data center applications, and in turbines and turbine-related services
- **Industrial** – Decrease in sales in EAME and North America
- **Transportation** – Increase in marine applications, partially offset by lower deliveries of international locomotives

Segment Profit Increased \$252M or 21%

- Favorable price realization

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Financial Products

Third Quarter 2024 vs. Third Quarter 2023

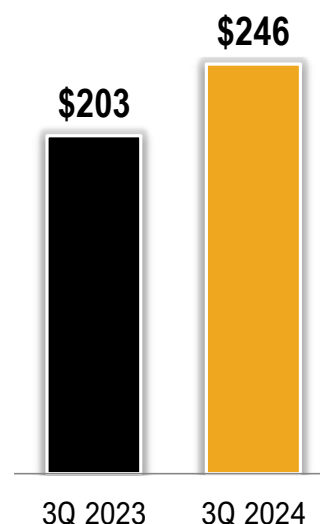
TOTAL REVENUES*

(in millions of dollars)



SEGMENT PROFIT

(in millions of dollars)



3RD QUARTER HIGHLIGHTS

Total Revenues Increased \$55M or 6%

- Favorable impact from higher average earning assets of \$34M, primarily in North America
- Higher average financing rates across all regions of \$23M

Segment Profit Increased \$43M or 21%

- Favorable impact from equity securities of \$29M
- Lower provision for credit losses of \$16M

* Includes inter-segment sales.

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ME&T Free Cash Flow¹ and Capital Deployment



\$2.7B

ME&T FREE CASH FLOW¹ 3Q 2024

Expect to be near the top of
our ME&T free cash flow¹
target range²



\$1.5B

DEPLOYED TO SHAREHOLDERS 3Q 2024

Through share repurchases
and dividends



\$5.6B

ENTERPRISE CASH BALANCE

Hold additional \$1.8B in slightly
longer-dated liquid marketable
securities

¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

² Target range based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an ME&T free cash flow target range of \$5B to \$10B annually.

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Key Thoughts As We Look Ahead – Full Year 2024

- Expect 2024 sales and revenues to be slightly lower than our expectations at our last earnings call
- Full-year expectations for adjusted operating profit margin¹ and adjusted profit per share¹ remain unchanged compared to our expectations at our last earnings call
- Expect 2024 full-year adjusted operating profit margin¹ to be above the top of the target range² relative to the expected corresponding level of sales and revenues
- Expect 2024 full-year ME&T free cash flow³ to be near the top of the \$5B to \$10B annual target range²
- Anticipate services⁴ growth in 2024

¹ Adjusted operating profit margin and adjusted profit per share are non-GAAP measures, and a reconciliation to the most directly comparable GAAP measures are included in the appendix.

² Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

³ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

⁴ ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

Key Thoughts As We Look Ahead – 4Q 2024

- Expect 4Q 2024 sales and revenues to be slightly lower compared to 4Q 2023
- Anticipate lower machine sales to end users in 4Q 2024 compared to a strong 4Q 2023
- The decline for machine dealer inventory¹ in 4Q 2024 is expected to be less than the \$1.4B decrease in 4Q 2023. Expect year-end 2024 machine dealer inventory¹ to be around the same level as year-end 2023
- Anticipate 4Q 2024 adjusted operating profit margin² to be lower than 3Q 2024, following typical seasonal pattern
- Expect 4Q 2024 adjusted operating profit margin² to be modestly higher than 4Q 2023

¹ Dealers are independent businesses and control their own inventory.

² Adjusted operating profit margin is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

Third Quarter 2024 Key Takeaways

EXPECT FULL-YEAR ADJUSTED OPERATING PROFIT MARGIN¹ TO BE **ABOVE THE TOP OF THE TARGET RANGE²**

INCREASING FULL-YEAR EXPECTATIONS FOR ME&T FREE CASH FLOW³ TO BE **NEAR THE TOP OF THE TARGET RANGE²**

RESULTS REFLECT THE BENEFIT OF THE **DIVERSITY OF OUR END MARKETS**

EXECUTING OUR STRATEGY FOR LONG-TERM PROFITABLE GROWTH

¹ Adjusted operating profit margin is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

² Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

³ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

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Q&A

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Appendix

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2025 Caterpillar Earnings Call Schedule

Earnings Quarter	Release Date	Call Time
4 th Quarter 2024	Thursday, January 30, 2025	8:30 a.m. Eastern
1 st Quarter 2025	Wednesday, April 30, 2025	8:30 a.m. Eastern
2 nd Quarter 2025	Tuesday, August 5, 2025	8:30 a.m. Eastern
3 rd Quarter 2025	Wednesday, October 29, 2025	8:30 a.m. Eastern

Dealer Inventory¹ Changes

(in billions of dollars)

	Increase/(Decrease)								
	2023					2024			YoY Impact to 3Q Sales ³
	1Q	2Q	3Q	4Q	Full Year ²	1Q	2Q	3Q	
Dealer Inventory¹ of Machines	\$1.1	\$0.2	\$0.4	(\$1.4)	\$0.7	\$1.1	(\$0.4)	\$0.1	(\$0.2)
Total Dealer Inventory¹	\$1.4	\$0.6	\$0.6	(\$0.9)	\$2.1	\$1.4	(\$0.2)	\$0.4	(\$0.2)

¹ Dealers are independent businesses and control their own inventory.

² Quarterly dealer inventory changes will not equal full-year dealer inventory changes due to the impact of rolling price updates in the dealer inventory reporting, which reflect a trailing 12-month price impact. Previously reported dealer inventory figures are not retroactively updated for price.

³ Amounts may not add due to rounding.

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Order Backlog

Increased
\$0.1B

3Q 2024
vs. 2Q 2024

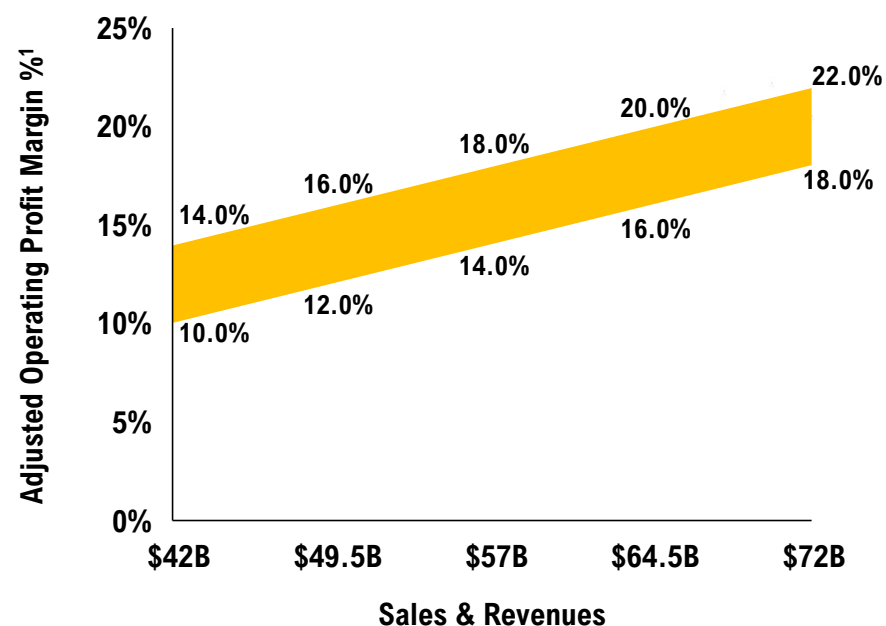
Increased
\$0.7B

2Q 2024
vs. 1Q 2024

Increased
\$0.6B

3Q 2024
vs. 3Q 2023

Adjusted Operating Profit Margin¹ Target Range



- Progressive adjusted operating profit margin¹ target range
- Adjusted operating profit margin¹ target range:
 - 10-14% at \$42B of sales and revenues
 - 18-22% at \$72B of sales and revenues

¹ Adjusted operating profit margin is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

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Additional Key Thoughts As We Look Ahead – Full Year 2024

- Capital expenditures anticipated to be around \$2.0 billion
- Anticipate restructuring costs to be approximately \$400 million
- Expect global annual effective tax rate, excluding discrete items, of 22.5%

Non-GAAP Financial Measures

(Dollars in millions except per share data)

	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Profit	Profit per Share
Three Months Ended September 30, 2024 - U.S. GAAP	\$ 3,147	19.5%	\$ 3,098	\$ 642	\$ 2,464	\$ 5.06
Restructuring (income) costs	70	0.5%	70	16	54	0.11
Three Months Ended September 30, 2024 - Adjusted	<u>\$ 3,217</u>	<u>20.0%</u>	<u>\$ 3,168</u>	<u>\$ 658</u>	<u>\$ 2,518</u>	<u>\$ 5.17</u>
Three Months Ended September 30, 2023 - U.S. GAAP	\$ 3,449	20.5%	\$ 3,515	\$ 734	\$ 2,794	\$ 5.45
Restructuring (income) costs	46	0.3%	46	10	36	0.07
Three Months Ended September 30, 2023 - Adjusted	<u>\$ 3,495</u>	<u>20.8%</u>	<u>\$ 3,561</u>	<u>\$ 744</u>	<u>\$ 2,830</u>	<u>\$ 5.52</u>

Note: Amounts may not add due to rounding.

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Estimated Annual Tax Rate Reconciliation

(Dollars in millions)	<u>Profit Before Taxes</u>	<u>Provision (Benefit) for Income Taxes</u>	<u>Effective Tax Rate</u>
Three Months Ended September 30, 2024 - U.S. GAAP	\$ 3,098	\$ 642	20.7%
Changes in estimates related to prior years	-	47	
Excess stock-based compensation	-	7	
Annual effective tax rate, excluding discrete items	<u>\$ 3,098</u>	<u>\$ 696</u>	<u>22.5%</u>
Changes in estimates related to prior periods	-	(47)	
Excess stock-based compensation	-	(7)	
Restructuring (income) costs	70	16	
Three Months September 30, 2024 - Adjusted	<u><u>\$ 3,168</u></u>	<u><u>\$ 658</u></u>	
Three Months Ended September 30, 2023 - U.S. GAAP	\$ 3,515	\$ 734	20.9%
Decrease in annual effective tax rate	-	\$ 34	
Excess stock-based compensation	-	22	
Annual effective tax rate, excluding discrete items	<u>\$ 3,515</u>	<u>\$ 790</u>	<u>22.5%</u>
Decrease in annual effective tax rate	-	(34)	
Excess stock-based compensation	-	(22)	
Restructuring (income) costs	46	10	
Three Months Ended September 30, 2023 - Adjusted	<u><u>\$ 3,561</u></u>	<u><u>\$ 744</u></u>	

Note: Amounts may not add due to rounding.

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Reconciliation to U.S. GAAP

Reconciliation of ME&T Cash Flow from Operations to ME&T Free Cash Flow

(USD in billions)	3Q 2023	3Q 2024	Sep YTD 2023	Sep YTD 2024
ME&T cash flow from operations	\$ 3.3	\$ 3.2	\$ 8.0	\$ 7.7
ME&T capital expenditures	(0.4)	(0.4)	(1.1)	(1.3)
ME&T free cash flow	<u>\$ 2.9</u>	<u>\$ 2.7</u>	<u>\$ 6.8</u>	<u>\$ 6.4</u>

Note: Amounts may not add due to rounding.

Note: See reconciliation of ME&T cash flow from operations to consolidated net cash provided by operating activities in the Supplemental Data for Statement of Cash Flow contained in our quarter 10-Q filing.

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