

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

First Quarter 2025 Financial Review

April 30, 2025

CATERPILLAR[®]

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 first-quarter 2025 financial results which is available on our website at www.caterpillar.com/earnings.



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Thank you to our Global Team

Delivered another quarter of solid results

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

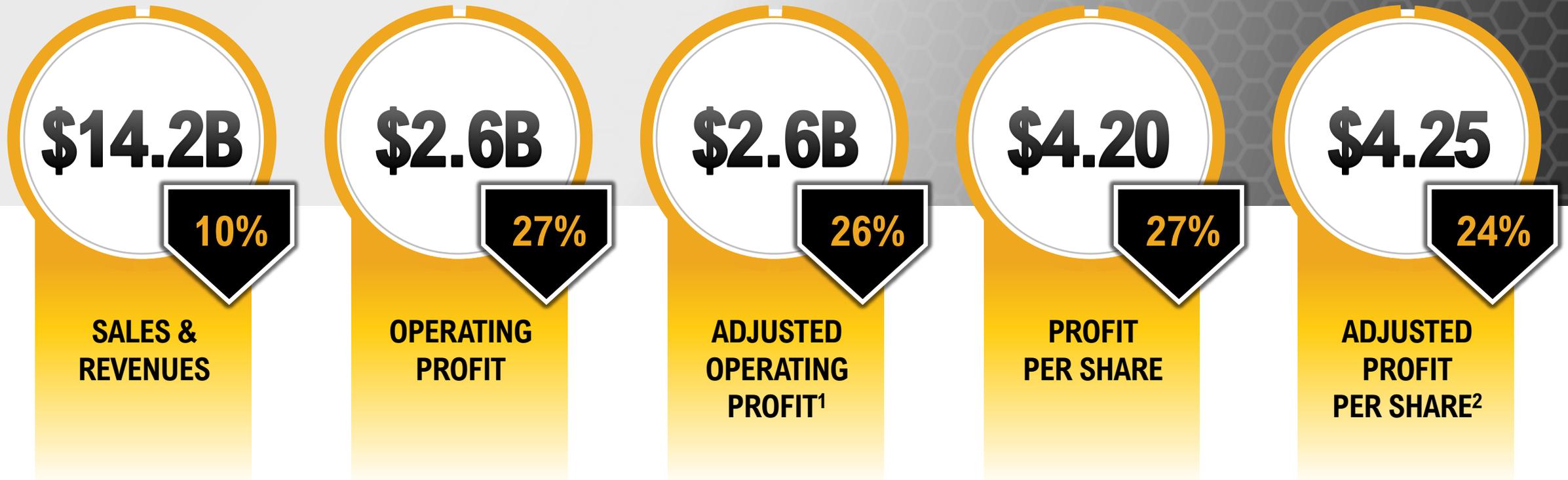
ALL-TIME RECORD ORGANIC
**BACKLOG GROWTH
OF \$5 BILLION**
IN THE QUARTER

DEPLOYED
**OVER \$4 BILLION
TO SHAREHOLDERS**
THROUGH SHARE REPURCHASES
AND DIVIDENDS

EXECUTING OUR STRATEGY FOR LONG-TERM PROFITABLE GROWTH

Key Takeaways

First Quarter 2025 vs. First Quarter 2024



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 First-quarter 2025 adjusted profit per share excluded restructuring costs of \$0.05 per share. First-quarter 2024 adjusted profit per share excluded restructuring income of \$0.15 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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ME&T Free Cash Flow¹ and Capital Deployment



\$0.2B

ME&T FREE CASH FLOW¹ 1Q 2025

A decrease versus 1Q 2024,
primarily driven by
lower profit



\$4.3B

DEPLOYED TO SHAREHOLDERS IN 1Q 2025

Through nearly \$3.7B of share
repurchases and about
\$0.7B of dividends



**31
Years**

DIVIDEND ARISTOCRAT

Paid higher annual dividends
to shareholders for
31 consecutive years

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.

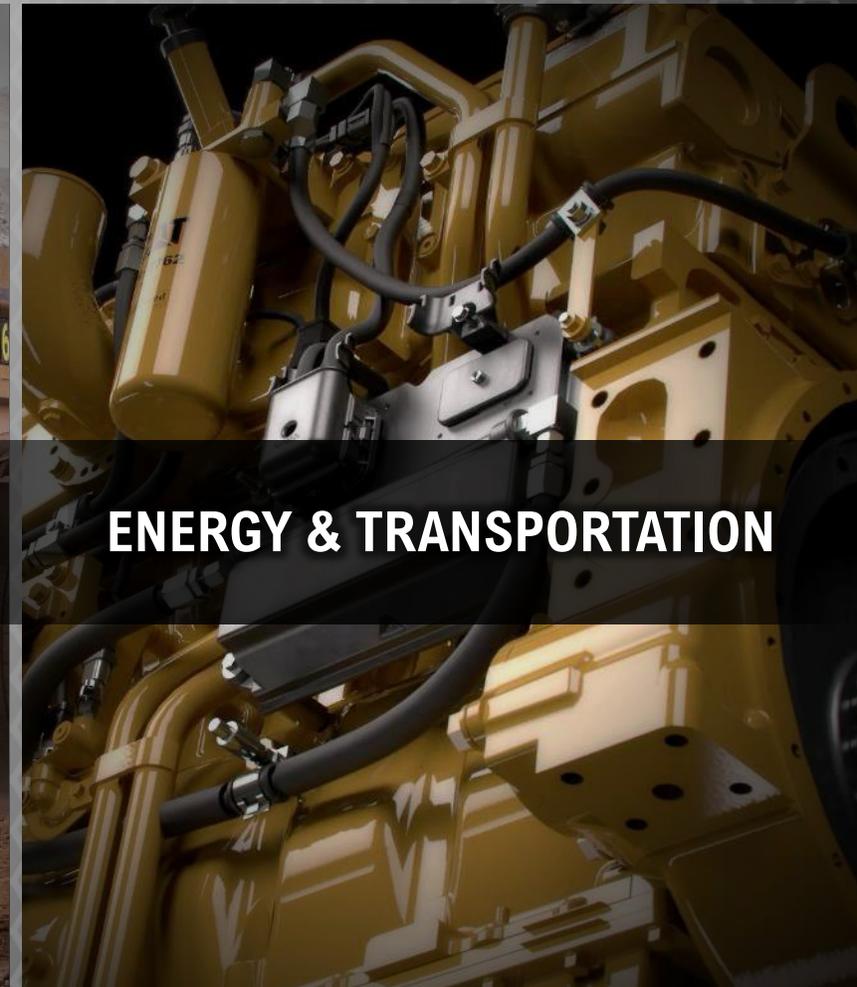
End Market Commentary



CONSTRUCTION INDUSTRIES



RESOURCE INDUSTRIES

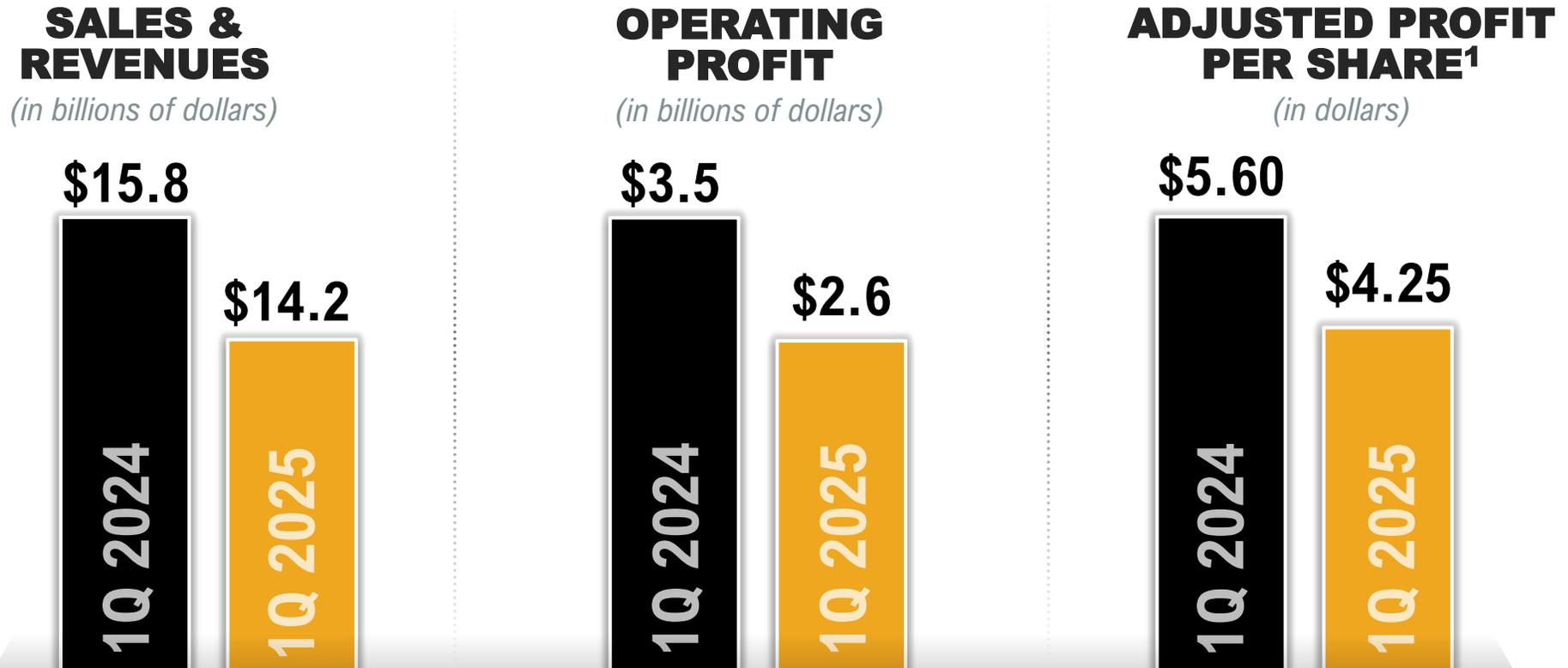


ENERGY & TRANSPORTATION

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Financial Results Summary

First Quarter 2025 vs. First Quarter 2024



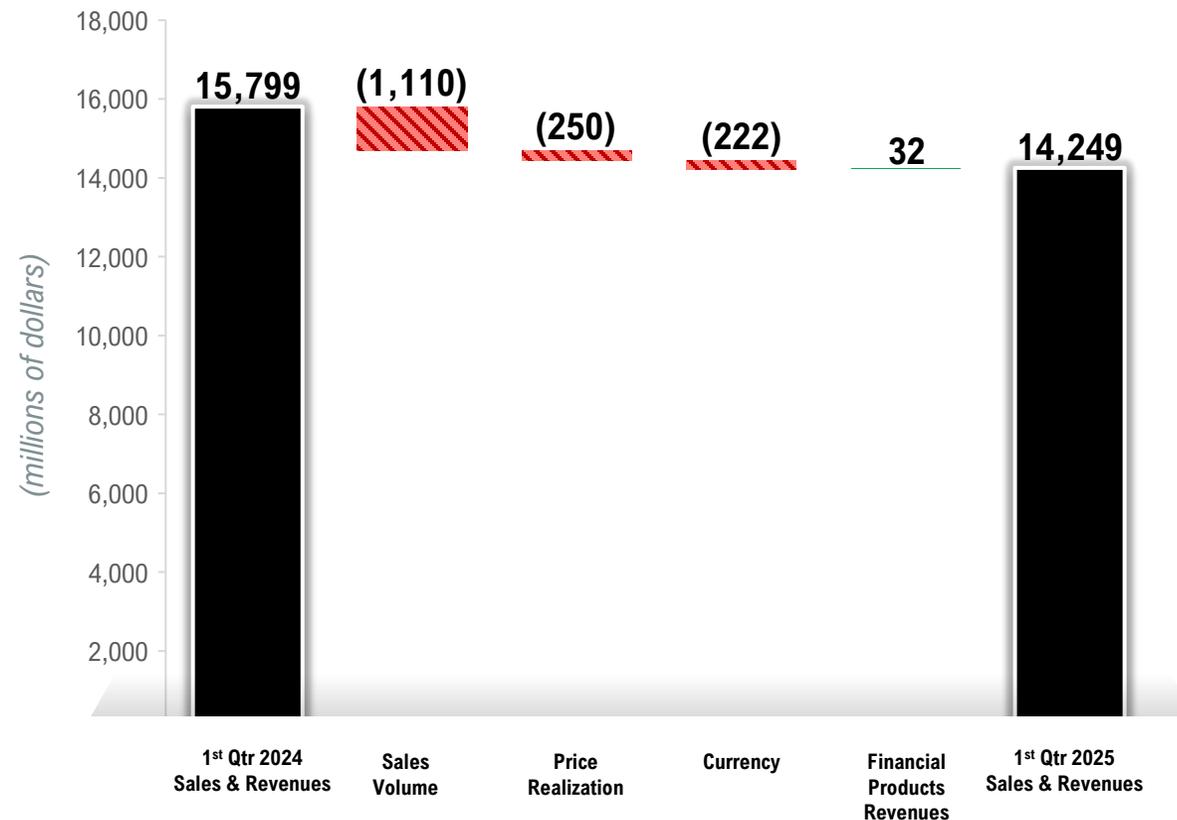
¹First-quarter 2025 adjusted profit per share excluded restructuring costs of \$0.05 per share. First-quarter 2024 adjusted profit per share excluded restructuring income of \$0.15 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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Consolidated Sales and Revenues

First Quarter 2025 vs. First Quarter 2024



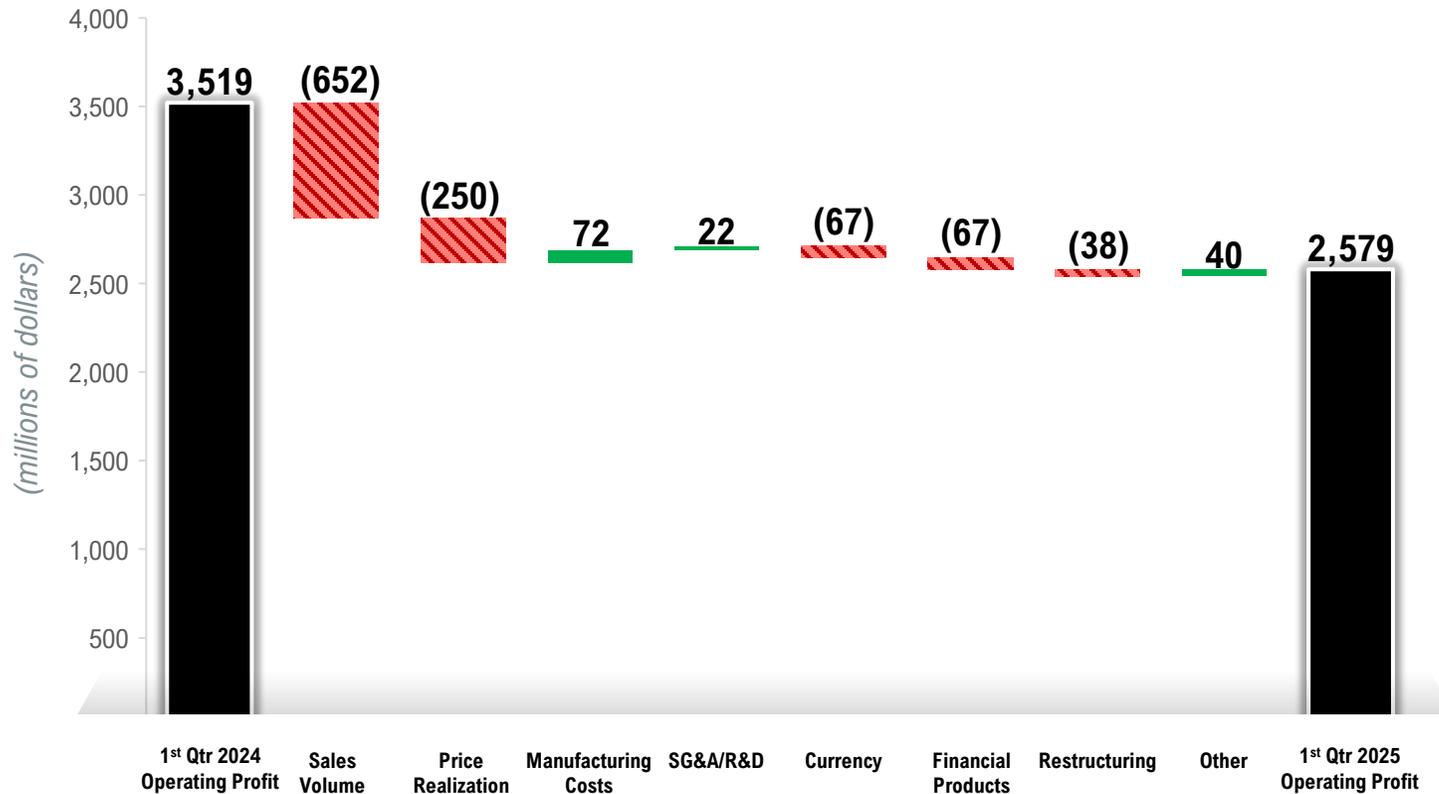
1ST QUARTER HIGHLIGHTS

Sales & Revenues Decreased \$1.550B or 10%

- Lower sales volume
- Unfavorable impact from changes in dealer inventories
 - Dealer inventory increased by \$100M during 1Q 2025, compared to an increase of \$1.4B during 1Q 2024
- Unfavorable price realization
- Unfavorable currency impacts

Consolidated Operating Profit

First Quarter 2025 vs. First Quarter 2024



1ST QUARTER HIGHLIGHTS

Operating Profit Decreased \$940 million or 27%

- Profit impact of lower sales volume
- Unfavorable price realization

Operating Profit Margin of 18.1%

Adjusted Operating Profit Margin¹ of 18.3%

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.

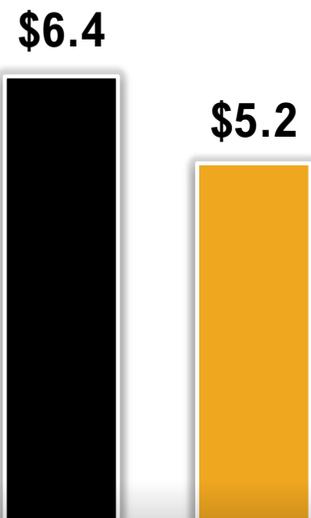
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Construction Industries

First Quarter 2025 vs. First Quarter 2024

TOTAL SALES*

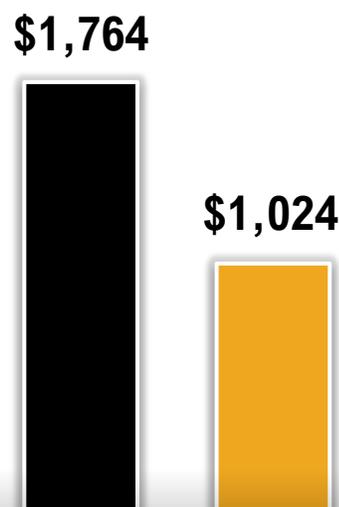
(in billions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

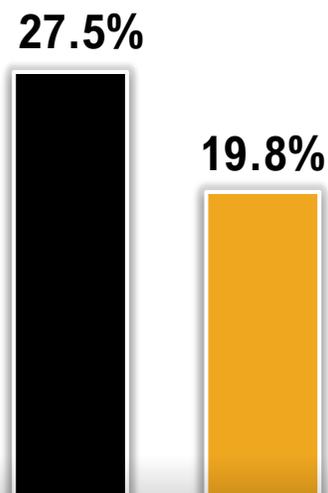
(in millions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

(as a percent of total sales*)



1Q 2024 1Q 2025

* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Decreased \$1.240B or 19%

- Lower sales volume
- Unfavorable price realization

Segment Profit Decreased \$740M or 42%

- Profit impact of lower sales volume
- Unfavorable price realization

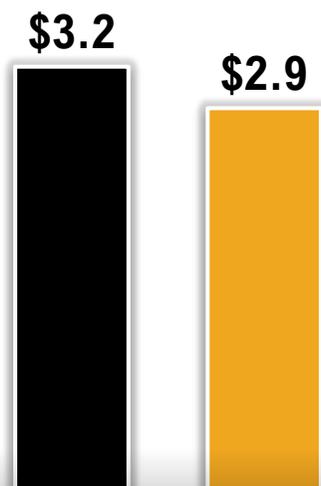
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Resource Industries

First Quarter 2025 vs. First Quarter 2024

TOTAL SALES*

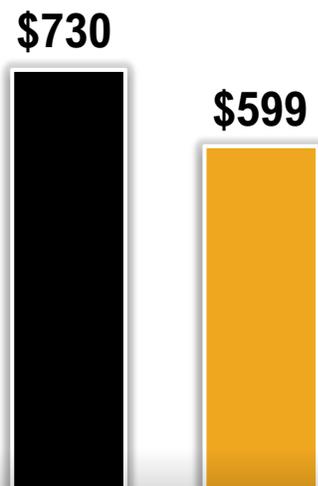
(in billions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

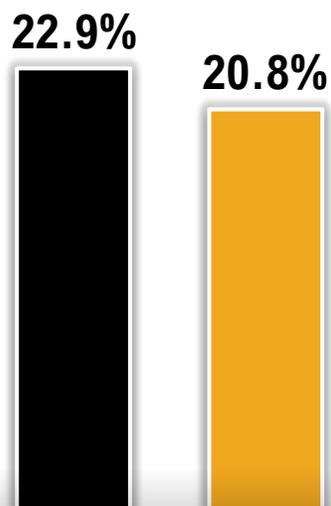
(in millions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

(as a percent of total sales*)



1Q 2024 1Q 2025

* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Decreased \$309M or 10%

- Lower sales volume
- Unfavorable price realization
- Unfavorable currency impacts

Segment Profit Decreased \$131M or 18%

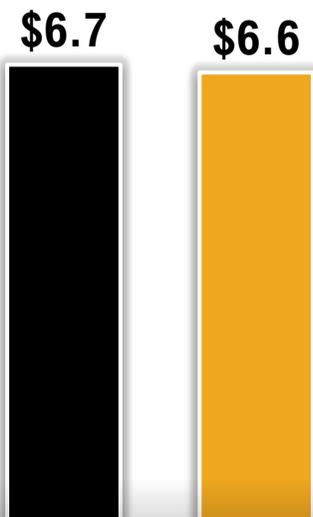
- Profit impact of lower sales volume

Energy & Transportation

First Quarter 2025 vs. First Quarter 2024

TOTAL SALES*

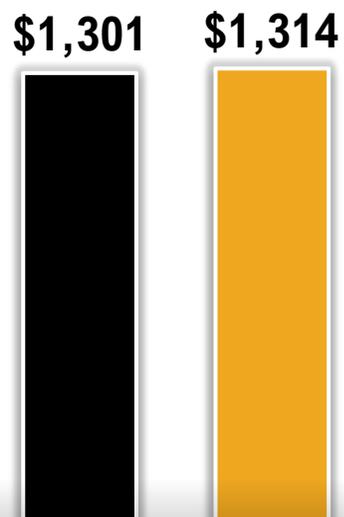
(in billions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

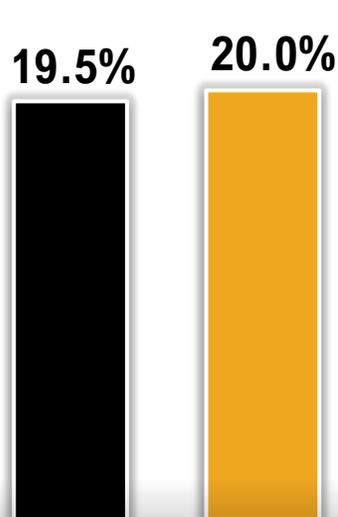
(in millions of dollars)



1Q 2024 1Q 2025

SEGMENT PROFIT

(as a percent of total sales*)



1Q 2024 1Q 2025

* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Decreased \$113M or 2%

- Lower sales volume
- Unfavorable currency impacts
- Favorable price realization

Segment Profit Increased \$13M or 1%

- Favorable price realization
- Mostly offset by profit impact of lower sales volume and unfavorable manufacturing costs

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Financial Products

First Quarter 2025 vs. First Quarter 2024

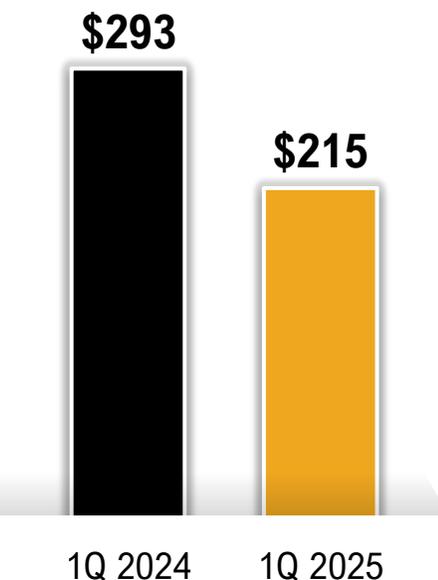
TOTAL REVENUES*

(in millions of dollars)



SEGMENT PROFIT

(in millions of dollars)



* Includes inter-segment revenues.

1ST QUARTER HIGHLIGHTS

Total Revenues Increased \$16M or 2%

- Favorable impact from higher average earning assets driven by North America
- Lower average financing rates primarily in North America

Segment Profit Decreased \$78M or 27%

- Absence of an insurance settlement
- Higher provision for credit losses
- Unfavorable impact from lower net yield on average earning assets
- Unfavorable impact from equity securities

ME&T Free Cash Flow¹ and Capital Deployment



\$0.2B

ME&T FREE CASH FLOW¹ 1Q 2025

A decrease versus 1Q 2024,
primarily driven by
lower profit

\$4.3B

DEPLOYED TO SHAREHOLDERS IN 1Q 2025

Through nearly \$3.7B of share
repurchases and about
\$0.7B of dividends

\$3.6B

ENTERPRISE CASH BALANCE

Hold additional \$1.2B 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.

Key Thoughts As We Look Ahead – Full Year 2025

- Pre-tariff scenario, which does not include any impact from tariffs¹:
 - Expect 2025 full-year sales and revenues to be about flat compared to 2024, better than previous expectations of down slightly
 - Expect 2025 full-year adjusted operating profit margin² to be in the top half of the annual target range³
 - Expect 2025 full-year ME&T free cash flow⁴ to be in the top half of the annual target range³
- Alternative scenario, which includes the cost impact of the current tariff¹ levels for the remainder of the year, before any additional mitigation actions, and with negative economic growth in the second half of 2025:
 - Expect 2025 full-year sales and revenues to be down slightly compared to 2024, in-line with previous expectations
 - Expect 2025 full-year adjusted operating profit margin² to be within the annual target range³
 - Expect 2025 full-year ME&T free cash flow⁴ to be within the annual target range³

¹ Implemented since beginning of 2025 and using rates that are in place as of April 29, 2025 throughout the year.

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.

³ 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.

⁴ 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.

Key Thoughts As We Look Ahead – 2Q 2025

- Expect 2Q 2025 sales and revenues to be similar to 2Q 2024
- Expect 2Q 2025 adjusted operating profit margin¹ to be lower than 2Q 2024, primarily due to lower price realization, before any tariff² impact
- Expect an additional cost headwind of \$250M to \$350M in 2Q 2025 from tariffs², net of initial mitigation actions and cost controls

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 Implemented since beginning of 2025 and using rates that are in place as of April 29, 2025 throughout the year.

First Quarter 2025 Key Takeaways

CURRENTLY EXPECT FULL-YEAR 2025
ADJUSTED OPERATING PROFIT
MARGIN¹ AND ME&T FREE CASH
FLOW² TO BE
WITHIN TARGET RANGES³

STRONG
BALANCE SHEET
AND LIQUIDITY POSITIONS

DEPLOYED
\$4.3B OF CASH
TO SHAREHOLDERS
IN THE QUARTER

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 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.

³ 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.

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Q&A

Appendix

2025 Caterpillar Earnings Call Schedule

Earnings Quarter	Release Date	Call Time
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

(USD in billions)	Increase/(Decrease)						YoY Impact to 1Q Sales ³
	2024					2025	
	1Q	2Q	3Q	4Q	Full Year ²	1Q	
Dealer Inventory¹ of Machines	\$1.1	(\$0.4)	\$0.1	(\$1.6)	(\$0.7)	\$0.0	(\$1.1)
Total Dealer Inventory¹	\$1.4	(\$0.2)	\$0.4	(\$1.3)	\$0.4	\$0.1	(\$1.3)

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.

Order Backlog

Increased
\$5.0B
1Q 2025
vs. 4Q 2024

Increased
\$1.3B
4Q 2024
vs. 3Q 2024

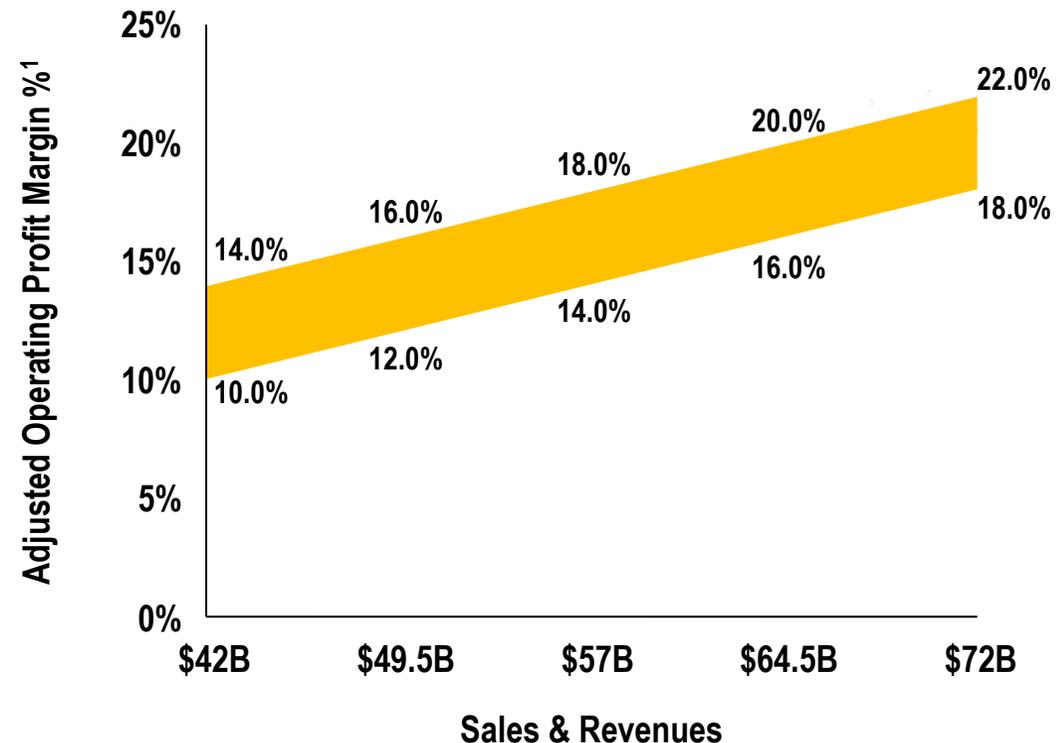
Increased
\$7.1B
1Q 2025
vs. 1Q 2024

Additional Key Thoughts As We Look Ahead – Full Year 2025

- Expect machine dealer inventory¹ to be about flat by the end of 2025 as compared to the end of 2024
- Continue to expect restructuring costs of approximately \$150M to \$200M in 2025
- Anticipate capital expenditures to be around \$2.5B in 2025
- Expect annual effective global tax rate, excluding discrete items, of 23.0% in 2025

¹ Dealers are independent businesses and control their own inventory.

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.

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 March 31, 2025 - U.S. GAAP	\$ 2,579	18.1%	\$ 2,570	\$ 574	\$ 2,003	\$ 4.20
Other restructuring (income) costs	32	0.2%	33	8	25	0.05
Three Months Ended March 31, 2025 - Adjusted	<u>\$ 2,611</u>	18.3%	<u>\$ 2,603</u>	<u>\$ 582</u>	<u>\$ 2,028</u>	\$ 4.25
Three Months Ended March 31, 2024 - U.S. GAAP	\$ 3,519	22.3%	\$ 3,532	\$ 688	\$ 2,856	\$ 5.75
Restructuring (income) - non-US mining entity divestiture	(64)	(0.5%)	(64)	54	(118)	(0.24)
Other restructuring (income) costs	58	0.4%	58	14	44	0.09
Three Months Ended March 31, 2024 - Adjusted	<u>\$ 3,513</u>	22.2%	<u>\$ 3,526</u>	<u>\$ 756</u>	<u>\$ 2,782</u>	\$ 5.60

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 March 31, 2025 - U.S. GAAP	\$ 2,570	\$ 574	22.3%
Excess stock-based compensation	-	17	
Annual effective tax rate, excluding discrete items	<u>\$ 2,570</u>	<u>\$ 591</u>	<u>23.0%</u>
Excess stock-based compensation	-	(17)	
Other restructuring (income) costs	33	8	
Three Months Ended March 31, 2025 - Adjusted	<u><u>\$ 2,603</u></u>	<u><u>\$ 582</u></u>	
Three Months Ended March 31, 2024 - U.S. GAAP	\$ 3,532	\$ 688	19.5%
Restructuring (income) - non-US mining entity divestiture	(64)	54	
Excess stock-based compensation	-	38	
Annual effective tax rate, excluding discrete items	<u>\$ 3,468</u>	<u>\$ 780</u>	<u>22.5%</u>
Excess stock-based compensation	-	(38)	
Other restructuring (income) costs	58	14	
Three Months Ended March 31, 2024 - Adjusted	<u><u>\$ 3,526</u></u>	<u><u>\$ 756</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)	1Q 2024	1Q 2025
ME&T cash flow from operations	\$ 1.8	\$ 0.9
ME&T capital expenditures	(0.5)	(0.7)
ME&T free cash flow	\$ 1.3	\$ 0.2

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 10-Q filing.

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