

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

First Quarter 2024 Financial Review

April 25, 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 first-quarter 2024 financial results which is available on our website at www.caterpillar.com/earnings.

Strong Performance

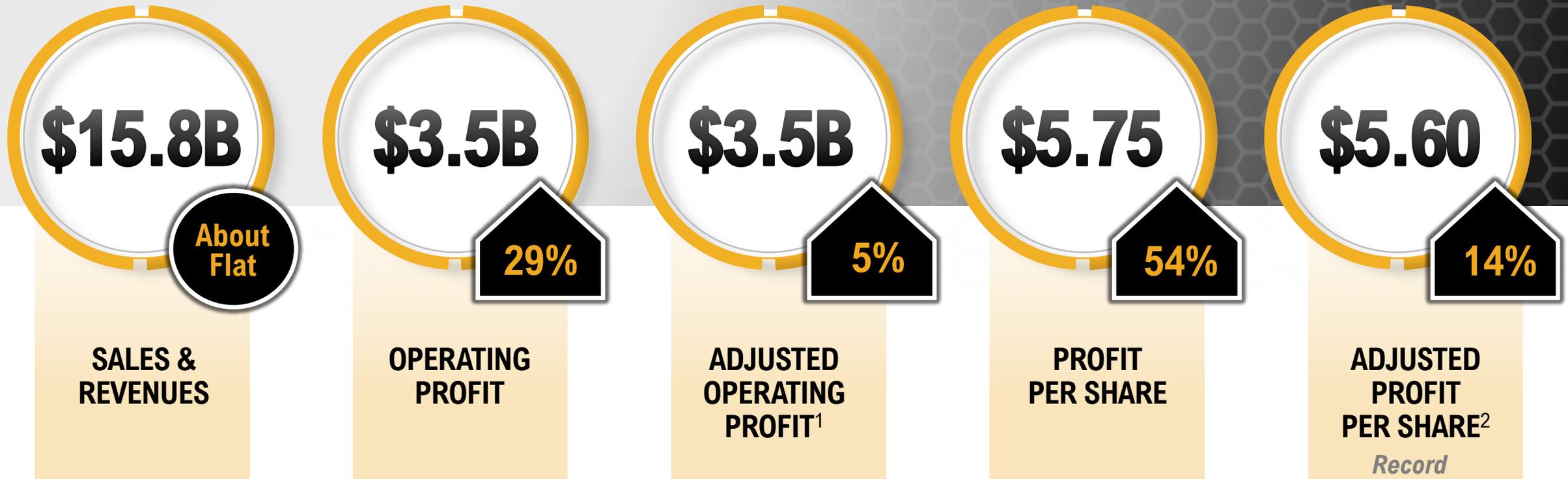
THANK YOU
TO OUR
GLOBAL TEAM

HEALTHY DEMAND
CONTINUES ACROSS MOST
END MARKETS

EXECUTING
OUR STRATEGY
FOR LONG-TERM
PROFITABLE
GROWTH

Key Takeaways

First Quarter 2024 vs. First 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 First-quarter 2024 adjusted profit per share excluded restructuring income of \$0.15 per share. First-quarter 2023 adjusted profit per share excluded restructuring costs of \$1.17 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



\$1.3B

1Q 2024 ME&T Free Cash Flow¹

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



\$5.1B

Record

Share repurchases and dividends in the quarter

Including an initiation of a \$3.5B accelerated share repurchase program which may last up to 9 months



**30
Years**

Dividend Aristocrat

Paid higher annual dividends to shareholders for 30 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.

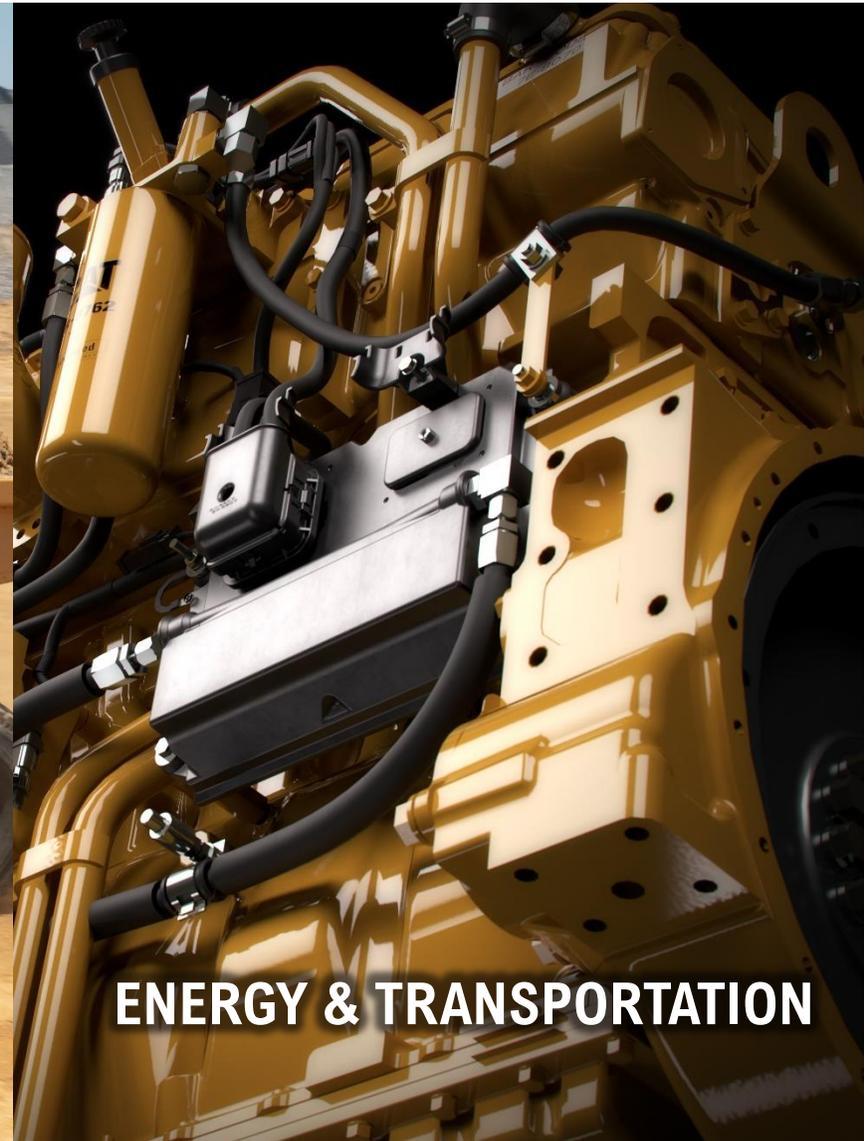
End Market Commentary



CONSTRUCTION INDUSTRIES



RESOURCE INDUSTRIES



ENERGY & TRANSPORTATION

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Sustainability



Electrification Strategic Agreement with CRH



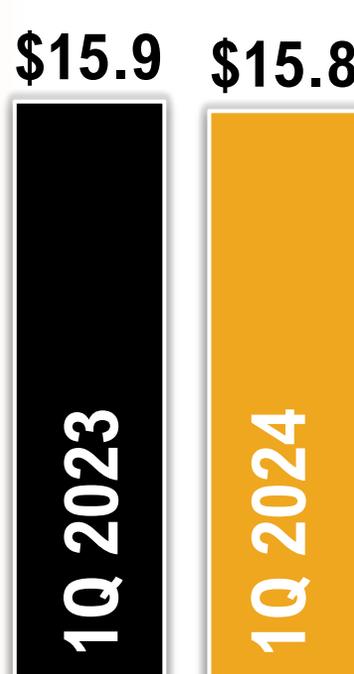
CAT Hybrid Energy Storage Solution

Financial Results Summary

First Quarter 2024 vs. First Quarter 2023

SALES & REVENUES

(in billions of dollars)



OPERATING PROFIT

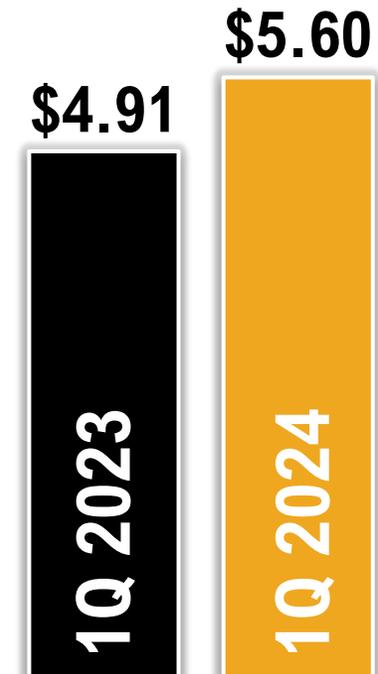
(in billions of dollars)



ADJUSTED PROFIT

PER SHARE¹

(in dollars)

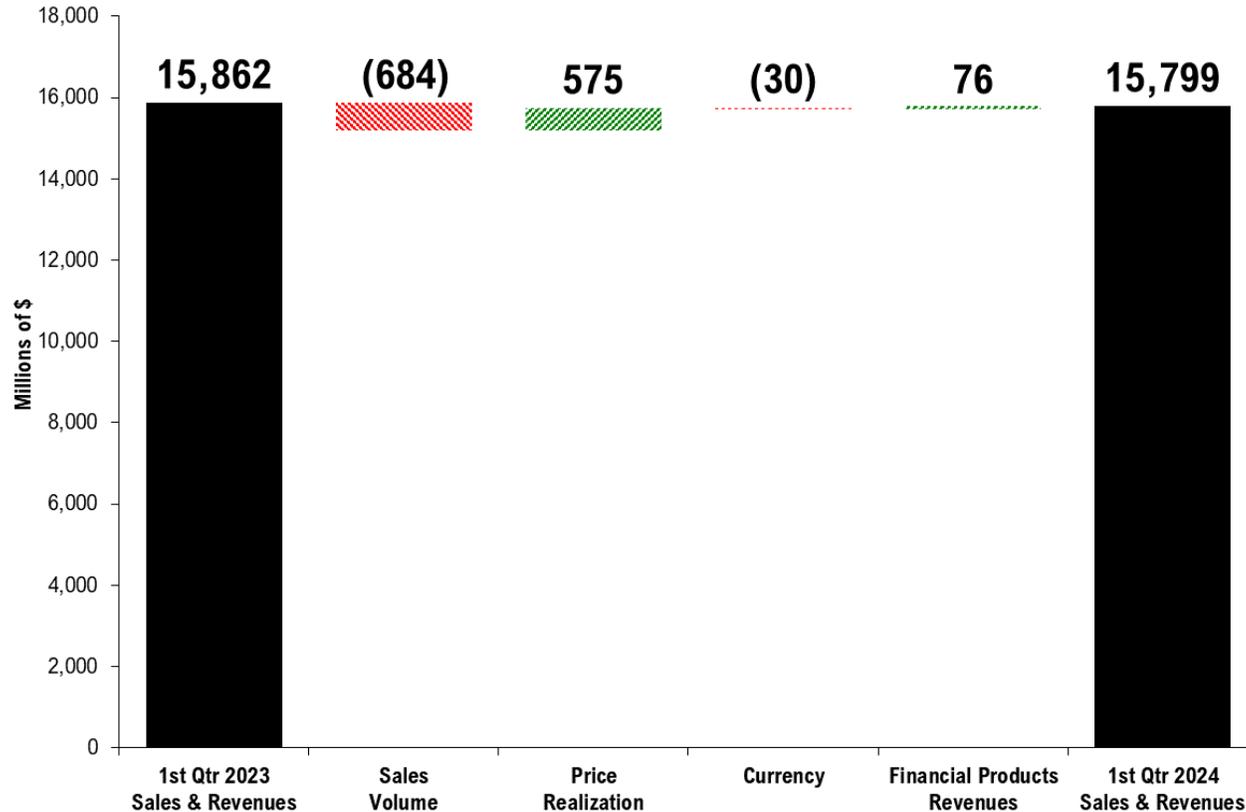


¹First-quarter 2024 adjusted profit per share excluded restructuring income of \$0.15 per share. First-quarter 2023 adjusted profit per share excluded restructuring costs of \$1.17 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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Consolidated Sales and Revenues

First Quarter 2024 vs. First Quarter 2023



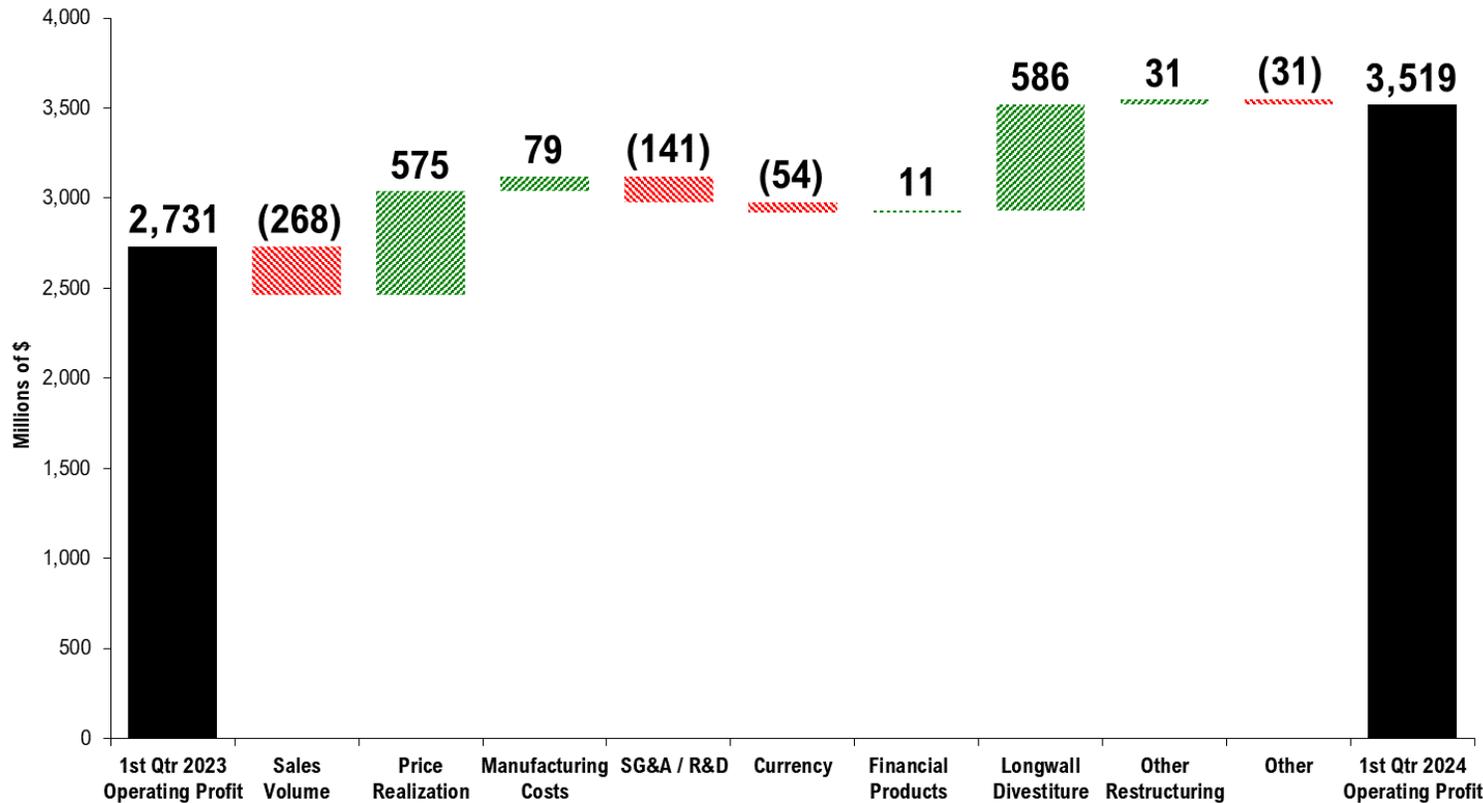
1ST QUARTER HIGHLIGHTS

Sales & Revenues about flat

- Lower sales volume of \$684 million
- Favorable price realization of \$575 million

Consolidated Operating Profit

First Quarter 2024 vs. First Quarter 2023



1ST QUARTER HIGHLIGHTS

Operating Profit Increased \$788 million or 29%

- Absence of the impact of the divestiture of the company's Longwall business in 2023 of \$586 million
- Favorable price realization of \$575 million
- Partially offset by the profit impact of lower sales volume of \$268 million

1Q 2024 Operating Profit Margin of 22.3%

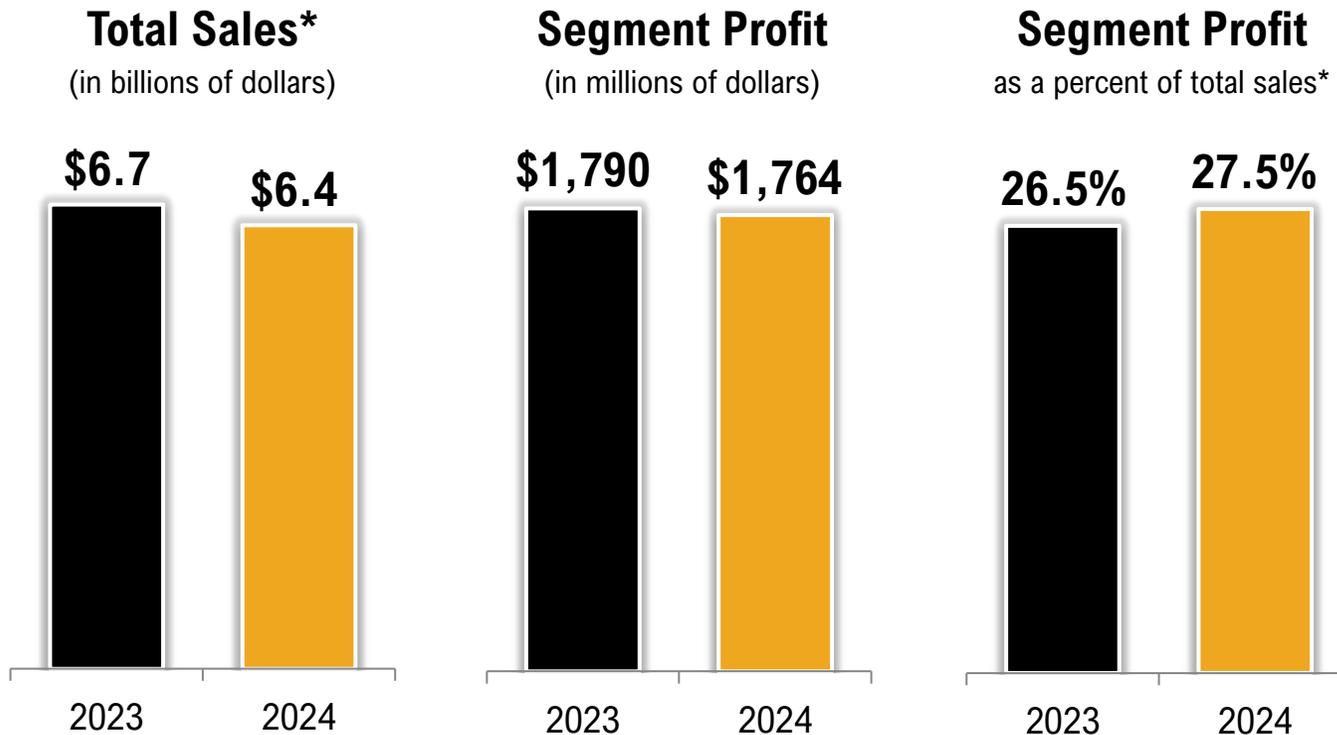
1Q 2024 Adjusted Operating Profit Margin¹ of 22.2%

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 2024 vs. First Quarter 2023



* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Decreased by \$322M or 5%

- **North America** – Favorable price realization
- **Latin America** – Sales were about flat
- **EAME** – Lower sales volume
- **Asia/Pacific** – Lower sales volume

Segment Profit Decreased \$26M or 1%

- Profit impact of lower sales volume of \$278 million
- Higher SG&A / R&D expenses of \$26 million
- Other unfavorable segment items of \$7 million
- Favorable price realization of \$199 million
- Favorable manufacturing costs of \$86 million

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Resource Industries

First Quarter 2024 vs. First Quarter 2023

Total Sales*

(in billions of dollars)



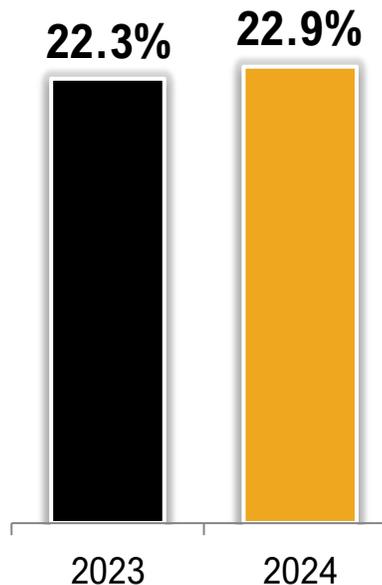
Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Decreased \$234M or 7%

- Lower sales volume of \$425 million
- Favorable price realization of \$173 million

Segment Profit Decreased \$34M or 4%

- Profit impact of lower sales volume of \$217 million
- Other unfavorable segment items of \$24 million
- Favorable price realization of \$173 million
- Favorable manufacturing costs of \$38 million

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Energy & Transportation

First Quarter 2024 vs. First Quarter 2023

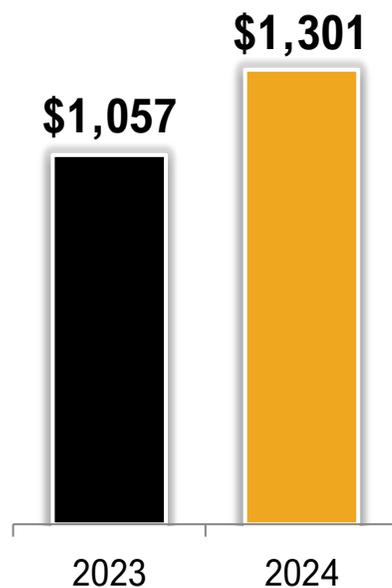
Total Sales*

(in billions of dollars)



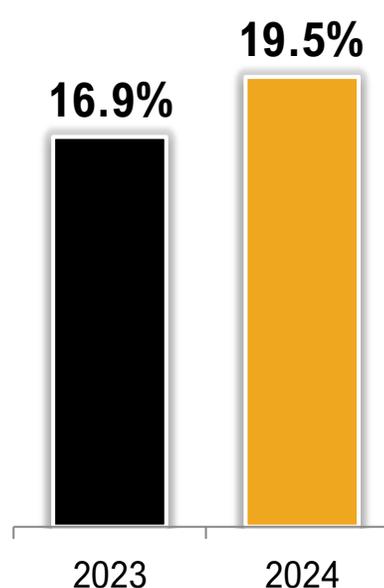
Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



* Includes inter-segment sales.

1ST QUARTER HIGHLIGHTS

Total Sales Increased \$427M or 7%

- **Oil and Gas** – Increase in turbine and turbine-related services as well as reciprocating engines
- **Power Generation** – Increase in large reciprocating engines, primarily data center applications
- **Industrial** – Decrease in sales primarily in EAME and North America
- **Transportation** – Increase in rail services, international locomotive deliveries also higher

Segment Profit Increased \$244M or 23%

- Favorable price realization of \$202 million

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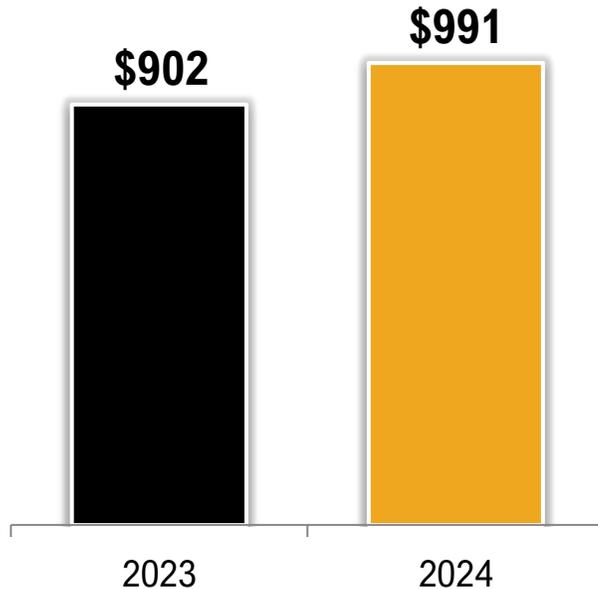
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Financial Products

First Quarter 2024 vs. First Quarter 2023

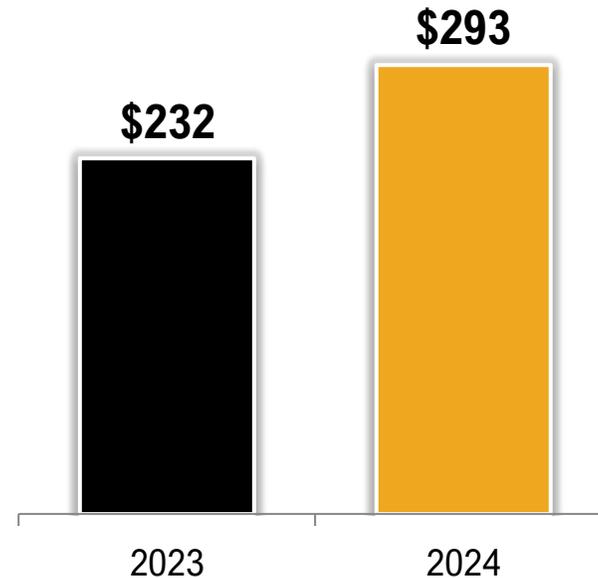
Total Revenues*

(in millions of dollars)



Segment Profit

(in millions of dollars)



* Includes inter-segment revenues.

1ST QUARTER HIGHLIGHTS

Total Revenues Increased \$89M or 10%

- Higher average financing rates across all regions of \$69 million
- Favorable impact of \$32 million due to higher average earning assets, primarily in North America

Segment Profit Increased \$61M or 26%

- Increase mainly due to an insurance settlement of \$33 million
- Favorable impact from equity securities of \$27 million

ME&T Free Cash Flow¹ and Capital Deployment



\$1.3B

1Q 2024 ME&T Free Cash Flow¹

Expect to be at the top half
of the ME&T free cash flow¹
target range²

\$5.1B

Record

Share repurchases and dividends in the quarter

Including an initiation of a \$3.5B
accelerated share repurchase program
which may last up to 9 months

\$5.0B

Enterprise Cash Balance

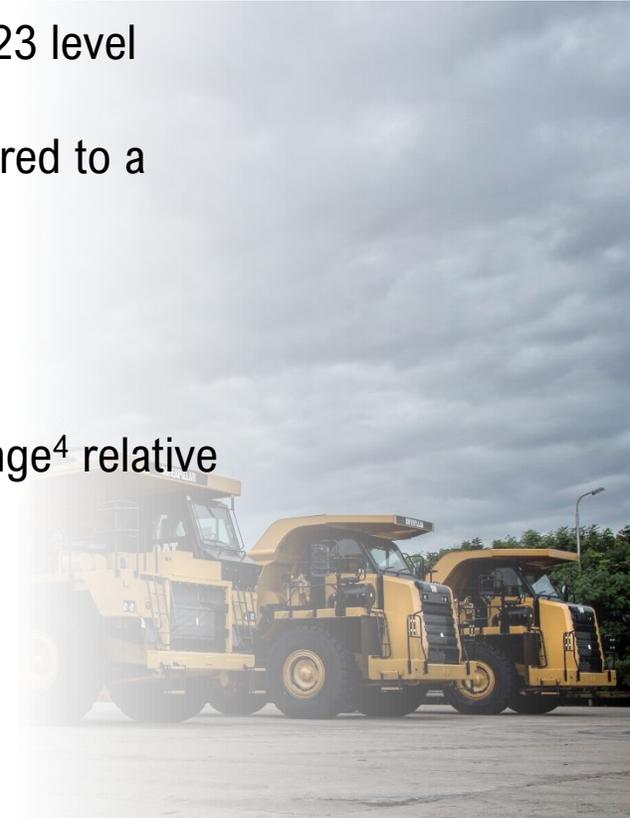
Hold additional \$2.2B in slightly
longer-dated liquid marketable
securities

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.

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.

Key Thoughts As We Look Ahead – Full Year 2024

- Anticipate full-year 2024 sales and revenues to be broadly similar to the record full-year 2023 level
- Do not expect a significant change in machine dealer inventory¹ by the end of 2024, compared to a build in 2023
- Anticipate another year of services² growth in 2024
- Expect 2024 full-year adjusted operating profit margin³ to be in the top half of the target range⁴ relative to the expected corresponding level of sales and revenues
- Expect 2024 full-year ME&T free cash flow⁵ to be in the top half of our target range⁴



¹ Dealers are independent businesses and control their own inventory.

² 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.

³ Adjusted operating profit margin is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

⁴ Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an updated 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.

⁵ 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 Thoughts As We Look Ahead – 2Q 2024

- Expect 2Q 2024 sales to be lower than 2Q 2023
- Expect dealer inventories¹ of machines to decline in 2Q 2024, in line with normal seasonal trends
- Expect that 2Q 2024 price realization will remain favorable compared to 2Q 2023
- Expect 2Q 2024 adjusted operating profit margin² to be similar to 2Q 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.

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First Quarter 2024 Key Takeaways

**RECORD
ADJUSTED PROFIT
PER SHARE¹**
OF \$5.60

**RECORD \$5.1B
CASH DEPLOYED**
IN THE QUARTER FOR SHARE
REPURCHASES AND DIVIDENDS

EXPECT FULL YEAR ADJUSTED
OPERATING PROFIT MARGIN² AND
ME&T FREE CASH FLOW³
**TO BE IN TOP HALF
OF TARGET RANGES⁴**

¹ First-quarter 2024 adjusted profit per share excluded restructuring income of \$0.15 per share. First-quarter 2023 adjusted profit per share excluded restructuring costs of \$1.17 per share. A reconciliation to the most comparable GAAP measure is included in the appendix.

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 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 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

2024 Caterpillar Earnings Call Schedule

Earnings Quarter	Release Date	Call Time
2 nd Quarter 2024	Tuesday, August 6, 2024	8:30 a.m. Eastern
3 rd Quarter 2024	Wednesday, October 30, 2024	8:30 a.m. Eastern

Dealer Inventory¹ Changes

(in billions of dollars)

	Increase/(Decrease)					2024	YoY Impact to 1Q Sales
	2023						
	1Q	2Q	3Q	4Q	Full Year ²		
Dealer Inventory¹ of Machines	\$1.1	\$0.2	\$0.4	(\$1.4)	\$0.7	\$1.1	\$0.0
Total Dealer Inventory¹	\$1.4	\$0.6	\$0.6	(\$0.9)	\$2.1	\$1.4	\$0.0

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.

Note: Amounts may not add due to rounding.

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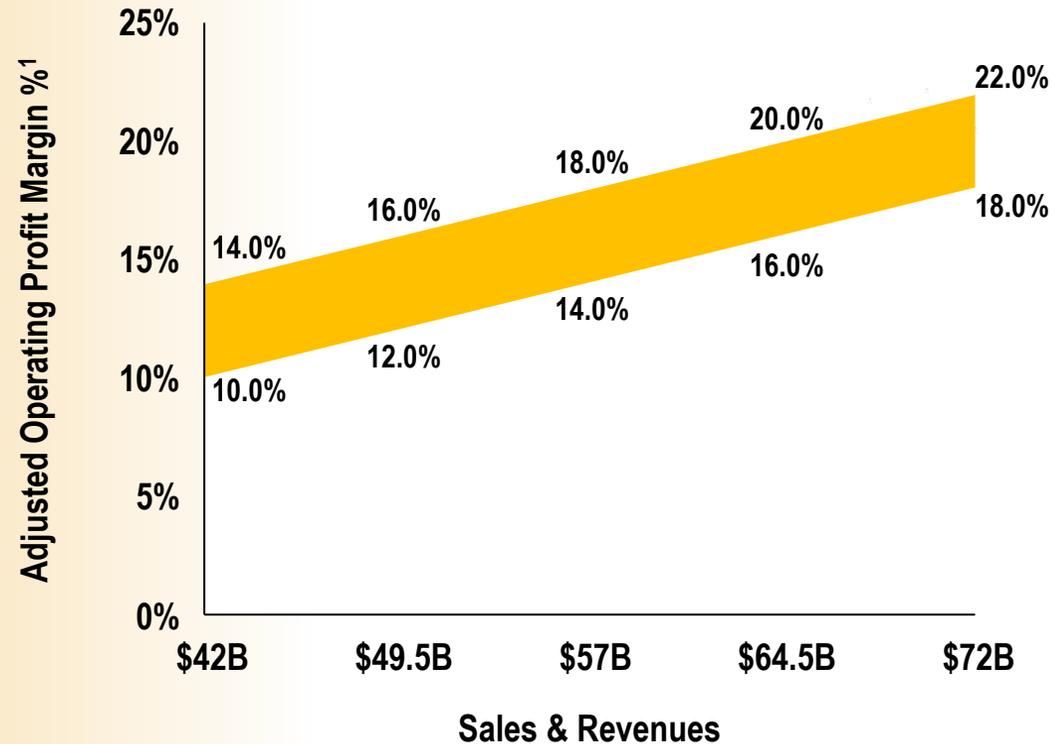
Order Backlog

Increased
\$0.4B
1Q 2024
vs. 4Q 2023

Decreased
\$0.6B
4Q 2023
vs. 3Q 2023

Decreased
\$2.5B
1Q 2024
vs. 1Q 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.

Additional Key Thoughts As We Look Ahead – Full Year 2024

- Capital expenditures expected range of \$2.0 billion to \$2.5 billion
- Restructuring costs expected between \$300 million to \$450 million
- Expect 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 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
Three Months Ended March 31, 2023 - U.S. GAAP	\$ 2,731	17.2%	\$ 2,634	\$ 708	\$ 1,943	\$ 3.74
Restructuring costs - Longwall divestiture	586	3.7%	586	-	586	1.13
Other restructuring (income) costs	25	0.2%	25	5	20	0.04
Three Months Ended March 31, 2023 - Adjusted	<u>\$ 3,342</u>	21.1%	<u>\$ 3,245</u>	<u>\$ 713</u>	<u>\$ 2,549</u>	\$ 4.91

Note: Amounts may not add due to rounding.

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Estimated Annual Tax Rate Reconciliation

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
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	\$ 3,468	\$ 780	22.5%
Excess stock-based compensation	-	(38)	
Other restructuring (income) costs	58	14	
Three Months Ended March 31, 2024 - Adjusted	<u>\$ 3,526</u>	<u>\$ 756</u>	
Three Months Ended March 31, 2023 - U.S. GAAP	\$ 2,634	\$ 708	26.9%
Restructuring costs - Longwall divestiture	586	-	
Excess stock-based compensation	-	32	
Annual effective tax rate, excluding discrete items	\$ 3,220	\$ 740	23.0%
Excess stock-based compensation	-	(32)	
Other restructuring (income) costs	25	5	
Three Months Ended March 31, 2023 - Adjusted	<u>\$ 3,245</u>	<u>\$ 713</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 2023	1Q 2024
ME&T cash flow from operations	\$ 1.8	\$ 1.8
ME&T capital expenditures	(0.4)	(0.5)
ME&T free cash flow	\$1.4	\$1.3

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.