

Caterpillar

11/04/25 Investor Days

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>> ALEX KAPPER: Hi. Good morning, everyone and welcome to Caterpillar's 2025 Investor Day, the next one hundred years. I'm Alex Kapper, Vice President of Investor Relations and we're pleased to host you whether you're joining online or in the room and we're really excited to share with you how we see the next chapter of our story unfold. Just a few quick reminders before we get started. We've already conducted the safety briefing here in the room, and so I would encourage anyone joining remotely to be aware of their surroundings and their local safety protocols. During our event today we'll make forward-looking statements which are subject to risks and uncertainties. We'll make assumptions that could cause our actual results to be different than the information we are sharing with you today. Please refer to our recent SEC filings and the forward-looking statements reminder for details on factors that individually or in aggregate can cause our actual results to vary materially from our forecasts. Detailed discussion of the many factors that we believe may have a material effect on our business on an ongoing basis, it's contained in our SEC filings. We'll also refer to non-GAAP numbers for any reconciliation of non-GAAP numbers to the appropriate U.S GAAP numbers, please see the appendix of the Investor Day slides. A transcript, a video replay, and the slides will be available following this event on investors.Caterpillar.com. Caterpillar has copyrighted this event, and we prohibit any use without our prior written approval. Here is the agenda and speakers for the day. Note, we have two breaks, and we'll provide instructions in the room during the breaks as well. We'll have an online Q&A portal as well where you can submit questions. We expect the Q&A to start around 11:45 depending on where we take a break and we will end no later than 12:45 p.m. In addition to the presenters, we have several esteemed senior leaders from across Caterpillar also joining us in the room as well. And now I'm pleased to introduce and hand the meeting over to our CEO, Joe Creed.

[Video presentation]

>> JOE CREED: All right. Well, good morning, everybody. It's great to be here with you. Thank you all for joining our 2025 Investor Day. This is an exciting day for us, one that for us and our team is much anticipated, so hopefully you all enjoy the day. For those of you who traveled here to be with us, thank you. I hope you have a chance to visit the tech tables. And we're showing off our team and the technology out there, no better way to understand it then to ask our talented team members and see it for yourself. And many of you joining online, thank you for joining us. I know many of our employees are as well.

Before we get started I just want to say how truly honored I am to have the opportunity to lead this iconic company into its next century. We have tremendous opportunities ahead, and we are going to show you that today. I've spent my entire 28 years of my career at Caterpillar. And I have a tremendous passion for our people, for our brand, for our products for our dealers, and for our purpose of building a more sustainable world. So this is really, really personal to me. So today is going to be a fun day. My executive office teammates and I are excited to share our vision of Caterpillar's future. So let's go ahead and jump in. And I believe the title of this chart says it all. We have a strong past, but we have an even stronger future ahead. And over the next 25 minutes I'm going to talk to you really and break it down into three areas. One our strong foundation. We've been performing at a very high level. And then, two, how we are going to build on that strong foundation, by evolving our strategy for profitable growth moving forward. And then, finally, Andrew will cover the financials in detail at the end. You'll get some KPIs to read through each of the group president's presentations as well. But I will talk to you about how we are going to raise the bar on our financial performance moving forward.

So, let's start with our strong foundation. We're a different company now than we were ten years ago. We're definitely a different company than we were than when I hired in with the company 28 years ago. The strategy that Jim Umpleby put in place in 2017 drove a step change in how we operate and put a discipline in our business that we didn't have before and you can see it in our results. We have consistently delivered strong TSR. And it's whether you look at the three-year, five-year or ten-year comparisons, we have outpaced the S&P 500 Industrials and Capital Goods over those time periods.

And the strategy that delivered those results is built on what we call the operating and execution model. The O&E model is how we run our company. It's how we allocate resources, and it guides all of our strategic decisions, that's what put the discipline into the financial results that you're seeing. The results have been great. Let's look at a few of them.

In 2024, which is our last full year of reported results, we delivered \$11 billion of OPACC (Operating Profit After Capital Charge). As you can see, that is up 90% from 2019. And, remember, our true definition of winning, our ultimate goal through all the metrics is growing OPACC dollars. We believe that has the highest correlation in total shareholder return (TSR). And I think the results over the last few years have proven that to be true.

Services are a staple, a center point of our strategy for profitable growth. We set out to double Services [revenues] from the base of 2016 (company clarified after the call). And in 2024 over that timeframe, we added \$10 billion of Services revenues to our top line, that's up 71% from 2016. To grow Services, we knew we had to be easier to do business with, so we set out to develop our own ecommerce platform. In 2024, we delivered \$18 million per business day of eCommerce revenue. Do the math, that's about \$4.5 billion, the \$18 million per day is well ahead of the targeted ramp we had set out when we went on this journey.

We have over \$1.5 million connected assets in the field reporting data to us every single day. That is a huge competitive advantage for us today. And when you hear throughout today how we are going to lean into technology moving forward, this is going to be an incredible competitive advantage for us, even more so into the future. And, finally, from 2019 to 2024 we delivered over \$40 billion of ME&T free cash flow. And, as promised, we returned 99% of that to shareholders over that timeframe. So, these are great metrics that we look at. What does that mean for our metrics to you all? How have we done on our commitments to you? You can see we've consistently delivered. These are the targets that we put out in our 2019 Investor Day. And you can see for the top two metrics, adjusted operating profit margin that go along with the corresponding sales level and the ME&T free cash flow ranges, we raised the bar on those targets in 2024. And over the last six years we have consistently delivered on those metrics. And think about what's happened in the last six years. It's hard to believe that we've had a pandemic; we had chip shortages; we've had supply chain challenges; we've had hyperinflation; we've had some geopolitical tensions, all of that going on in the world and through all of it our team has consistently delivered. And that's due to operating at a high level and the discipline from the O&E model. But our strong foundation is more than just how we're operating, the fact that we're operating differently now. All three of our segments operate in growing industries that have enormous opportunities for us moving forward. And here's a few of the secular trends, the mega trends that we think will impact our business and give us opportunities moving forward.

Urbanization. It's expected over the next ten years, between now and 2035, over 800 million people are going to move to urban areas, that's going to drive the need for a lot of infrastructure. We all know what's happening with digitalization of the world, what's going on with data centers. I think it's easy. We sometimes forget the rapid acceleration we were participating in it just with cloud computing, and then you bring artificial intelligence (AI) and generative AI on top of it and the growth is exploding. For data centers, it's estimated that 800 terawatt hours of compute power is going to be needed in the next ten years, that's the equivalent of 15 New York City's when it comes to power. And not only do we see a world but data center capex, mind you also we expect

to soon approach \$1 trillion a year before the end of this decade. And not only do we see a world where more electricity and energy is needed, it's going to take a growing mix of energy sources. Energy growth over the next ten years worldwide is expected to be 8x the U.S annual household consumption of today, so tremendous opportunities as we move forward.

So, bring that closer to home, what does that mean for Caterpillar? Looking at Construction Industries, we expect in the next ten years forecasts show global construction spending would be up 25%. And at the same time global infrastructure spending is forecasted to be up 35%. In that ten-year timeframe, we expect the demand for critical minerals to increase almost 40%. And that's what we do in Resource Industries. We help our customers get critical minerals.

In global mining sector capex, that forecast only is published through 2030, but it's expected to be up 50% between now and 2030. And then we talked about data center growth. Power demand from data centers is expected to triple in the next ten years. And then also not only is energy demand continuing to grow, but, according to the IEA, 50% of the energy mix in 2035 is still going to come from oil and gas. Inside the oil and gas mix, natural gas becomes an ever more increasing and important fuel for our world. And you're going to hear Jason talk about that today, that's a good thing for Caterpillar. In fact, by the end of the decade U.S and LNG exports are expected to double. And for Caterpillar we play in the entire value chain when it comes to natural gas.

So why do I put this chart up here? The data center opportunity in AI, you are going to hear about that today from our team. It's a significant opportunity for us. We're excited about it. It's real. And we have a good line of sight to it. But that's not the only opportunity we have. We have opportunities in all three of our segments moving forward. And that's what you're going to hear about from our team today, how we are going to go get it. Even inside Energy & Transportation, it's not just about power generation and data centers. We have great opportunities in our oil and gas business as well.

So our foundation is strong. We're operating at extremely high levels. We've changed the way we operate the company with financial discipline. We have great end markets and opportunities for all segments. How are we going to evolve our strategy to take advantage of those opportunities? That is where I want to spend the bulk of my time with you on this morning.

This strategy gear in this picture represents the strategy we put in place under Jim Umpleby in 2017, the one that's delivered the results that you've seen. I was part of the

20-person team to put that strategy together, I was running our finance and corporate strategy group in 2017. On that team also were group presidents Bob De Lange and Denise Johnson, who you will hear from today. The three of us, along with our executive office teammates, have been executing this strategy to deliver the great results and momentum that you're seeing right now, so we believe in this strategy, right? It's working. This is our foundation and we're committed to it. We're committed to our purpose. It's still to build a better, and more sustainable world. But it's time to build on that strategy.

So, let's talk about how we are going to build on that moving forward. The first thing we've done is added a mission statement. We have to be obsessed with our customer success if we are going to be successful moving forward. So, our mission is solving our customers' toughest challenges. This is a room, it's a little bigger than this, but we are getting ready for this week, but we have our leadership conference in every year. So last year on this very stage, in this room we have our top 250 to 270 leaders globally come in and they get to spend time with the executive office. We talk about the strategy, what's going well, what's not, what do we need to do moving forward.

And during the two days, 2.5 days, we are together, a lot of times we will bring dealers and customers in to present to the group. Last year we had the CEO of one of our largest and most loyal data center customers come to talk to the group. And it's an unscripted hour. We give them an hour and we say, tell us the good, the bad and the ugly of how it's going with us, why you buy Caterpillar, what do you need from us? What do you expect from us? And over that hour he proceeded to talk about how he needed more than an equipment provider. He could go to lots of suppliers of equipment. What he was looking for was a partner that could help him solve his problems. In fact, the words he used, an exact quote and it stuck with our team, I'll tell you that is solve my problems and I'll buy it. And I believe that's true whether you're talking about our largest customers, all the way down to the retail Construction Industries customer who owns one skid steer. They're running businesses, they want a partner that can help them solve their toughest challenges.

I spend as much time as I can with customers. It's hard to get out to see them sometimes, but I spend as much time as I can with customers in all three [primary] segments, so do the group presidents (company clarified after the call). We spend time with our dealers and with customers and we hear consistent themes from our customers when it comes to the challenges that they are running into today, things like safety risks. Everybody wants their workforce and their job sites to be safer.

Productivity challenge or labor shortages. Customers consistently talk about struggling to find skilled operators today and skilled technicians to work on their equipment. We hear about productivity challenges and job overruns that prove to be costly to their bottom lines. And at the same time their job sites continue to become more and more complex. Customers still need help, particularly our mining customers, on their sustainability challenges. They haven't abandoned their sustainability goals. And we need to support them on that journey.

And then the latest one that we hear quite often is the need for reliable power. We hear that all the time. You know that's happening from data center customers, but it's spilling over into the other segments as well. So our new strategy, a refresh strategy for profitable growth is really built on three growth pillars to help our customers solve these challenges. And this is how we're going to do it. The first one is commercial excellence. Second, we need to be the clear leader in advanced technology both on and off machine. And we are going to transform how we work internally to get the job done. So, you're going to hear the group presidents talk to you today about all of these growth pillars and bring it to life for their particular part of the business and how it applies. But I want to spend a little bit of time giving you my thoughts at a higher level so you see the types of changes we're talking about here.

So, let's talk about commercial excellence. We are going to get closer than ever to our customers. If we are going to solve their toughest problems, we have to understand their operations and their job sites. And we can't do that unless we get closer to them. And one of the ways we're going to do that is driving more direct engagement with strategic accounts. Our largest customers who own large fleets that cross dealer territories, many of them want to have a relationship with Caterpillar, and they do. We've done this with great success in Energy & Transportation, starting in oil and gas, but we've really had a tremendous success in our data center business and power generation. We have direct relationships with most of the hyper scalers and data center customers. It allows us to plan, understand their technology needs, solve their problems, drive a level of consistency, but we do it with our dealers. It doesn't mean our dealers are not critically important. They are. The customer gets the best of both worlds here. They get a relationship with us, but they also get world-class dealer network on the ground, with the local workforce, local contacts, all the technicians they need to service their job site.

We're going to replicate what we have done to great success in Energy & Transportation and in data centers and to mining, and also into our largest construction customers moving forward. We are renewing our commitment to Services. When customers buy our equipment, they rely on us and our dealers to keep them running.

Downtime is incredibly costly to our customers. Service is good for our customers, it's good for our dealers, and it's good for Caterpillar.

And, finally, we are going to have tailored solutions for our customers around the globe. We can't be one size fits all in today's world. And Tony will talk to you a lot about this today, how we've reorganized our commercial teams internally to have more boots on the ground with our dealers regionally. Similar size construction customers and contractors have different requirements and different needs and different challenges when you are talking to them in the Middle East versus South America versus the U.S. We need to have our teams with them and tailor the solutions that will solve their challenges. And, of course, we are going to do all this by growing with our world-class dealer network. Our dealer network is our single competitive advantage, and it will continue to be, but we're going to make sure that they're investing and modernizing with technology and they are investing to keep up with our growth ambitions as we move forward. So that's a high-level commercial excellence.

The second pillar, we're going to lean into technology and in a heavy way moving forward. And I believe by integrating our off-machine digital solutions with our on-machine technology we will unlock tremendous value for our customers. So how are we planning to do that? One, we are going to accelerate our world class in industry-leading digital solutions by continuing to add features and to drive further adoption with our customer base and helping our dealers help us drive that adoption. We need to continue to be easier to do business with and get our customers into our digital ecosystem. We are going to help our customers with safety and productivity by continuing to enhance and release features on machines like operator assist, grade control, collision avoidance, and task autonomy. If you have a second, if you haven't already, talk to our team about grade control in one of the tech stations.

Denise will talk to you today about driving faster adoption of autonomy and mining. There is a lot of opportunity to continue to drive mining autonomy. And then many of you may have seen our partnership with NVIDIA, our plan to deploy the latest Jetson Thor technology on our machines and expand autonomy to other parts of our machine portfolio. One of the tech stations talks about Luck Stone and our move into quarry. So, you can see that in action out there today as well. And we will move into other areas of construction that makes sense and drive value for our customers. And then, finally, as I mentioned, customers, like our mining customers, still need support on their sustainability journeys. So we are going to continue to invest to make sure they have the right power trains, whether that is more efficient diesel, diesel electric, battery electric, hybrids, alternative fuels, they have the power train they need to meet their sustainability goals moving forward. We believe that leading the way in digital and

technology not only is going to be good for our customers, it will be a differentiator for us as we move forward. And you will hear Bob talk a lot about that in his section today.

So, the third growth pillar, finally, transforming how we work. We are continuing to win with our amazing people at Caterpillar. We are going to do that by continuing to invest in their skill sets and upskilling them, making sure they have the right tools to do the job. Many of you may have seen as part of our Centennial as well on our Centennial Day April 15th. Along with our hundred years, we pledged a hundred million dollars to invest in the workforce of the future. And I'm proud to say we made the first investment on that pledge two weeks ago, and what a better place to do it than the workforce in Indiana. We made that announcement at our Lafayette engine facility where many of you were able to visit with us earlier this year. And we are trying to double capacity off of a 2024 base. And we need a talented workforce there to help us grow. So that's the first of many exciting announcements of how we're investing in the workforce of the future. Second, we are going to continue to invest and modernize our manufacturing footprint. We have to do this if we are going to keep up with our growth ambitions. This is another exciting area of our partnership with NVIDIA. Last week NVIDIA had their conference in Washington D.C. I don't know if many of you were able to tune in. Jensen showed dimension on the stage. We have launched and he announced our first factory digital twin in partnership with them, that was from our large mining truck facility in Decatur, one of the manufacturing lines on there. We are at the tip of the sphere, the very beginning of this journey, and there's a tremendous opportunity to make ourselves more efficient and use this technology to modernize our factories. It's exciting work and we're just getting started.

And then, finally, we will have a continuous improvement mindset inside Caterpillar and deploy technology internally to become more efficient in everything that we do, so these growth pillars are going to be incredibly important. Those pillars sit on a foundation of operational excellence. And operational excellence should look very familiar to you. If you study the gear, I talked to you about at the beginning, the existing strategy that is not going away, that's what this is. We are going to continue to operate the company using Operating & Execution (O&E) with a discipline we've instilled in the last seven to eight years. We are going to have a relentless focus on product quality, on lean, on having competitive costs, and driving velocity for our factories to get customers the product when they need it, that's not going away. And, of course, the bedrock of all of this is our values in action. We will live our values every single day and it will guide everything that we do.

This is how we are building on our existing strategy for profitable growth. You're going to hear the group presidents talk to you and bring this to life for each of their segments

throughout the rest of this morning. So, we are excited today to get this launched. So, we have our strategy set, but we are also organizing ourselves for success. One of the things that we did this summer internally was reorganized a little bit. We moved our Chief Technology Officer and Chief Digital Officer and their teams closer together under one group president, Bob De Lange. The teams were working together before, but it's meant to put them even closer together and unlock innovations and bring the physical and digital world together when it comes to technology. And we've already made great strides in innovations in the short amount of time of having them closer together. Bob will talk to you about some of those things today. We are going to save some of those, because I think the announcement went out today. We are going to also keynote CES this year in January. We want to unveil some of the great innovations that we are working on. So that's really exciting for us moving forward.

Also, effective today, we are announcing a name change for Energy & Transportation. We are renaming that segment to Power & Energy. We believe that better reflects our largest segment and the largest growth opportunity we have right now and helps people better understand what it is that segment does. And, to coincide with that name change, effective January 1st, we are going to move our Rail division from the Power & Energy team into Resource Industries. When you think about locomotives and what they do, they are a machine that moves resources. There are a lot of synergies to this move.

So, there are two benefits of this. One, it allows Jason and his team to focus on Power & Energy exclusively, which is engines, generator sets, and industrial gas turbines. Two, it drives a lot of clarity for you all once we start reporting this way into the margin profile and the growth opportunity and the growth rates of Power & Energy. But also, there are tremendous synergies, I believe, that will get unlocked by moving Rail into Resource Industries. We have common customers today. Mining customers buy locomotives. There are common technology roadmaps when it comes to sustainability. And internally inside Caterpillar we already share common components and some common manufacturing footprint. So, we are excited about these changes, and I believe these are going to really help set ourselves up for success and to execute this strategy moving forward and drive greater focus for our teams on solving our customers' problems.

So, we've talked about our strong foundation. We are operating at a different level than we ever have. We have tremendous opportunities in all of our end markets. We have a refreshed strategy for profitable growth. Now we have organized ourselves for success. So how do we translate that to results? What does that mean for you all and how to measure us? We will continue to raise the bar on our financial expectations. Andrew is going to cover this in more detail in a little bit, and you will see some KPIs, additional

KPIs from each of the segments. But I want to cover the high-level metrics and how we will raise the bar here before I turn it over to the team.

The first thing we are going to do is invest. A lot of the growth we've been able to drive has been within the capacity, in the constraints that we already had. We've talked to you about starting our investment already in large engines. In order for us to keep up with the growth, we are now going to have to invest in capacity moving forward. So we expect our CAPEX for Machinery, Power & Energy (MP&E) to be 2x when you look at the time period 2025 to 2030 when compared to 2019 to 2024. And that's on average. Because of the capacity, Andrew will talk to you about this, but it will be heavier in 2025 and 2026 and then probably level off little more in the outer years. We are also going to continue to invest in modern manufacturing, that is going to require some CAPEX investment.

We've talked to you about our large engine investment, no change to that previously announced, capacities expansion. But we are announcing today though is we've started a capacity expansion for our Solar turbines, industrial gas turbine business to add capacity 2.5x to the level of 2024 capacity. This is a really exciting time for us in Power & Energy. We are doing this based on the confidence we have, the momentum we have, the orders and backlog that we have, and a tremendous interest from our customer base. And this isn't just the larger Titan 350. It's the entire product line up that we are getting great demand for. It's not just prime power for data centers. That is a new and exciting opportunity, but it's also to support our oil and gas customers. As I mentioned before, oil and gas is still going to be 50% of a growing total energy mix in 2035. We are going to move a lot of natural gas. And Jason will talk to you about that. It's really important. So this capacity expansion is really, really important for our growth ambitions. And it's exciting news. And those of you who get to go see our Solar turbines at the DeSoto facility today. I'm sure we will have more questions for Derek York and the team while you are there.

If we will lead the way in digital and technology, we are also going to have to increase our investments there. The same comparative time periods we expect to invest 2.5x more in digital and technology moving forward. Bob will talk to you about a lot of the things that we're working on and what that investment is going to go towards. So, what do we get for these investments? Well, I mentioned these earlier. These are the targets that we set out and commitments we made to you all in 2019. And on the top two, the ones for the [MP&E free] cash flow and adjusted operating profit margin, we raised the bar in 2024 (company clarified after the call). And, as I mentioned, we have consistently delivered great results against those targets.

So how are we raising the bar moving forward? Well, the first thing we are going to do is based on the great momentum we have in the business, the backlog we have, the tremendous opportunities we see due to the trends in all the industries we serve, and the confidence we have in our growth strategy that you're going to hear from our team later today. We are adding a metric. From 2024 through 2030 we are targeting to grow our top line in the CAGR of 5 to 7%. That's an increase from what we've delivered from the time period 2019 to 2024, which was 4%. We have great momentum in the business. And so we feel like it's time to put this metric out. Our teams are going to show you, as we move throughout today, how we plan to achieve that CAGR. Based on that, we are going to extend our ranges for operating profit margin at the corresponding sales level. So today the range is from sales of \$42 to \$72 billion. Inside that range, that sales range, no change to the margins. We are going to extend that from \$72 to \$100 billion. And Andrew will talk to you about the details of these ranges a little bit later. But I would say two things for you. One, from \$72 to \$100 [billion], we tried to keep the same profit to sales pull through as we have from \$42 to \$72 [billion] (company clarified after the call).

The second thing I would say is that the ranges that you are seeing here, and Andrew will share, are inclusive of the investments that we talked about on the prior slide. I mentioned our doubling down and recommitting to Services. Our new target for Services [revenues] is \$30 billion by 2030 (company clarified after the call). Our current Machinery, Power & Energy (MP&E) free cash flow range, is \$5 to \$10 billion. We actually raised it to that in 2024. It used to be \$4 to \$8 [billion] (company clarified after the call). And moving forward we are targeting a range of \$6 to \$15 billion. We have great momentum in the business and continue to generate great cash.

And on the last two, no change in our capital allocation methodology. We still plan to return substantially all MP&E free cash flow to shareholders, and to keep in line with our Dividend Aristocrat status, continue to target high single digit dividend raises, high single digit percentage dividend raises between now and 2030. We have a great momentum in the business. We believe in the strategy, that's why we are raising the bar on these targets. We're really excited about our future. So, what you're going to hear for the rest of the day is from my colleagues in the executive office, and my teammates. You're going to hear how they will use the growth pillars for their particular segment and how each of them contributes to this 5 to 7% CAGR that we are targeting.

In Power & Energy, Jason is going to talk to you about adding capacity to capture the historic growth that we are seeing. Tony will talk about commercial excellence, getting closer to our customers, tailoring our solutions to meet their needs. And Denise will talk how we are shaping the future of mining with technology. And when Bob comes up he

will talk about investments in digital and technology, how we are blending the physical and digital and how we believe it's going to be a differentiator for us moving forward.

It's truly an incredible time at Caterpillar. Our future is so bright and we are excited about our strategy launch. We are excited about the opportunities we have in all of our businesses. I'm confident by executing this strategy we will continue to grow OPACC dollars. Remember, that is our ultimate goal. And when we do that it will continue to drive strong, total shareholder return as we move forward. We are committed to this strategy. And we are excited about our future. So, we have a lot in store for you today. I'll be back up for Q&A. But right now, I'd like to turn it over to Jason Kaiser, Group President of Power and Energy. Thank you.

[Video presentation]

>> JASON KAISER: Good morning. It's great to be here with you today. So I started at Caterpillar 25 years ago, and I was an electrical engineer. I was pretty interested in power generation. And I've had the opportunity over my career to work in our Power & Energy segment really the whole time, with a significant amount of my opportunity in Power Generation. So, you can imagine with that background how exciting it is to be here today, to share with all of you the recent success that we've had; but, more importantly, the great opportunities that we have ahead in CAT Power & Energy.

You watched the video. You heard the new name. It's a great reflection of who we are, but also where we are going to go. It talks about our unique capability to serve customers through the full Power & Energy value chain at a time of really incredible growth. And, you know, my objective is today to share with you our plan to capture that growth that we have ahead. Power & Energy is Caterpillar's largest and fastest growing segment. We've had good, strong execution over the last five years. And that's led to higher sales, increasing profitability, and it's helped us be able to invest for the future. And those investments are really setting us up as we look forward to continue to deliver profitable growth.

Some highlights from the last five years. One, we've increased sales by 30%. We've been able to increase R&D and capital spending as well, up 75%. We delivered record operating profit margin in 2024, and we've seen our Power Generation sales grow by more than 70%.

As I go through the presentation today, there are really three key messages that I want you to take away when you leave. The first is that we are an incredibly supportive environment externally for growth. We are seeing strong increases in global energy

demand and we are seeing historic increases in the demand for electric power. The second is we are really uniquely positioned to take advantage of that growth. We participate through the full Power & Energy value chain and the breadth and strength of our product and Services portfolio positions us very well.

The third key point is we have a clear and well-established execution plan. Our execution is underway, and we have a lot of confidence in our success. We will more than double Power Generation sales by 2030. And in order to do that we're making strategic investments in capacity. We will double our large engine capacity, so the previously announced capacity program; and excited today, as Joe mentioned, to announce we are going to increase our natural gas turbine capacity by 2.5x. We are very close with our customers. We are working to understand their future needs and we are excited about being able to utilize this capacity to meet those needs and to deliver profitable growth for Caterpillar.

So, let's start and go into a little bit more detail about that external environment that really supports our growth moving forward. The world needs more energy. So, a joule is a measure of energy, a pretty common one. And it's projected that the world will need 40 exajoules of additional energy by 2035. So, you may not know what an exajoule is, but it's a massive amount of energy. It's 8x the energy that it takes to power every household in the U.S. At the same time that we see that growth, we are also seeing an evolving energy mix. So oil and gas will remain important. It will remain around 50% of the total mix. But, within that, natural gas will accelerate, particularly driven by the needs of natural gas to fuel power generation. Renewables will continue to accelerate at a rapid pace. And, as that happens, renewables, they need a backstop. They need reliable, dispatchable capacity for the days where the wind doesn't blow, or the sun doesn't shine. And distributed power solutions like we provide are perfect for doing that. So overall this growth in energy, this evolving mix, it unlocks a lot of potential, a lot of growth for us. And I'll cover that as we go through the presentation today.

The second big area of growth is really a historic increase in the demand for electricity. So, electricity demand is projected to increase 43% by 2035. Data centers are a huge driver of that, with their demand increasing 200% over that same time period.

So that creates a number of challenges for our customers and a lot of opportunities for us to help them. So, the customers, they need capacity. They need electrical capacity. They also need to ensure reliability. Data centers are a perfect example of that. They will continue to need our backup power solutions to make sure that their data centers are always online and always available, but they are increasingly coming to us and asking us about primary power solutions. They are unable to get a connection from the

utility based on constraints in capacity or distribution. And we have great products to fit those needs. Utilities also need assistance. They need to add capacity, they need to make sure the grid stays reliable, and they need to move really fast. And, again, our distributed generation solutions are great for helping them do that.

And then, as we've mentioned a couple of times, natural gas is going to be critical as we move forward to powering this electrical demand that's happening. And we get to participate not only in burning the gas to make electricity, but through that full value chain, from drilling to moving the gas, all the way through. So that's a great segue, kind of sets up the growth that we're seeing, the external environment. And so now I want to talk about how we are uniquely positioned to take advantage of that as Caterpillar.

The first way is the fact that we are positioned through the full Power & Energy value chain. So you can see that depicted on the slide. Lots of yellow products and Services all the way through the value chain. So, from drilling a well to moving gas down the pipeline to burning that gas to make electricity, we have products and Services that customers rely on. We are very unique in that ability to serve those customers and serve them well through that full value chain. So I'll go into a little bit more detail. In the upstream our engines and our turbines power drilling onshore and offshore. Our engines, transmissions, and pumps enable well preparation. And our generator sets are key for oil field electrification. Customers, they count on us to ensure efficiency, the lowest known operating cost, and to improve sustainability.

In the midstream, our engines in the oil field, they start to gather the gas. They start to move it down the pipeline. And then, as the pipelines get larger, our solar gas turbines create the compression that it takes to move the gas across the country to where it's needed. So these are really tough applications. They run 24/7, all day, every day. And customers rely on our product reliability, durability, and our strong Services support to keep their businesses running. The downstream is a newer segment for us. And our participation is really being enabled by our new Titan 350 gas turbine. It's a larger gas turbine. And this larger turbine, more power, allows us to serve customers in the downstream as they're processing, refining, and exporting natural gas. And helps them meet growing energy demands globally.

And then the last area is Power Generation. And we have comprehensive solutions. We are really good at power generation, all the way from backup power, mobile power, primary power, and really a full suite of solutions around it. Control switch gearing, inverters, energy storage, even the ability to interface with the utility. So, we have tremendous capability to help our customers ensure that power is available and it's always reliable. And think about customers like data centers, utilities, and many, many

other critical applications like a hospital, for example. So, if we zoom back out, again, take a look across the screen. You can see all the yellow iron from end to end. We are really unique in our capabilities and our strong customer relationships to serve the full Power & Energy value chain.

The second area that we're unique is by the strength and the breadth of our product and Services portfolio. We have the broadest product portfolio to serve the needs of these kinds of customers. We have reciprocating engines up to ten megawatts, natural gas turbines up to 39 megawatts, including that new Titan 350 turbine. We have excellent products. High-powered density, high efficiency, key things for customers' success. We leverage common platforms, and that allows us to adapt to changes across multiple applications or industries, changes in demand, or changes in customer needs. We have the scale and speed of implementation to help our customers at this time of rapid growth. And we offer full solutions, and those solutions help simplify design and speed commissioning for customers when they are trying to get power and get it fast.

So let me talk a little bit more about this with a customer example. We are really excited to be working together with a company called Joule, who is an infrastructure developer, and they are building Utah's largest data center. This data center is going to have onsite power, no utility connection, and they're going to need multiple gigawatts of power. We work together with Joule, and also our local CAT dealer, Wheeler, and we came up with a power solution for them that contains the latest in Caterpillar product and technology. And it helps solve a number of things for Joule. It ensures that they can meet AI workloads, which can be difficult; but at the same time have a system that's very efficient and very reliable. The project includes natural gas, engine-based gen sets for both primary and backup power. And it's a full solution. It has controls, switch gear, inverters, energy storage, full Caterpillar solution for Joule. It's also Services based. We have a ten-year Services agreement with Joule, and that features onsite support and remote condition monitoring. You know, this is the kind of application that can't go down. We need to ensure that it's up all the time.

So, with that, let's hear a little bit more from Joule directly on the project and their partnership with Caterpillar.

[Video presentation]

>> JASON KAISER: Really exciting project for us. And working closely with customers like David at Joule, it's really key for our future growth and success. So I want to transition now. We've talked about the external environment, its support for

growth, we've talked about how we are uniquely positioned. Now I want to get into some of the ways that we are executing to capture that growth.

The first way is execution in advanced technology. So, as we are developing products and technology, we are really focused on the intersection of improving customer economics and improving their sustainability. And, when we do that, we know that we can deliver the maximum value for customers. Some examples of how we do that, you know, first in machine productivity. So product efficiency is a really big deal here. I think an example of our work is our new gas G3520K gen set. It's the product that they are going to use at the Joule site. That new gen set product has leading levels of efficiency, and that allows customers to lower their cost of operation and at the same time improve sustainability.

We continue to build out our advanced power portfolio. New hybrid technologies, new battery-based technologies, and we are using those with customers where those technologies best meet their business needs. And we continue to focus on automation and autonomy. And for us that means advanced control systems. And one good example is our CES control system for Power Generation. It's a system that allows customers to integrate multiple power sources on one site. So maybe gen sets, batteries, even solar PV, bring that together, interface with the utility. That control system does that seamlessly, fully automated; and at the same time it's always looking to improve efficiency and sustainability and ensure reliability.

We are also executing on commercial excellence, focused on customer needs, focused on meeting customers where they are at across a wide range of different kind of projects and different applications. So that key account management that Joe mentioned is one really important way we get that done. We have strong, direct relationships with large customers, customers that span across multiple dealer territories. And, by doing that, we are able to clearly understand their needs, help develop tailored solutions for them to meet those needs, and build some really strong relationships along the way.

When we put that together with the local support from our CAT dealers, and they are great at local execution, we really are converting the very best commercial experience. It's the combination of global scale from Caterpillar and strong local execution from the Caterpillar dealers.

Our Services are, and continue to be, a differentiator for us. And we remain focused on Services. It allows us to ensure customer reliability, up time, and the lowest total owning operating costs across the full lifecycle. Our Services capability really ensures the very

best for our customers in terms of their overall experience. And I'm excited that lots of you are going to get to go to DeSoto later today. DeSoto is a critical part of our Services portfolio in our gas turbine business. You will get to that see that in action.

I want to share a video now about QTS. QTS, we are really fortunate to work together with QTS. They are a data center development company doing global data center development for hyper scalers, cloud computing, and high-performance computing. And I want you to hear directly from them what their partnership with Caterpillar feels like.

[Video presentation]

>> JASON KAISER: We are really fortunate to have QTS as a customer, and you heard about our relationship with David. You also heard him say it's important for him to work together with a company that can scale right now in this time of rapid growth. And we are doing just that. You know, as Joe mentioned, we are making strategic investments in capacity. The first part of that is doubling our large engine capacity as we previously announced. That new capacity increased that project is underway and it will help us meet the growing needs in Power Generation, Oil and Gas, and also the parts we need for our Services growth moving forward. We are really excited today to also announce our capacity increase for industrial gas turbines. We are going to increase capacity by 2.5x in our turbine manufacturing. And that will help us meet the needs of gas compression customers, Power Generation customers, including data centers as we move forward. We have confidence to make these investments right now because we have a record backlog; we have frame agreements in place with many of our customers; and we are getting long-term forecast signals from our customers to help us understand their needs moving forward. And in my 25 years I've never seen us have such a clear view of future demand than we have from our customers right now.

These projects are well underway. We are making some initial gains. You've seen our Power Generation growth in 2024 and 2025 so far as evidence of that. We will continue to add meaningful capacity year over year through the end of the decade. And, once the programs are complete, we will have 50 gigawatts of combined capacity for large engines and turbines in place by 2030.

We are also excited about how this capacity increase can help us grow in Services. So we are seeing a larger number of applications that require high run hours, so things like gas compression, primary power generation, those applications, they tend to run 24/7. And, when that happens, it creates significant and long-lasting Services opportunity for us.

A couple examples of what that means and how that works. So if you take a primary power natural gas engine gen set running 24/7 and you compare that to a diesel standby unit, that gas unit has 40x more Services opportunity over its lifecycle. And, in our solar turbines business, for gas compression, for primary power generation, those units run 24/7 and our customers use them for decades once they are installed. Our capacity increase helps us serve more and more of these customers as we see that growing demand. And, in doing that, we are able to grow our Services opportunity not only through 2030 but well beyond. Our customers, they really rely on us for strong Services and support. And, again, excited to show you that at DeSoto later today.

Let me share one more customer example. And I think this really brings together everything that I've talked about today. So Williams is a natural gas infrastructure company. They gather, process, and move natural gas, transport natural gas. They operate 30,000 miles of pipeline in the U.S. They move about a third of the gas in the U.S. They are also a longtime CAT customer. We have almost a thousand pieces of equipment in their fleet, engines, and turbines. And, based on that long relationship, we have been able to show our Services capability and build trust with them. Williams recently decided to expand their business into power generation. So they're looking to provide power to data centers moving forward. Based on our trusting relationship, based on the breadth of our experiences, Williams came to us for help. They asked us what we could do. So we partnered with them to put a power solution together for their first project. It includes both engine and turbine-based generator sets. It includes an exclusive service agreement or a very strong Services agreement to keep them up and running. It's over a gigawatt of power. That solution allows Williams to solve a number of problems. One is how do I support the AI workloads they were expecting. These are difficult workloads, we were able to help them do that. They needed speed of implementation. We were able to get them a large amount of power, quickly; and they were looking for a full solution. And so, our capability to bring both engine and turbine-based power generation was a key differentiator. Let's hear a little bit more from Williams about our relationship and the project.

[Video presentation]

>> JASON KAISER: So I think these customer examples, Williams, QTS, and Joule, they really illustrate our ability to provide excellent product and Services but also the commercial excellence we can provide to customers. So I want to wrap up with those same three points that I started. These are the things that I really would like you to leave with today. The first is that we are an extremely supportive external environment for growth. We are seeing strong global energy demand increases and historic increases in the need for electricity. The second key point is we in Caterpillar Power & Energy, we

are really uniquely positioned to take advantage of that through our participation, through the full Power & Energy value chain, and the breadth and strength of our product and Services portfolio. And, lastly, we have a clear and well-established plan. We are often running on execution, and we really have high confidence in success. We will more than double Power Generation sales by 2030. And, in order to do that, we are making strategic investments in capacity, both large engines and turbines.

There's truly never been a more exciting time to be part of Caterpillar Power & Energy. So, with that, I want to thank you for the opportunity to talk about Power & Energy today and introduce our next speaker, my colleague, Tony Fassino, who will talk about the opportunities ahead in Construction Industries.

>> TONY FASSINO: Ladies and gentlemen, good morning.

My name is Tony Fassino, I'm the group president for Construction Industries here at Caterpillar. And our purpose is clear, to build a better and more sustainable world. I'm going to talk to you today about how we are going to grow and how we are going to do that profitably.

Construction Industries serves markets around the globe. You can see on this slide we are everywhere from general construction to heavy industrial waste road construction, quarry and aggregates, in addition to agricultural and landscape. Now, the good thing about this slide is there is a lot of variety here. There is a variety of customers, there is a variety of applications. They need a variety of solutions. They need a variety of products to solve their toughest challenges. And, again, the good news is we are here to do that. And, having done that for the last several years, we've maintained a strong financial position. You can see on the lefthand side of the screen we have taken that top line from \$23 billion to \$25 billion. And we moved that bottom line as margins have expanded from 17% to 24%. Now, we've done that a number of ways. Keep your eye on the righthand side of the screen. We've expanded that product line, that next generation of product has served these customers very well that you saw on that previous slide. In addition, we've added an entirely new, compact track loader lineup that has been very well received by the market. Also, building our own telehandlers. Generally when we build it and do it our way we tend to be the most successful. We've added that to the portfolio. Also, strength and Services. An additional \$400,000 connected and reporting assets and more than doubling the number of Customer Value Agreements. We will talk about CVAs, Customer Value Agreements as we roll through the presentation. Wrap around that 3D Grade Ready options across much of the product portfolio, and you

bring that technology heavily into focus. Those elements have helped us deliver those results on the left-hand side.

And the future is very bright. Joe talked about this, plus 25% in global construction spend. Very good news from a Construction Industries perspective. But let's dive into a little bit more detail. Let's talk about the residential construction piece that is plus 25%. That residential construction, the urbanization, housing needed for densification of populations. Our building construction products team and those products and solutions that they provide serves that very well. They are on the sites, preparing the house pads, getting things ready. Plus 51% in rental. Customers don't always buy, sometimes they need to rent, need to supplement their work. The products that we provide feed the dealer rental fleets as they grow that to satisfy the customer need that is out there.

Move to the right-hand side of the screen for non-residential (non-resi). We talk about non-resi quite a bit. Non-resi building and civil, residential (resi) built, non-resi building, plus 15% is civil infrastructure plus 35%. Remember that non-resi building, that's the factories, the hospitals, the schools, that long list of non-residential project-type cases that we are always right there on those big dirt jobs, hits our core larger product line very intensely. And you can't miss the bottom right, plus 35 on the civil and infrastructure. Right there with our big tractors, dozers, and loaders, the roads, the bridges, the tunnels the waterways, everything you needed to get here, everything you're going to need to go home was built by that larger product line and we are out there every day. And that's positioned us very uniquely. It's positioned us uniquely to solve our customers' toughest set of challenges. Let's talk about some of the reasons why. That total cost of ownership you see on the center of this slide, TCO, a lot of times customers refer to that, they need the lowest total cost of ownership. That ensures their profitability of success and gives them the ability to grow. That's been at the heart of Caterpillar for the last hundred years. It's going to be at the heart for the next one hundred years. Also product support down the center, 150 plus dealers around the world, basically serving every country. They are right there, local. They know the people. They know the customers, the contractors. They know what is bid, let. They know what is going on. They support that with the largest service technician population in the world, educated and trained by us, with the service tools and processes that we've perfected over time and continue to advance and hand them these new and different tools to do it better and faster. Also on the righthand side of the screen, that technology suite, a technology suite we've built over many years and continues to pour the resources into to lead, lead stronger with the technology piece. From the onboard technologies, whether it be autonomous, semiautonomous some of the features to help operators. And the off board, a lot of the digital technologies that I will dive into, and you will hear Bob dive into a little bit later this morning, all of that built across a foundation of

300 plus models and growing. Along with 1.4 million connected and reported assets. And, again, that digital and technology innovation that we do every day.

With that I believe strongly in our 2030 goal of 1.25x sales to users. We can grow that to 1.25x from where we were in '24. And we're going to do that across a base of commercial excellence, the advanced technology leadership, and the integrative solutions you see there on the bottom left-hand side, Joe and Jason touched on some of this. I'm going to dive into all three of those as we talk about what it means for Construction Industries. So let's start with the commercial excellence piece. How we are aligning, scaling, and how we're going to use that to grow. Essentially it's all built around the customer. The industry itself has been accused many times, and still is today, of being somewhat product centric, this product, that product. We've been a little bit that way, but right now we are dramatically reshaping the commercial organization on the lefthand side of the screen, in that first box. You see a world map. You've got the gray. You got the yellow. We're going to reshape the commercial organization to focus on two separate areas. One is that core region in gray, the growth region in yellow. When you go into those regions of the world and you talk to a customer and you sit with them, whether I'm sitting with customers in Zambia or Southeast China or Australia or India, South America, Europe, North America, or, wherever it is, a lot of times they have very unique buying, bidding, oftentimes payment is different in core than it is in growth.

It requires a unique and reshaped commercial approach to address the customers' needs. So we are creating a customer solutions core commercial organization and a customer solutions growth organization each led by a senior vice president, focused exclusively on their individual regions. So they can give that intense customer focus and bring that back and be there every day, together with the CAT dealers, again, softening the customers' toughest challenges as they go forward. In addition, down the center of the screen, you will see a new customer approach. You see the rental sign. You can see basically a dealer's yard there, a lot of compact machines there. You've got a customer talking to a dealer sales rep. One of the fastest growing segments, that compact construction area, very positive for us. Those customers need a retail friendly experience. And we are transforming, we are tailoring that to meet those needs. But it's not just the physical presence you see here. We are transforming that. We are also transforming that online presence. They need speed, ease of use, information. They need to be able to buy it and rent it and do it fast, very much a characteristic of them as a customer set. And as we tailor our solutions, we are going to provide that and satisfy that to them. Again, a transformation of that go to market strategy as we bring that retail, rental, online, and physical together, because they need a pretty unique set of solutions from a retail perspective. And on the right-hand side of the screen, you see Services commitment. Customers like predictability. Customers like commitments. It takes a

pretty unique set of tools to be able to commit. Fortunately, I've talked about, and I'm going to talk more about, a lot of those tools and skills we have, we can provide outcome-based commitments to our customer base. Together with our dealers we can commit to exactly when you will get the part. We can commit to when that machine will be up and running and provide hard timelines, so your work is more predictable over time, which is really key from a customer's perspective. But it's best to walk through, well, how do you do that? A logical question you might want to ask. And this goes a little bit to the Customer Value Agreements. This is going to build off of Customer Value Agreements. We are going to talk about data. We are going to talk about the technology tools. But let's start with the data first. Obviously, you need to harness that data, that data that comes from the connected and reporting assets; our SOS analysis, that deep, rich information that comes from the analysis of every fluid compartment on a machine. We know those machines better than anybody in the world because we design them. We know the chemistry of every single piece of material in that machine. We know exactly how those machines behave, and the SOS provides that information so we can add value to the customer. Along with all the inspections that take place around the world every single day through the CAT inspect app, it helps us understand the condition of the machines we've got running around the world.

When you combine all that into a data set, from a value-add perspective, you can begin scaling and scale the recommendations to the customers. But that's not that easy unless you have these predictive analytics powered by a number of AI tools, as you can imagine, advancing very rapidly, just in the last six months compared to the last two years, advancing very rapidly, what we can predict and draw from that data set. As we hand that information over to the CAT-led condition monitoring team, working together with our dealers, we can provide tremendous value out to the customer base. And the important thing is it's timely. If it's after the fact, it doesn't really matter. If it's timely and predictive and proactive in terms of how you can prevent and use maintenance to be preventative, how you can plan the rebuild or plan rebuild the repair, it's an entirely different situation than if it's after the fact. When you do that, loyalty grows, the customer gets a more consistent quality experience over time, because, again, they want predictability. They'd like to know what's going to happen today. And none of us don't like when we don't know that. And when you do that, it's a lot easier to uphold these exceptional commitments and make these service commitments that I mentioned, commit to when the part is there; commit to when the machine will be back up and running; commit to an availability member of the machine. Again, so the customer knows and ultimately maximizing that total customer value. The base that has been laid here and other tools that we are working on exaggerates and scales across, from left to right, ending in that customer value piece. But I'm going to pause here for a second and I'm going to introduce a video. JP Excavating uses Customer Value Agreements.

They've used them for several years. As you listen to the video, listen to some of the keywords they mentioned, listen to some of the benefits they articulate, and then listen as he summarizes really what it means to them from a business perspective.

[Video presentation]

>> TONY FASSINO: We are going to hold this slide for just one second. What were those keywords he said? Better, faster, over several years, 60 plus machines, more than you would expect. What was one of the most important points that he made there? When he woke up. When he woke up he had the report. When he woke up, there was already a plan for a replacement machine to go out there, to make sure he could stay up and running. He wasn't doing a lot of worrying while he was asleep, that was being done for him behind the scenes, in those Customer Value Agreements. So, again, tremendous value added with the CVAs.

Let's move to the advanced technology piece and how we are pushing forward on that in the job sites. And it's about the job sites of the future. There is a big element of the job site today because you look across the lefthand side of the screen, top to bottom, safety, productivity and labor. Most common customer pain points as I travel around the world and sit with customers, safety productivity and labor, safety productivity. Doesn't matter where you are, what language, what country you are in, safety, productivity, and labor. We've got solutions today across safety. People with tech cameras, object detect and object avoidance tools, along with 360 vision systems on the machines. The productivity side, you will see in the technologies we've got productivity in our VisionLink. We've got a next generation of products that actually commits to productivity fuel consumption combinations. It does very well from a customer perspective. A lot of operator assist in semi-autonomous features that helps you load the bucket, helps you dig the slope, helps you go to grade autonomously and easier. It takes that less skilled operator, makes them more skilled, and we've been scaling this across the industry. So that safety, productivity, labor comes together. And these tools improve each one of those. It's about stitching together those tools, the digital and the physical world, and providing that total jobsite solutions to the customer. As I set that up, and Bob comes up a little bit later, he will weave that together into the future and bring in some of the AI tools we are using to do that even stronger and more going forward. But, again, the best way to get an example, the best way to understand it, well, exactly how do these technologies apply? What happens in the field? How does it apply to the customer, the operator? Is listen to CBM talk about a unique problem they had, how they use a set, not one, a set of customer solutions to solve their biggest problem.

[Video presentation]

>> TONY FASSINO: So Guilherme, he said it very well at the close, building a better, more sustainable world, what was the important point though? They are doing it safety. They had a situation where people just couldn't be there. It wasn't a safe environment. They took our solution and put it in place. He called them cockpits. They are basically operator stations, remotely located operators, doing the work from an office somewhere, could be anywhere in the world really. Also, what did he do? We scaled them. There was one cockpit, one operator station after another, a row. And if you look closely there was another row behind those operators. Scaling up the number of operators they had in a safe, comfortable, air conditioned, quiet, clean environment as opposed to what they had been challenged with. What were they using? You saw a demo. They had 3D grade running on the screen. They also were using, you couldn't see it necessarily, but the semiautonomous features that enable remote operation from a distance, bringing a number of tools together to help them be successful. Let's talk and go a little bit deeper even of how you bring all that together. Actual customer job site, customer had a bit of an issue, five different sites, 35 machines across five different sites, were running about 75,000 hour, machine hours per year and needed help. Difficulty managing it themselves and they needed predictable costs, improved up time across their fleet to get their work done and also reduced that total cost of ownership that I introduced earlier in the slide, and they came to Caterpillar, a total site solution that we brought to them. Machine cost per hour solution with availability commitment, commitments like I talked about earlier, managed by Caterpillar.

So this total site solution across all these machines, the many hours, running in a day, what did we do? A number of elements, and you got some more detail in your reading packs, operator trained machine rebuilds, big focus on safety; right size of the fleet VisionLink productivity condition monitoring, proactive maintenance and repair across the entire fleet. But the most important box, bottom center, yellow, weekly collaboration, us on the site with the dealer sitting with the customer, talking about the challenges, how we are going to lower TCO, how we are going to optimize the fleet, maximize productivity, ensure safety is number one, doing that together, again, for a total site solution. These have been very successful around the world. And as we scale these up with our advanced service and technology capabilities, it positions us very well for that 1.25x sales to user growth I talked about earlier.

Because, in the end, the customer got what they needed, an 88% availability, lower total cost, operator incidents reduced. And, again, that predictability in the bottom right, predictability, something that customers really, really want and need. Because their toughest challenges need somebody to be solved by. We can solve those customers' toughest challenges. We can deliver, and I'm confident we can deliver the 1.25x sales to

user growth using the elements on the right-hand side of the screen, the commercial excellence piece, leading with the advanced technology, and those integrative solutions taking those to the customer, together with our broad dealer network. But that's not the end. There's a lot more. Come see us at ConExpo. It's a handful of months away. There is more to see. There is more products being launched. There are more Services, details, and strategies that you're going to see us launch there. Come see the AI. Come see the product portfolio. Come see the service technologies. Come see us demonstrate that in the operator station live and onsite. We would love to host you. I hope you're there. Talk to Alex, get a time scheduled. I look forward to seeing you. And I want to thank you for your time today.

>> ALEX KAPPER: Welcome back, everyone. Those outside the room if you could come in and get settled and be reseated. So I'm pleased to introduce our Group President of Resource Industries, Denise Johnson.

>> DENISE JOHNSON: Okay. Well, thank you, Alex. And it's great to be here with all of you today. Again, I'm Denise Johnson, Group President For Resource Industries. Today I'm going to discuss our plans for Resource Industries and show that by addressing the most fundamental needs of our customers that will grow, so let's get started. Most of you know Resource Industries is a global leader and it's made up of three industries: Mining, heavy construction quarry and aggregates, and beginning January 1st rail. These are the largest machines in Caterpillar's portfolio, operating in some of the most remote locations. Compared with Construction Industries, relatively low volume. But the duty cycle is much higher, running 24 hours a day, seven days a week, 365 days per year. Extreme environments from minus 40 to 120 degrees Fahrenheit. High altitude to a mild underground, underscoring their durability and reliability. We cover the full spectrum of commodities from coal to copper to iron ore to coal, to critical minerals, and also gravel and rock.

In January rail becomes part of the Resource Industries portfolio. And it's an exciting evolution that really allows us to capitalize on the synergies as Joe spoke, shared customers, shared component manufacturing footprint, shared suppliers, and shared technology roadmaps. Turning to our financial performance. As you can see from this chart, it shows traditional Resource Industries sales and profitability improving, all underscored and underpinned by the O&E model. We are operating with a high-performing portfolio that delivers strong results and leads the industry in returns. Caterpillar is the industry leader in mining haulage, and notably autonomous haulage, which is poised to rapidly grow moving forward. Helping our customers mine more sustainably, while recognizing that every path to zero emissions is different, is a top priority, and it certainly has been for our mining customers. We believe our pathways to

sustainability program, working with customers to collaborate on a wide range of sustainability solutions is strategic. And our groundbreaking Cat Dynamic Energy Transfer solution offers industry first benefits, which I'll talk more about shortly.

Now, as Jason mentioned, the world needs more; more power, more energy. Tony talked about the need for more infrastructure. This drives demand increases of nearly 40% for critical minerals such as copper and graphite and battery materials. And a 28% increase for construction aggregates. At the same time, we see ore grades for commodities like copper continuing to decline; meaning, more materials need to be moved to extract the same amount of ore. All of this drives demand for more machines, higher asset utilization, and a keen focus on cost. We've talked for some time about customers continuing to be disciplined with their capital. Many of them are stretching the lives of their machines beyond previous levels. And the average age in the industry for mining and quarry and aggregate is about 12 years. The average age of a Caterpillar large mining truck is actually 14, over 14 years. We've seen a fivefold increase in the number of full machine rebuilds over the past 20 years. However, many aging fleets are entering a critical phase, and they are approaching almost 200,000 hours of life and they will need to be replaced, especially if you consider technology.

We are seeing similar dynamics in rail with many customers choosing to rebuild and repower, but with replacement demand expected to begin. In addition, we are seeing the mining industry entering a new investment cycle. So, based on the industry outlook as you see here, we project mining capital expenditures to grow by 50% by 2030. While much of this increase will be invested in mine development, we also expect healthy investment for mobile equipment and technology. Our portfolio of machines, technology, and Services is aligned with these trends; and we believe reinforce our role to be a strategic partner. As we outline our strategy in Resource Industries, we are keenly focused in three areas. And I'm going to speak in detail about these next. First and foremost, and you've heard this already, commercial excellence. For Resource Industries that means delivering industry leading performance at site. And increasing our presence with the customer, focused on aligning our incentives with the customers such that we win together. Second, we are doubling down on our role as an advanced technology leader with rapidly growing autonomy and expanding our technology suite with something we are calling precision mining. We are also expanding our portfolio of sustainability solutions as customers are in very different places along the sustainability continuum. Our vision. Our vision is to build an ecosystem, an ecosystem of products and Services enabled by technology to help our customers become safer, more productive, efficient, and lower their total cost per ton. In mining, like other industries, our customers' ability to use data to drive insights and efficiencies in operations will be a key differentiator. At Caterpillar we are uniquely positioned in our ability to integrate data

from machines, from energy systems and infrastructure; and, especially as we move further into autonomy and precision mining, to help customers be successful.

So let's dig in and talk about the first of our three priorities, commercial excellence. I want to start with an example of how we are working with customers differently. Many of you know Suncor as an integrated energy company, operating in the Canadian Oil Sands. Over the past few years, we've worked closely with them on a very different approach to how we collectively drive the lowest operating cost, so let's hear more about it in this video

[Video presentation]

>> DENISE JOHNSON: So, our success at Suncor can and will be replicated with other customers as we increase our focus on providing outcome-based solutions and really being on site with can customers. As you heard in the video, autonomy is one of the technology solutions that Suncor is using to support their improvement journey, and it's one we are hearing a lot of pull from many customers. Increasingly they really want to turn to autonomy and technology in general, which brings me to our second focus area, advanced technology. So autonomy and automation are the fastest growing trends in mining with a projected 12% CAGR driven by declining ore grades; rising input costs; and, certainly, continued labor issues. We believe that Caterpillar autonomy solution is superior. And we're delivering new solutions to create even more value such as flexible pricing and customized deal structures. We are developing a new tech stack and software enhancements to not only improve the user interface but also improve productivity. We deliver a mixed OEM fleet solution, and we are deploying autonomy-enabled trucks straight from the factory. We are confident with this approach that we are in. We are committed to tripling the number of autonomous trucks in operation by 2030.

Now, let me give you an example of demonstrating this approach in action. We have a large customer looking for an autonomy solution to help them overcome productivity and utilization challenges in two of the largest iron ore mine sites in South America. They also needed technology to work across their mixed fleets, which included both CAT trucks and competitive trucks onsite. We worked with our dealer to design a customized proposal; and, in that, we developed a mixed fleet solution, putting our autonomy on CAT and the competitive trucks, a very flexible commercial model moving from what would be traditionally a CapEx to an OpEx model in an accelerated timeline for technology deployment. The solution was our differentiator, and we won the award to put our autonomy on more than 90 trucks. Deals like this position us well for future

fleet replacements. Many sites around the world have mixed fleets and are looking to activate technology immediately.

We are working to take our proven autonomy expertise and expand it in the quarries. And we announced this previously. Our teams are implementing a customer-backed solution, which is lighter touch and lower cost to really be viable in this industry. And there's no better way to do the development than with a customer at site. And that's what the team has been doing with Luck Stone in Virginia. And you'll see this in action with a video that Bob De Lange will show you shortly. We are meeting with quarry customers every day. And I'm confident we all will see a healthy uptick in autonomy adoption in the quarry space between now and 2030. So autonomy positions us to go deeper with customers at site, and going deeper positions us to go wider. And that's where precision mining comes into play. Precision mining is a technology approach to help customers mine more efficiently and productively at the total lowest cost. The competition for technology in this space is strong. But the solutions are very fragmented and they are siloed, and they don't deliver the value that our customers need. Our vision is for precision mining to be an end-to-end solution, delivered by Caterpillar internal capability, combined with venture capital and acquisitions to help our customers optimize their complete value chain. And we're not waiting to work to build out the value chain solution. Today we do have solutions primarily in the load and haul space, but we are planning to expand across the value chain that I just mentioned. The first step in that build out, as announced, is that we have entered into an agreement to acquire a company called RPM Global. RPM has 50 years of deep mining expertise in the industry. Their technology solutions are focused on mine and financial planning, maintenance execution, and simulation expertise. Many of our existing customers and dealers use RPM today. And, in fact, Caterpillar uses it as part of our solution set. We plan to integrate RPM Solutions with our technologies in the future to enable improved performance for our customers. Many of you may not be familiar with RPM and their technology solutions, so I thought today I would show you a promotional video that RPM had developed so that you get a flavor for exactly what they do.

[Video presentation]

>> DENISE JOHNSON: The transaction is expected to close in the first quarter of next year. And we look forward to the value that we will deliver together for our mining customers. So next I'd like to speak with you about the ways that we are integrating technology into solutions that support our customers' sustainability journeys. So Caterpillar is delivering commercially viable solutions today, solutions that balance the need to be more sustainable while also addressing immediate operational needs. I spoke earlier about rebuilds and life extension initiatives. They are very important to

many of our customers. We are also working to identify alternative fuel options. We have HVO and bio diesel solutions today. And with Vale we are working on an ethanol diesel dual fuel solution, that's part of their plan to reduce greenhouse emissions by 33% by 2030. Our fleet management systems and our assignment engines are designed to optimize energy across complex sites. Many of you know autonomy drives fewer working assets to meet the same production requirements; thereby, improving sustainability and reducing greenhouse gas emissions.

Through hybrid power trains, we deliver solutions that really step down the customer's carbon footprints while maintaining productivity. An example of that is the D11XE dozer. It's capable of reducing up to 25% fuel consumption, which is about 100 gallons per day, while also delivering improved productivity. These solutions are available today and in the near future we are going to have even more. We are very focused on solving for the entire site because what will work for each customer will be unique. In a minute I'll talk about our groundbreaking CAT Dynamic Energy Transfer system or DET. Next, we have our 793 diesel electric and battery electric mining trucks. They share a large percentage of the same components and support future retrofits such that if you start with a diesel 793 and you want to swap it out for a battery power train instead, that capability is available. Through partnerships with CAT electric power, we are also offering microgrids, energy storage systems, and gen sets to support holistic site energy management solutions. And then, finally, we are in process of validating our full battery electric solutions, which we announced at the last Investor Day, 793XE. We have four early learners in the field today that are being validated. So, remember, these solutions are not one size fits all. They are designed to support each customer's unique pathway. So, with that, I'd like to go into a little more detail with you on CAT DET. DET is expected to be commercially available in the fourth quarter of 2026. It is a versatile solution for both diesel electric and battery electric machines, offering immediate productivity gains up to 2x speed on grade and significant greenhouse gas reductions. CAT DET is comprised basically of three core elements if you think about it. First, an energy transfer module that converts AC to DC to power the truck. A three-rail transmission system that delivers energy effectively across the mine site. An onboard machine technology that interfaces seamlessly with the truck's powertrain. The rail system is mobile, and that's unique. It's not like an overhead trolley. It can be customized to the customer's specific site layout, that includes highspeed or curved haul roads. The connecting arm can be installed on either side of the truck and on multiple truck models, so it's a very flexible system that can be moved and expanded to allow maximum mine coverage. It integrates with autonomy and also electrification to provide holistic site solutions. This is a breakthrough innovation and we are super excited to get it out in the field and with customers.

So, to wrap things up for Resource Industries, I'm confident in our future because of our unique ability to integrate technology and machines. Our future isn't just about building machines. It is about building smarter, more connected operations at site for our customers. By offering outcome-based solutions and advanced technologies and by supporting our customer sustainability journeys, we are helping them to mine safer, more efficiently, and predictably. We are investing innovated and reaffirming our leadership as the premier provider of mining technology and solutions. And now I'd like to turn it over to my colleague, Bob De Lange. Thank you.

BOB De Lange: Thank you, Denise. And good morning. It is really exciting to be here with you today and have an opportunity to share with you that for us digital and technology is not just about tools and application we develop; but, more importantly, for us it's an engine of change. We are using it to transform Caterpillar, create even more competitive differentiation, and it'll be a key driver for growth in the years to come. But, before we dive in, let's take a minute and look back to the past few years because we've already made significant progress in the last five years. If I start on the left, connectivity. We have 1.5 million connected and reporting assets today, one of the largest in our industry and up from about 1.1 million when we talked to you in our last Investor Day.

In the last Investor Day, we also talked about PSEs (Prioritized Service Events), the aftermarket sales leads we generate and send to our dealers. But going forward we are going to zoom in on a subset of those PSEs, conditioning monitoring PSEs, where we don't just use our theoretical models, but also the full array of sensory input we get to create even more accurate PSEs to help predict issues that can occur in our equipment and where we then also see the highest win rates when we send them to our dealers. We didn't really have those in 2021. Last year we achieved 1.1 billion in closed won dollar sales based on those condition monitoring PSEs.

Next one, ecommerce. Where we met in our last Investor Day, we told you we had about \$10 million per business day in ecommerce sales and we committed to grow that by 50% by 2025. In reality, we did even better than that. Last year, we already achieved \$18 million for business day or about \$4.5 billion for the full year in eCommerce sales.

And then last, like you already heard from Denise, the [end of] last year we had 690 autonomous mining trucks in operation, traveling together about the equivalent of three times around the world on a daily basis (company clarified after the call). So, pretty solid foundation to start building on.

This is my most important message for today, which is that we see digital and technology shifting from being enablers for our business to increasingly becoming the key sources of competitive differentiation. And why do I say that? It's because if you

look at our traditional updates to our equipment, changes to the hydraulics, the drive train, the engine, we usually get incremental improvements in performance, a couple of percent. Whereas, with digital and technology, they hold the promise of making transformational change, step changes in solving our customers' toughest challenges. And I'll give you some examples of that transformational change here in a minute. But the challenges are real. If you look at them that are listed here, safety. Less than 5% of the U.S.-labor force is employed in construction, yet it represents 20% of workplace fatalities. Skilled labor shortages, like you already heard from Tony, consistently among the top three issues that we hear from pretty much all our customers. 30% of construction is rework. 40% of construction projects are over budget. So, real challenges to which we can give real solutions.

So let's dive into some examples, and I will start with digital. First one, our conditioning monitoring PSEs, like I mentioned before, highly qualified, data-driven leads we send to our dealers. Now, why can we as Caterpillar be so good at it? I already mentioned, we have a very large connected fleet; but I would say our true competitive differentiation, our secret sauce if you will, probably is our data platform, Helios. 16 petabyte's of data that we collect from all our connected assets, from inspection reports, from our dealers and from our customers, work order history, our theoretical models, engineering recommendations, all the dealer invoices. I mean, in total 30 different data sources, over 50 billion records we ingest on a monthly basis, all of which gets fed into our AI engine generating those proprietary and qualified sales leads that we send straight into the dealer's CRM. Now, how will those help us grow? We believe it will help create customer loyalty over time because we helped them avoid downtime, the one thing they do not want on their job site. And we do that by turning unplanned surprises, unplanned failures into planned events, maintenance, preventative repair, and overhaul. So customers avoid downtime. For Caterpillar it creates incremental Services opportunities. And we want to be proactive and quick with our customers so we can get the work done even before our competition shows up. To give you a small example. We recently created a new digital twin for our line of Caterpillar turbo chargers. They fit at about a third of our total connected fleet for which we created that digital twin with our knowledge of the machine design, the engine design, all the sensory input. To date it already allowed us to create 2500 conditioned monitoring PSEs, allowing customers to avoid downtime. For us it was an incremental \$7 million sales opportunity. So that was the first example. Next one, ecommerce. And the key here, this is more than about buying parts, this is about making it easy to do business with Caterpillar. Now, why can we do this better? Lots of people can create a website. Or you can buy parts. We make it an integrated digital experience. What do I mean with that? It starts with the customer that can scan a QR code on the machine so that afterwards you look up on the ecommerce and you look for a fuel filter. It doesn't show you 17 different fuel filters you

can buy. It only shows you those parts that are guaranteed to fit on your specific serial number. Or if you're a do-it-yourself customer and you are using our Service Information System, SIS, to troubleshoot an issue on your machine, try an identify which repair you need, inside our SIS, Service Information System, it includes a link you can click that will then prepopulate your ecommerce cart with all the necessary parts to perform that repair in a number of cases, even the tooling. For large corporate accounts, we have a dedicated e-commerce system that integrates straight into the customer's ERP system, again, making it very easy for them to work with us.

And then, of course, we have an industry leading parts distribution network, fast delivery in pretty much all corners of the world. So how will this help us grow? I believe it's just like in our personal lives. If you make it easy, customers come back. And if you look at our growth rates over the last few years, that is exactly what has been happening. Third, and my last example for digital is about VisionLink, our flagship application that help customers manage all aspects of their fleet. Now, why can we do this better? I mean, you can go and there is other providers that might say, well, we can do fluid sampling for you and then display the report on the website. What we do is make one easy-to-use solution that brings it all together in one place. You can monitor machine health, get fault codes, also see those SOS fluid sampling results, inspection results, history from your operators or from the dealer. It also includes a two-way communication tool with your dealers or your local dealer if you want to schedule maintenance, ask for a quote for repair, approve the repair online, get live status reports of their progress of your overhaul. The fleet manager who is interested in efficiency can manage idle time of the different machines, monthly utilization, track fuel consumption. There's also a safety module in there, which one of my operators didn't wear their seat belts yesterday, one of the high-risk areas where I had near misses on the job site I have. There is a productivity module in there as well, for those wanting to optimize productivity, where you can measure and analyze cycle times, track productivity, and so all in one single, easy to use application.

And also keep in mind we are not just showing information or alerts. We can also give recommendations because we have access to all the data, we know our machine design, we have the domain expertise. So we can do it all in one place for the customer. How will it help us grow? We believe that by creating a very easy to use ecosystem of applications for the customer, that customers will want to stay in that ecosystem, again, growing the loyalty for both prime product and Services over time.

But, to make it real, let's maybe listen to an example, one of our customers BDZ Construction, a great customer of ours in the Pacific Northwest.

[Video presentation]

>> BOB De Lange: So those were some examples of the digital end. Let's now switch gears and talk about technology and how technology can help us solve our customers' toughest challenges and unlock value at the site level. I put them here in three main categories, first one being safety. And here we have solutions for object detection, collision warning and mitigation. We have a system for driver fatigue detection. Or, like on our excavators, we have a system where you can maximize the limit height for your frontal linkage, if you would be working underneath power lines, or you can also set a maximum digging depth if you would be working, for example, above underground utilities.

Second one being productivity. Here we have systems like for our loading tools, excavators, wheel loaders, a payload measurement system. If you are focused on productivity, it can help you make sure that when you are loading a truck you fully load the truck, maximize productivity, you can at the same time avoid overloading the truck and avoid the risk of future damage. Or in some applications, like in a quarry, you can even, in some instances, avoid the need of an extra weighing bridge that is usually used to weigh the trucks before they get back on the road because you can do it while you are loading the truck.

Another example is what I have shown here in the picture is our 3D grade control. And you can think of that as auto pilot for machines with the blades for excavators, motor graders, track-type tractors. And, to make it real, imagine a test we have done, like you are seeing here on the picture with an excavator, where we had to finish grade with precision, just a distance of ten meters, 30-degree grade, you can imagine the side slope of a motorway or an irrigation canal.

If you do that job with no technology, the first thing you will do is do your measurements, make sure you know where the 30-degree grade is. Next, you will put some wood, pieces of wood usually, just some visual indications of where you want the end result to be. Then to be sure most customers also have a grade checker, a person that will be next to the excavator just as the work progresses, checks whether it's correct on the grade. And you, of course, introduce some safety risk with that. And then you have to hope you also have a qualified, experienced operator to do the work because otherwise you still have the risk to get the right grade with the right accuracy, that you will either do another pass or, if you are not careful, you are over cutting. When we did this test, with an experienced operator, it took us 38 minutes. Then we did the same test with the excavator with 3D grade control.

First thing you do is you get the engineering drawing for the job site design with our VisionLink application. You can download it over the air, straight to the machine, so the

machine knows what you are trying to achieve. Next, you don't need to do measurements. The machine has GPS. It knows exactly with precision where you are, so you also do not need to put visual indications. You do not need a second person doing the grade check, so you are already working safer. And then, while you are working, the machine will actually help you with the autopilot stay on grade. You also get visual indications in the cab. I mean, it becomes so easy you don't need a 30-year experienced operator with minimal training, even somebody like me would be able to do a job like that.

End result, from 38 minutes down to 12 minutes for the exact same job, and that's what customers are telling us consistently. You use 3D grade control, you get the work done, finish grading jobs in less than half of the time. And that's a perfect example of what I mentioned before. With our traditional updates on drivetrain, hydraulics, and the engine, we get the incremental productivity improvements. Technology holds the promise of making transformational steps change in addressing customer challenges, safety, productivity, cost. Last bucket then is on autonomy. Here we have line of sight, remote control solutions, we have non-line-of-sight remote control solutions, like you see in the picture here, in case you want to take the operator out of a hazardous situation or you want them to work in a more comfortable work environment or it also has the benefit that if an operator works in such a station, that they can actually operate multiple machines at the same time, again, improving productivity. Then we have task autonomy, for example, for drill tramming or auto compaction on a compactor. And then we have our autonomous mining hauling solution, like Denise already showed, which actually is also an area where we continue to invest. Denise mentioned it. We are working very hard to expand the potential reach of our autonomy solutions well beyond mining, in a number of applications. And the one we are working on right now with Luck Stone is to bring autonomy also to quarries, a very large market, a very large opportunity, where we are partnering with them on our hundred ton truck platform, our 777. So let's listen to what Luck Stone had to say.

[Video presentation]

>> BOB De Lange: So, as we are convinced that digital and technology is key to our competitive differentiation going forward, we are also stepping up our investment. Joe already mentioned it. We are planning a 2.5 increase in digital and technology in the coming five years as compared to the last five, which was already very significant. In addition to that, as the technology environment is changing very rapidly, or in some cases even by the month, we are also partnering with some of the leading companies in the world like with NVIDIA to bring AI to manufacturing and onto our machines. Microsoft has been a longstanding partner for everything related to cloud and

productivity. And for organizing Helios, everything related to organizing our data, we are working with Snowflake.

On top of that, to even further accelerate, as you've seen in the example with Luck Stone, we are working with some key corporate accounts around the world on early learning strategies to accelerate the development of our new technologies. Now, before closing, I also wanted to take a second to reinforce, once again, that we are fully embracing AI to create the differentiated customer experience, everything from simplified engagement across our digital ecosystem, thinking an increasing number of onboard and offboard agents, autonomous machine features, predictive analytics for condition monitoring as you have seen before, into manufacturing. And so as we announced this morning, and Joe already mentioned, please come and join us in January at CES for our keynote so that you can hear for yourself on how we are fully embracing the power of AI.

With that, and in summary, as I said, digital and technology are transforming Caterpillar. And, to make that clear, we have also set some ambitious goals for us for 2030. So as you can see on the screen we want to achieve at least 2 million connected and reporting assets no later than 2030. We want to double condition monitoring PSEs close won dollars. We want to increase ecommerce by yet another 50% from where we were last year. We want to achieve at least 500,000 tech-enabled machines. And, with that, I mean machines that have at least one or more of our advanced technologies on board. And then we want to triple the number of autonomous trucks. So, with that, I hope you now see how, in our view, digital and technology are increasingly becoming our key competitive differentiators while we're focused on the biggest customer challenges, making our customers safer, more productive, and even more successful. So, with that, I thank you for your time. And I'll turn it over to Andrew. Thank you.

>> ANDREW BONFIELD: Good morning, everybody. My name is Andrew Bonfield and I'm going to wrap up the presentation part of today talking about our financial framework. We have delivered strong performance over the last five years, and we are going to be investing for profitable growth to drive and to continue to drive strong shareholder returns. Let me start by going through our financial performance over the last five years. As you know, our focus is on profitable growth, that's at the heart of our strategy, always has been and will remain there. That's not growing margins, not growing top line, but it's growing profitability. And our measure of profitable growth is OPACC, Operating Profit after Capital Charge. And our measure of success is to grow absolute OPACC dollars. If you look over the last five years, we've grown OPACC dollars by 1.9x. That's allowed us to generate total shareholder return of 22% per annum over that five-year period. We believe OPACC is a great measure and is very correlated to shareholder return, effectively it is a form of cash flow.

Over this time period we've outperformed the S&P 500 Index, the S&P 500 Capital Goods Index, and the S&P 500 Industrials Index. And we have delivered our margin and [MP&E] free cash flow targets (company clarified after the call). We've met or exceeded those, and we have also delivered higher margins in MP&E free cash flow over that time period. We have grown Services [revenues] by \$10 billion since 2016 and we've outpaced our competitors both on an adjusted operating margin basis and a [MP&E] free cash flow margin basis (company clarified after the call). On adjusted operating margins, our performance is 420 basis points [higher] compared to the competitor group (company clarified after the call). And on [MP&E] free cash flow margin, 390 basis points higher (company clarified after the call). And we've achieved structurally higher margins through this time period. You will recall back in 2017 the company set out a goal of delivering structurally higher margins 300 to 600 basis points higher than they were in the 2010 to 2016 timeframe. It was based on a range of 10% to 22%, between \$42 and \$72 billion of [sales and] revenues (company clarified after the call). Over that time period, we delivered average margin improvement of 480 basis points against those of original margins of 2010 to 2016, so above the midpoint of the range. How have we delivered that? Structural cost reductions have been a key part of it, only adding capacity where justified, and focusing on Services with their attractive margins. And then [MP&E] free cash flow, many of you would have heard me talk about before (company clarified after the call). I think one of the things that is most underappreciated about Caterpillar is its ability to generate strong cash flow even in periods of time with declining revenues. The consistency of our cash generation has really been one of the things that I always appreciated when looking at the financials. That strong profitability generates a lot of cash. In 2019 we introduced a [MP&E] free cash flow target of \$4 to \$8 billion (company clarified after the call). And in 2024 we adjusted that to \$5 to \$10 billion. We have generated \$40 billion of [MP&E] free cash flow over the six years since 2019(company clarified after the call). We have generated more [MP&E] free cash flow over that time period than anybody else in the S&P Industrials index (company clarified after the call). And last year we were number one on performance alone.

Services [revenues] have grown by [about] 70% to \$24 billion in 2024, 7% CAGR, attractive for us for a number of reasons (company clarified after the call). One, it is a more stable source of revenue than the original equipment and it has attractive margins. It's been enabled by many of the digital offerings that we've talked about before; and, obviously, continued progress will be used by the digital offerings that Bob just talked about. And we've returned 99% of [MP&E] free cash flow or just under \$40 billion to our shareholders between 2019 and 2024 (company clarified after the call). And actually, if you go through the third quarter of this year, it's now \$45 billion of [MP&E] free cash flow, and we've returned just over 100% of that (company clarified after the call).

Our dividend increases have been substantial. You will recall back in 2019 we grew the dividend by 20% and then set a target of growing the dividend by four successive years at high single digits. We've managed five high single digit years since then. And, on average, the dividend has grown by 7.5% per annum between 2019 and 2024. We are very proud of our Dividend Aristocrat status, and we've grown dividend by 32 consecutive years. And then shared repurchases. Back in 2019, again, we set the target of being in the market more consistently and to return substantially all [MP&E] free cash flow, which meant we were going to be in the market on a more consistent basis from a shared repurchases perspective (company clarified after the call).

We've reduced our share count between 2019 and 2024 by 18%. The average per share price we've paid is \$209 and benefit profit per share by \$3 per share. If you take into account what we have actually done since then, from this year, the share count reduction is now 21%. And the profit per share benefit is closer to \$3.50. Our first quarter ASR this year delivered over 8 million shares at an average price of just under \$375 per share, and that's just now concluded. The importance about our share repurchases is to be in the market consistently. We don't try to time the market, we don't try to outperform, but what we do try to do though is to beat the volume weighted average pricing for the year, and that is part of the way we operate, using accelerated share repurchases and grid structures as a way of doing that. But that consistency has really rewarded shareholders over this time. So we've delivered in the past. And we are very confident of our ability to continue to deliver on our 2030 goals. We will need to continue though to make investments in the business to achieve those goals, and we will give you a number of measures to track our progress.

First, we set up, and Joe showed you these annual targets, I'm going to discuss each one of those in a little bit more detail with you as we go through. So, first, let's look at the top line. Sales and revenues compound annual growth rate are between 5 and 7% through 2030. 2024 will be the base year. We're assuming growth across all segments, relatively steady year-over-year growth rates. We do assume, obviously, stable economic conditions. That means we don't expect either an acceleration of global growth, or a significant deceleration of global growth. So, assuming relatively stable conditions, nothing substantially changing from where we are today. And we still will grow Services, growing Services [revenues] by \$30 billion by 2030, and particularly as there's much more opportunity there (company clarified after the call). And, as Bob mentioned, the digital and technology priorities will continue to help us grow Services. Also, longer term, by actually seeding the field population with more original equipment we do expect longer term Services opportunities as Jason talked about over the net period beyond 2030 and beyond. So, we are investing. Jason talked about the

investment in large engines and behind solar capacity. We are also, as Bob mentioned, investing in digital and technology, growing that by 2.5x. Just to remind you, that spend, part of that is in SG&A, the digital spend. And part of the technology is a part of the R&D spend, that we spend. So it's not the whole of R&D or the whole of SG&A. We will invest in customer solutions and commercial excellence, so we will be putting money behind the field to make sure we can actually drive those custom solutions, what the customers want, to help us drive top line growth. And we will continue to invest in sustainability. That's important for many of our customers. And, obviously, we have invested significant dollars behind that, and we will continue to do that in the future. Our CapEx spend should be now twice as large in the period 2025 to 2030 as it was from 2019 to 2024, very affordable given the strength of the cash flows that we generated. In addition, some of that CapEx spend will be more frontend loaded, particularly as we look at the Solar and large engine capacity investments. And, as a result of the Solar investment, we now expect CapEx for this year [to be closer to] \$2.8 billion than our previous guidance of \$2.5 billion (company clarified after the call). Remember, all this investment is designed to help us grow absolute OPACC dollars, that is our measure of winning.

And we've updated the margin target ranges. You remember the original range went from [\$42 billion] to \$72 billion, margins from 10 to 22% (company corrected after the call). We have taken the range from \$60 to \$100 billion and changed the margin targets from 15 to 25%. So still progressive margins, and assuming that we can continue to grow margins as we grow the top line. As Joe mentioned, the pull through we are using for the new margin ranges, it's around the same as we did for the midpoint of the previous range. Why are we using that pull through rate, if you may ask? Well, first of all, we are investing. So we are investing in capacity, which will have an impact on gross margins. So we will need some headroom there, so we won't get as much leverage as we normally would have done. We are investing in commercial solutions. We are investing to make sure we have digital and technology solutions for our customers. We will always continue to look for cost efficiencies, operational excellence remains of the heart of the strategy, and we will continue to look for opportunities to manage cost basis most effectively. And keep in mind always, when you think about margins, margins are important. They are a good measure. These are targets that set and really for a basis to be able to measure our performance. But ultimately the end of the day OPACC generation is that definition of winning because we do believe that it's more highly correlated to total shareholder return. And we need to make these investments to grow the top line. On [MP&E] free cash flow, the strong profitability we expect means that we actually are changing the range from \$5 to \$10 billion to \$6 to \$15 billion (company clarified after the call). The \$15 billion reflects the high end of the sales range and margin range. The \$6 billion really does reflect a challenged economic

scenario. And the only reason we have it there is just because when we look at the dividend our target is to only pay 60 to 65% of [MP&E] free cash flow out as dividends even in a challenging economic scenario (company clarified after the call). It is really there just as a low base, and we would expect to be comfortably above that even if we are making substantial investments in CapEx over the next couple of years.

So now let me talk about how this all supports shareholder value creation. Again, resource allocation framework is really the same as we've shown before. Our focus is consistent. We maintain a strong balance sheet, mid-A credit rating which enables CAT Financial to offer competitive financing to our customers. We maintain ample debt capacity for M&A. And, just to remind you, M&A is always treated as an exclusion from [MP&E] free cash flow for purposes of shareholder returns (company clarified after the call). The strategic growth investments will continue to be assessed using the O&E model. The operating and execution model will still be there. And we are committed to returning substantially all cash flow to shareholders through a mixture of dividends and share buybacks. And the dividend we believed that we can grow the dividend by high single digits for the next five years and comfortably remain above the 60% of the low end of the [MP&E] free cash flow range (company clarified after the call). Obviously, that is always subject to board approval; but we are confident that we will be able to continue to grow the dividend for another five years. On top of that, we expect to be in the market consistently on our share repurchases and use that part as well. So effectively you have the positive algorithm of shareholder returns helping to drive total shareholder return across the business as a whole. And let me just give you a little bit of an idea of what we think, how the total shareholder return will actually play out over the next five years. So this is an illustration. It's not exact, so don't try and measure it. It is an illustration of where we think those components that we control in terms of a shareholder return, because, obviously, there is the multiple, which we don't have control over, that is the market. But effectively, if you look at it, it's cash returns to shareholders, it's revenue and it's margin. If you look over the last five years, we've achieved more performance from margins than we have done from revenue growth. That is effectively reflecting, you know, performance that we've seen. And, obviously, the margin expansion has been a really big driver for us over this time period. However, as we look out, what we do expect is because we are now driving OPACC growth more from revenue rather than from margin expansion, the revenue growth will be a more important driver of our total shareholder return algorithm. And so that's just to illustrate to you why that focus and why we need to make sure we continue to invest in the business to be able to drive that because that's where we believe we are going maximize OPACC dollars and drive returns to you.

So, as we get to the close, just to remind you, we will be giving you new targets, not just the financial targets, but also segment growth targets, which will help you to measure our performance against those targets. Some of those will be annual return reporting, some like Services will continue to be on an annual basis, others, obviously, things like the revenue CAGR, you will be able to see on a more quarterly basis, and so forth. And, obviously, STUs growth you see quarterly. So, at the end, we are committed to the plan and we are committed to drive profitable top line growth, including Services supported by strategic investments. We've updated and expanded our margin, extended our margin target range. We've increased our MP&E free cash flow target range. We expect to increase the dividend by high single digits. And we remain committed to return substantially all MP&E free cash flow to shareholders over time. The future is bright. And, with that, I'll hand it back to Alex.

>> ALEX KAPPER: All right. Welcome back to the Caterpillar Investor Day 2025. This is now the Q&A portion of today's agenda. So if you're joining online, there is a way to submit a question through the webcast. There is a question mark icon on the top left. You can click on that to submit questions. We will probably try to pull as many of those into the room here today. And, with that, we will kick off with a question. If anybody has a question, please raise your hand high and we will get a mic runner to you, looks like maybe here in the front first, Jamie.

>> Hi. Good afternoon. Jamie Cook from Truist Securities. I guess just my first question on Power & Energy. You talked about doubling, you know, that business by 2030. It seems like an aggressive goal, but just trying to understand how much visibility you have. I know you have backlog, but you also have uncommitted backlog. So my guess is there is more visibility than we think. And then my just follow-up on that is: obviously you are adding a lot of capacity, your peers are adding a lot of capacity, does that concern you over the long run? Thank you.

>> JASON KAISER: Yeah, good. Thank you for the question. We are going to more than double power generation over that period, that is what we put out here today. We have a lot of visibility. I mean, backlog is high. It doesn't take us through the whole period; but, in addition to the backlog, we have frame agreements in place with key customers that give us a good line of sight. And we also have really strong forecasts from customers through that period as well, so the combination of that gives us, you know, really high confidence in making the investments. The other thing we talked about in the presentation was the Services impact of some of those higher run hour projects. And, you know, that same capacity is going to be needed to serve the Services needs, not only through 2030 but really well beyond that. So, you know, all things that make us confident in making the investments that we are making.

>> ALEX KAPPER: All right. Angel up front here.

>> Hi. Good afternoon. Thanks for taking my question. I just wanted to go back to maybe the margin side, and two sides to this, I guess. The first is, as you think about your next kind of progression here that you provided on the operating margin, does that include the assumption for tariffs? Meaning, that's been a little bit of a head wind this year. So, as you kind of progress, would you assume that that kind of keeps things toward the lower end or does it already account for that and, therefore, you can be more in the middle of the range with tariffs? And then kind of second, just related to the Services, given how much more progression or what kind of Services there is with prime power, just curious, I guess, how much of a benefit is that to the margin profile of the business? And is that timeline wise, kick in more materially at a different point in kind of the next five years?

>> ANDREW BONFIELD: So, let me just remind you that the actual margin target range has remained the same, up to \$72 billion [of sales and revenues] (company clarified after the call). And as we are not there yet, there is no relief in that for any tariffs. As we said last week, our assumption on tariffs is that once there is more certainty and the situation stabilizes, we will take and manage the impact of tariffs as we go forward, so that will be there. But the margin ranges up to \$72 billion [of sales and revenues] are exactly the same as they are today, no change to that (company clarified after the call).

>> JOE CREED: And I would say the extension, just to add on to that, right, is that the similar profit to sales pull through. It takes into account the investment. I mean, it's a range for a reason, right. We will operate, you know, we intend to operate in the range. You know, we would love to get towards the higher end of the range, but some of the things we will get it to move around during the time when the investments come in. We are committed to managing the tariffs over time. And we really try not to have that influence what the range is, right, for the long term.

>> ALEX KAPPER: And I think Jason has maybe a question on Power Generation, prime power Services opportunity.

>> JASON KAISER: Yeah. And for that, the prime power, the high run hour applications that I talked about, it does take a few years to kind of ramp into those Services, you know. You see some impact initially, but as you get multiple years out you get into overhauls and rebuilds, which are bigger drivers of the Services opportunities. So we will see some impact, some positive impact through 2030; but the exciting part of that is it's opportunity well beyond 2030 as we look forward.

>> ALEX KAPPER: Looks like over here, Kyle.

>> Thank you. Kyle Menges from Citi. A two-part question. Thinking about understanding the operating margin slope a little bit weighed down by some of the investments you are making and then also Services revenue growth a little bit slower than what it's maybe been in the past. Curious what your confidence is, and is that operating margin range, that slope may be increasing over time and then Services revenues also maybe reaccelerating as you get through more of these capacity investments?

>> JOE CREED: Yeah. I think, I mean, one thing to remember, and Andrew can comment on this, right? From the time we set the [adjusted operating profit] target margin ranges, even at \$42 billion to \$72 billion, [of sales and revenues] we said it with wasn't, you know, I think the term was it wasn't to infinity and beyond, right (company clarified after the call)? It wasn't going to be a straight line particularly the higher we got in there, that there would be, you know, some bend to that curve. So, you know, we are comfortable with those margin ranges. We will definitely have to cover some investments to grow, as I said earlier. We haven't had to make a ton of investments. Most of the growth we've had has been within our, you know, capacity that we have. So we are excited to make these capacity investments, and those have to be taken into account in the margin ranges. I will let the team maybe make some comments on Services. But, you know, we flattened Services a little bit this year. We've talked about the rebuild slowing a little bit in mining, particularly, you know, confined to coal and what we are seeing in coal and some of those parked trucks. But we are still committed to the Services growth. You know, I think when we set this goal, you know, at the beginning of the strategy, you know, when Jim came in here, there was some low-hanging fruit, which allowed us to kind of make progress. And, you know, now we need to drive more adoption to the digital tools that we have seen here. I think the mix of products and the more growth we have on new equipment out there and the more prime power applications and the more mining trucks we have running, you know, that is definitely going to demand for Services higher. So, you know, we see this \$30 billion, we think is achievable, and so we are going to put the strategy work to go get it.

>> ANDREW BONFIELD: And let me just remind you on the margin targets, and those of you who were here when we did Investor Day in 2022, the progressive margins targets were over 40% on the top end of that range, at gross margins around 30%. So that gives you an indication of the challenge around delivering margins of that level. And, finally, just to say our goal of profitable growth is absolute OPACC dollars. It is not margin. And so if we are able to grow OPACC dollars faster, and we go above the

margin ranges, there is no problem; and we have done that in the past before as well. So the margin targets are there just to give you a guide. It's absolute OPACC dollars, which is really the most important thing that we measure.

>> ALEX KAPPER: Okay, good. Question over here, it looks like Jerry.

>> Hi. Thank you. Jerry Revich, Wells Fargo Securities. In Power & Energy, you folks are in a unique position between turbines and stand by generators to have a really good sense for data center plans, multiple years out. Can you just talk about what you're seeing in terms of configurations? What percentage of the power are you anticipating to be behind the meter for the data centers based on the plans that the customers have shared? And if you could talk about just the range of outcomes relative to the \$16 billion target for Power Generation, what's the range of outcomes you are assuming for data centers within that build, please?

>> JASON KAISER: Yeah. So, as I think about the growth as we move forward in Power Generation, the standby will continue to be a big part of it. So data centers are going to continue to need standby power, standby generator sets when they are connected to utility to provide power. Utilities are going to need solutions that backup the grid and add capacity, sometimes that's prime power, sometimes that's, you know, maybe a few thousand hours a year to backup the grid. Data centers, you know, they are kind of early in the evolution of understanding the onsite power needs. You know, we definitely see a pull from them, both engines and turbines. They are building data centers faster than they can get utility connections, and we are excited about that growth. We think that will continue. But, as I think about, you know, the opportunity ahead, all parts of Power Generation really are seeing positive growth moving forward.

>> JOE CREED: Yeah. I mean, this is kind of how I think about that opportunity here. We are at the early stages. And I think data center customers, and a lot of customers who are, you know, trying to build sites that need power are trying to figure out how they are going to get that power. And they are talking to utilities. Obviously, I think that is their first choice. And some of them, you know, it's kind of an evolution to what's all going to be utility power with backup, standby from us. Now you are seeing some behind the meter stuff, but also some saying, okay, I want temporary prime power because the utility and I have said, hey, we will get to you in four years. And I think, you know, that, we will see some of that type of solution as well. And then we will see it four years is really four years or if four years is longer, right? There is going to be, you know, a certain level of capacity in how those connections go to the utility grid. And we will just have to see how this plays out. But I think, from my standpoint, we are in the early

stages of this. It's tough to quantify it right now. We have a great portfolio to support our customers, whichever way they go, which is what we are really excited about.

>> JASON KAISER: Yeah. And the data we shared on energy demands, electricity demands through 2035, you know, you are thinking ten years out, along with the growth of data centers in that period. I mean, that will support the need for lots of Power Generation solutions through that time period.

>> JOE CREED: I mean, there has to be transmission, too, right? If you are going to utility, it's not just is there utility power available. It's got to get to the right place. So there are a lot of things that go into the equation for customers when they think about, you know, where their site is going to go, where they are going to get their power, what type of equipment do they want or what type of support do they want from us. We have a great team. And that's one of the reasons why we started early with that group when we talk about commercial excellence and having more direct relationships with them, that is why we started with them, right? Just to really help them, understand what they need and you can figure out what part of our portfolio makes the most sense for them.

>> ALEX KAPPER: Great. Rebecca, there is a question from Jairam.

>> Jairam Nathan with Daiwa. I just wanted to follow-up on the earlier question with regard to high-voltage DC power, like, do you need to make any changes in your products or invest in your products to kind of enable high-voltage DC as data centers move to that type of an architecture?

>> JASON KAISER: Yeah. So far limited customer, kind of pull or customer questions around that and certainly is something we will continue to keep an eye on from a technology standpoint. But we are not getting a pull from data centers or utility customers at this point in time to make big investments in that space.

>> ALEX KAPPER: I think, Mig, you were, I think Mig, you had your hand up for a while. So, Priyanka, if you can walk up here, please.

>> Thank you. Mig Dobre from Baird. Maybe we can talk a little bit about mining. And I'm curious to put a fine end point on this to understand how you guys are thinking about 2030 here. You are pretty clear how you think about Power Gen, maybe you can be specific. And I'm curious as to how you think about the energy transition contributing to higher CapEx towards equipment. Is it just the function of you having the right powertrains available and having it be certified and so on and so forth before we start seeing customers really deploying capital in that regard? Thank you.

>> DENISE JOHNSON: Yeah, no, it's a great question. You know, and I would say it's evolved over the last few years. I think as mining companies have recognized what it takes to put zero emissions mining equipment on-site, they have learned that it's much more than about mobile equipment. It's about the infrastructure that's required to stand that mobile equipment up at site and keep it running. And so, as we talked to mining customers, without a doubt the timeline for most has moved out a bit from where it was a few years ago. There still is definitely interest, which is why we are continuing all of our development. As we look at what it's going to take to get real pull, it is going to definitely take an environment where the power and the energy to take the infrastructure, that investment is made first, and then the mobile equipment comes on. And that is why we have to be ready for when that is going to happen. We see our bridging strategies, and I talked a lot about Cat DET today, as a great way to get power-to-site, not quite have the same kind of power requirements that would be, you know, needed if you had a full battery electric fleet. But that would step you into having a diesel electric fleet that would take your emissions down considerably, start to get the infrastructure on site, and step you through and into that more sustainable and better economic environment. I think until the economic switch, such that all of that investment can pay off, you're not going to see a big, huge pull. So it has to all match what the customers are needing. And so it's going to evolve. And I think it will be...the solutions, that will be different depending on where you are in the world and what the cost of electricity is and what the cost of diesel is.

>> ALEX KAPPER: Looks like Steve Volkmann.

>> Thanks, Alex. Steve Volkmann with Jefferies. I'm curious to think about how you sort of stress tested your investment plans. And I think, Andrew, you said that you really weren't expecting much from end-market growth here. But if we do have a cycle over the next few years that is a little more robust from an end-market perspective, would you have to invest more or have you kind of covered that in your current plan?

>> JOE CREED: Yeah, I think we, you know...where we have announced the capacity we obviously know we need more. You know, one of the things I'm really encouraged about and why we are leaning so heavily into modern manufacturing is I think we can get a lot more out of our assets by leaning into technology and modernizing the facilities that we have. You know, we have some very modern plans. We have some plans that have been around a long time, that probably need a little work. And we see the difference already. And that is before you put, you know, technologies like factory digital twins and that we are starting to, you know, just at the early stages of. It would be a great problem to have. I think, you know, we have the ability to invest. And I think we

are looking at a runway of...and that is one of the reasons why in the the Power & Energy investments we have, right? We have made the investments based on what we know. But the runway is such that if we need to increase it we can and still, I think, we can react. So that would be an amazing, you know, point for us to get to as where we are investing more capacity because we have a line of sight to that. Right now I think we are going to try to get more efficient. I think we have the headroom to do that.

>> ALEX KAPPER: I think Chad here at the front.

>> Hi. Chad Dillard from Bernstein. So my question is on the prime power opportunity in data centers. So, as you talk to your customers, what are they saying about the mix between turbines versus reciprocating engines? Is there a preference in terms of just profitability for CAT? And then, also, what is the role of standby power in that environment? And then, lastly, as you talk about your 50 gigawatts of capacity, how does that split between Solar and reciprocating? Thank you.

>> JASON KAISER: So, if we think about how we are serving the prime power needs, that was a big part of your question, and what we are hearing from customers. You know, I shared some examples today across the range. And right now I think they are still, in some ways, trying to figure out what designs are really optimal for a prime power data center. We are in the early innings as we mentioned. Joule is a great example. They are using engine-based generator sets, that helps them get power really quickly. And we were happy to be able to help them do that. They are also doing something which is pretty unique as well is they are using some of the heat from the engines to actually cool the data centers. So the overall efficiency of that site will be higher, and it's going to help their economics. So we are really excited to see how that turns out as we implement that technology with them. We have customers that are doing turbines only. And they think that's a good solution for what they are trying to accomplish. And then we have customers like Williams that I mentioned that they have a combination of both. Some of it depends on the speed that they are looking for. Some of it depends on the load profiles that they are trying to serve. And so it's kind of a speed in technology and economic equation for all of them. And the good thing about our situation is we can serve all of them depending how that turns out when they do the math. As we look forward again, I kind of go back to the capacity increases, 2x for large engines, 2.5x for turbines. And we will use that not only for Power Generation, but also a big part of that's the natural gas compression business, both with engines and turbines. And we see growth there, and we will use the capacity to support that as well. So I think, you know, a little bit to be determined on what the best solution is. But we are really well positioned because we have the ability to provide a multiple, different kinds of technical solutions to help them be successful.

>> ALEX KAPPER: Rob, you are in the front.

>> Hi. Sorry. Also on Power Gen, should we think about the recip side, capacity expansion being kind of more or less complete in '27? You mentioned the power capacity comes online for turbines and recipis through 2030. And then one thing that surprised me was the mention of downstream of refining. I don't know whether the Titan 350 is going bring you into L&G trends or what that exactly that means, but it sounds new to me.

>> JASON KAISER: Yeah. In terms of the timing, so the 50 gigawatts will be online by 2030, to kind of set the target there. The engine capacity is moving faster. We started that earlier. But also, bear in mind, we upped it along the way. If you think back to the journey that we have been on, we started at a level, we got more customer feedback, and we actually upped the target for capacity along the way. We will see some nice steps in terms of capacity increase, 2026, 2027. We will still be able to continue to increase a little bit beyond that. The turbines will be a little bit more back loaded. But, in combination, we will have a meaningful capacity increase year over year through the decade. Your second question, when it comes to downstream, you know, those larger power blocks just really help us. We didn't have a turbine that was big enough for some of those downstream applications, and it just helps us get in the game to be able to serve them. A lot of it is power for their facilities in the downstream.

>> ALEX KAPPER: Great, Mike over here is next.

>> Mike Feniger, Bank of America. Thank you for taking my question. Just two questions. The first one: I realize you guys have a goal of doubling Power Generation revenue, which is great. But the fact that you are doubling the capacity, I'm just curious if the pricing per megawatt, you know, from the base case 2024 out to 2030, are we assuming that's unchanged? Is there any reason why CAT wouldn't also be benefitting from the pricing dynamics that we are hearing in the market out there? Because doubling Power Generation revenue makes sense, but is it really just units, or is there some pricing dynamic that we should be considering, that could also be under the fold? And does that flow in more in 2027, 2028?

And the second question, just on the financial targets, Andrew, the pull through we talked about in line with, you know, CAT's historical 34, 35%, is that for the overall company or do you try to drive that by division? So what I'm asking is: Is there a view, "hey, E&T is going to have a much higher flow through which allows maybe construction to drive OPACC dollars a little differently?" Or is the goal for all divisions to kind of be marching in that range or is there a mix that kind of gets us overall to that 34, 35%? Thanks, everyone.

>> ANDREW BONFIELD: So, on that, you know, you will recall back in 2017 we did have margin targets by business segment. I think that tends to reduce the amount of flexibility that we have to operate efficiently as a company. A couple of things, back to Steve's point a little bit, not all land markets are operating exactly the same way. And so when you are looking for a multiyear guideline, you really have to think about it in terms of there may be one business segment, which is driving faster than the other one at that point in time. So, it gives you that flexibility, which is why there is the range. And also, at the same time, wanting to make sure that we have sufficient capacity to invest in the appropriate areas that we need to continue to drive those OPACC dollars. So, it's really about having that, and that is the way we have tended to look at it, rather than trying to build it up segment specifically, then it becomes very complex and then becomes much, much harder to manage because the different businesses are at different stages of growth rates and so forth. So it's that way we tend to look at it.

>> JOE CREED: Yeah. And I think maybe just to add on that before Jason jumps in here on pricing. I think it's the wrong way to look at it to try to say, "okay, each of the segments having a similar margin profile, right?" I mean, there is a ton of synergies we drive in our business through the three [primary] segments (company clarified after the call). But I would look at it more as, "hey, we intend to have the best-in-class margins in Power & Energy compared to Power & Energy competitors and players in that industry." Mining and Resource Industries in there and Construction in construction. So, you know, we are in different dynamics in different industries. They have different margin profiles just frankly in the segments and the industries that they play in. So, you know, the mix of all that, we try to manage it into the overall margin profile. But there will be some puts and takes depending on which segment is, you know, driving some of that growth. Jason, go ahead.

>> JASON KAISER: Yeah. And I think, when it comes to pricing, certainly both the capacity and pricing come into the equation as we think about the future. We will look at the market dynamics as we always do on a year-over-year basis, individually, within the businesses, and not in aggregate. And we will look at that in terms of Power Generation or Power & Energy in total and make those decisions, and when pricing makes sense, we will take pricing along the way.

>> JOE CREED: And we've been doing that. Pretty regular price increases. You can see it in our results now in the segments. It's much different. You know, Power & Energy is not seeing similar types of, you know, merchandising programs that we have going on in Construction Industries just because of the competitive nature of the business. We

have escalators in our frame agreements that go out. And I think also you have to keep in mind where our margins are. We've had strong margins and so will continue to take price where we can. But maybe we are just seeing some bigger increases, the margins were not quite to where our level has been. And I think, you know, once we get into '26, and we start reporting as Power & Energy, you will see a little bit of that strength come through in those margins as well.

>> ALEX KAPPER: Let's take a question from online. So, did you see a target for 1.25x sales to users growth in line with your expectations for the overall industry growth, or was that ahead of it, behind it?

>> TONY FASSINO: If you look at the materials there that we talked about a few minutes ago, the 1.25x sales to user growth, we said on the slide they are outpacing the industry. So, when you take the commercial piece that we are reshaping, in addition to moving forward with the technology piece, and those integrated solutions, I believe it's going to allow us to outpace the industry and achieve that 1.25x sales to user growth.

>> Great. Thanks. Adam Seiden from Barclays. I wanted to start actually on mining. So you talked about expanding across the value chain. Is that limited to digital solutions? And then how do you think CAT can play in the crushing million processing parts of that in the area within Resource Industries? And the second part is also Resource Industries related. Within the new segment, that includes transportation, are all of the businesses OPACC positive?

>>DENISE JOHNSON: Okay, I'll start with the vision of our precision mining. So, you know, while we are always looking at M&A opportunities for physical assets, most of what I talked about is a digital technology solution that allows insights, that allows data to flow across all of those sectors of the value chain such that it provides efficiency overall in the operations. So it is primarily a technology investment. RPM is the first of the technology investments we intend to do in this space. Some will be organically developed. But we are looking at additional opportunities to connect that end-to-end value chain to help miners be more productive. So that's kind of how we are thinking of it now. But we are always assessing whether there is something physically we could do. There a lot in the sensor technology space that we are also looking at that could help aid the digital space even more moving forward. And then as far as OPACC margins, we don't disclose that by the individual subsets of where we are at. Now, you will be able to have some visibility to that when we [recast] in '26 as Rail moves over into Resource Industries (company corrected after the call).

>> ANDREW BONFIELD: We will recast in April next year, so you will see the Rail business move across. That will have a positive impact on Power & Energy margins, negative on Resource Industries. But remind you that we've always used the O&E model to use a way of actually looking at what we call the so called challenged businesses, which is about assessing their ability to perform and actually achieve OPACC positivity. And that includes the present value of future parts sales. And remember Rail also includes very strong [Services Revenues] (company clarified after the call). So that is something we will continue to evaluate and continue to operate. And remember we have disposed of businesses where we don't see the ability to do that; we haven't disposed of Rail.

>> JOE CREED: And I would just say when you are looking at profitability of Resource Industries, right, and this is a testament to Denise's leadership and her team and what they have done, look at revenue of Resource Industries now relative to when it was in its super cycle in 2012, and look at the operating margin profile of the business. So Denise and her team have done an amazing job with the profitability in that business.

>> Hi. Kristen Owen from Oppenheimer. I wanted to come back to the 1.25x increase in Sales to Users in your construction business. You highlighted a lot of white space globally or yellow space globally. So how much of that growth is coming through just geographic expansion? And when we think about the dealer network that's necessary to support that, what kind of investments do you need in the dealer network? . My follow-up question is related to the technology there. So we've seen a lot of competitive technologies come into the construction space, particularly on the digital side. Would you look to get more acquisitive there to help the end-to-end solution in construction? Thank you.

>> TONY FASSINO: Yeah, so geographic, a little bit of the digital piece and then also kind of that technology piece, so geographic first. Obviously, with that customer back, reshaping of the commercial organization, we've got those two individuals, senior vice presidents in their organizations focused on that core and that growth in the customer solutions regions. So, obviously, an equal focus around the globe, customer centric bringing that back. Like I said earlier, in that core region and the growth region, customers have quite a few different needs in terms how they buy, acquire, how much they rent, how much they don't rent, and how they want to rent and when. And also how they get paid is oftentimes different and how they do the work is different. So we've got unique customer requirements within each one of those regions. So we have a tremendous opportunity in both, right? The growth region with the urbanization and housing demands, infrastructure that is needed there. Obviously, the expansion of the compact construction equipment line, and further infrastructure expansion as we have seen in not just the United States, but other parts of those growth regions. It's very

healthy, so across we feel very good about that and both contributing to the 1.25[x sales to users growth] (company clarified after the call). Now, the digital piece and what we are doing...

>> BOB DE LANGE: Before you go to the digital, I think the question was also do we need more investment in our dealers. I think the key point is our dealers are independent companies and are independent from Caterpillar. We have about 150 of them worldwide. And apart from a few embargo countries where we are not allowed to do business, we are present in pretty much any country in the world already today and our dealers have been very successful. I mean, it's a key part of our competitive advantage. And we are working very closely with them to make sure they invest alongside with us, to make sure we achieve the growth goals that we laid out today.

>> JOE CREED: I think the changes here are going to be well received, right? I mean, today where we can give the attention, I think having a regional team, that's more focused on dealers and have boots on the ground with them to understand their unique needs. Like Tony said, really getting after the unique needs. Sometimes I think maybe we have been taking a solution that works in a lot of the world and try to use that in certain parts of the world where it's just missing the point a little bit. And so we are going to get a lot closer to our customers this way.

>> TONY FASSINO: Yeah, I mean, technology is really the same way. One of the big benefits from a technology perspective, I think you are hinting at that a little bit in your question is, from a Cat perspective, a lot of our technology solutions have taken into consideration the entire customer business. We see a lot of competitors and options come to customers with point solutions and trying to sell the value of that. And more and more the customers are saying, you know, that is just a lot to deal with. I've got these solutions from Cat here, VisionLink as an example that Bob articulated earlier, and it covers the end to end. It helps you manage the fleet. It helps you manage productivity, fuel, hours, condition of the machine. It's broad. And it helps, again, manage the entire business. And that works and plays worldwide from a customer basis. So, again, a very worthwhile technology to take out to the customers.

>> Thanks. Steve Fisher at UBS. Just on the solar capacity expansion, to what extent does that really focus on the large turbines or will that be across the product set there? And then, from a competitive perspective, within this sort of power gen opportunity set, I mean, clearly there is so much demand right now, capacity is super constrained. I guess I'm curious to what extent there are actually competitive processes that are going on to win this work today and then how do you see that competitive landscape evolving as the capacity comes on over the next several years?

>> JASON KAISER: Yeah. Good question. So, first, on the capacity increase. Biased towards the larger turbines, but not exclusively a Titan 350 across the entire Titan family, we will see increases. The Titan 130, as an example, has been a great product for prime power and prime power data centers. So really that whole Titan family we will respond. It's going to take a lot of work in the supply base to do that, in addition to ramping up in our own facilities, and we've got really good plans in place to do that. We see that whole range of turbines really being helpful to customers, either mobile in some cases of the bridge solution that Joe mentioned or the permanent solutions that they are going to use for decades to come with the different turbine solutions. In terms of competitiveness, I mean, time will tell. Certainly, with the close relationships we have with customers, you, know we are there with them to help them plan and meet the needs that they have. We also provide product to energy companies that are there also helping those customers whenever they need power or even in the short term and the long term. Yeah. And we will think about that as always competitive, right? We want to take care of our customers. And not have them buy our equipment just because we have the available equipment. We want them to buy our equipment because we have the best products, Services, and solutions to meet their needs and solve their problems. So I think that is why they are going to continue to come to us. So we view it as competitive the whole time. You think about our legacy with Solar Turbines and particularly serving oil and gas customers. You know, our strengths are, you know, durability, reliability, is really strong Services support. You know, making sure that that uptime is always there. And you couple that with the Titan 350, which has really exceptional efficiency on top of all those characteristics, and we've got a great value proposition for customers looking for power. The tour this afternoon hopefully, they will ask some questions about it.

>> Good afternoon. This is Tami Zakaria from JP Morgan. I wanted to ask for some help to build our models. How should we think about the three segments as it relates to the 5 to 7% CAGR through 2030? Is Power & Energy growing above that but Resource Industries and Construction Industries growing below? And, related to that, now that we have multiyear numeric targets, do you plan to give specific sales and margin guidance in terms of numbers as you think about 2026?

>> ANDREW BONFIELD: Yes. So we will get to what we do on guidance in January as per our normal process with that regard. As Alex mentioned, he will give you a more detailed modeling session. But, if Power & Energy is growing faster than the 5 to 7% range, obviously, then that implies that the other segments are growing slightly lower than that. The good point about this is all the segments are growing, that is the most important thing from our perspective. And there's opportunities in all. We are not a one

shop pony, just relying on Power & Energy or Electric Power. There are lots of opportunities in our other business segments. And that is the breath of the portfolio that we continue to talk about, which actually helps Caterpillar continue to drive and maximize shareholder value.

>> JOE CREED: Yeah. I wouldn't expect a significant change in our quarterly type of guidance and things that we give. We give you guys a lot more metrics today to really give you a guide for how we are thinking of the business strategically over the long term. And will update you, as Andrew said in his presentation pretty regularly. And you will be able to see it yourselves in the results. But we are pretty confident in strategy and we are excited about the opportunities we have in all three of the segments.

>> Great. Thanks. Saba Khan from RBC. Just a question on sort of the digital side and getting more units connected over the last few years. While it's helped individual repair events, have you seen a notable uptick in rebuilds at all now that customers are more embedded in your system? And then, secondly, on the construction side, a significant uptick in spend globally, I think you pointed out. I guess, when you look outside your core markets into the more growth ones, or do you feel the equipment or the offering you will have out there will be really suited for what some of those markets are outside of sort of what North America might be?

: >> BOB DE LANGE: Yeah, I could maybe start on that, on the first one. It's clear if you think of turning unplanned surprises into planned events, I mean, making sure you help customers avoid downtime, we have a keen focus on helping customers identify the optimal time for an overhaul, for a rebuild. I mean, it helps avoid a bigger repair that isn't planned and at a time that is not convenient, while maximizing the life of the piece of equipment. So a lot of our modeling and digital models we are building are focused on exactly those rebuilds and helping customers. I mean, I'm sure Denise and Tony and Jason can comment on it, but it's also been one of the key drivers of our Services growth in the past years, has been that focus on rebuilds.

>> DENISE JOHNSON: Both yeah. And I would say, I mean I mentioned it, you know, we are seeing some customers rebuild, you know, four or five or six times up to, you know, what traditionally would have been an 80,000 hour unit retirement, now is extended out to 200,000. And they have had to rebuild along the way in order to do that. The nice thing is that our machines are built to do that. And that the ability to do that, depending on whether you have a lot of CapEx or you want to use OpEx, it really depends on the situation that they are in. And then the life of mine also comes into play. So, you know, those decisions continue to be made depending upon the situation. The one thing that I think will be an enabler though for future replacement will be the advent

of technology and adding a lot of technology on new machines. You certainly can retrofit technology, but there are limits to that. And so as we start to see the advent of really wanting a lot of technology on machines, you are going to have to build or buy new, and we see that trend happening.

>> TONY FASSINO: Resource Industries has a very strong rebuild story. Construction Industries has a very strong rebuild story, too. It's not uncommon for these machines in Construction Industries to have multiple rebuild lives, too, just as extension that you see in Resource Industries. So, Resource Industries and Construction Industries have a lot in common from a rebuild perspective and that Services opportunity. Now, your second question was, just make sure I'm clear on it, is that product readiness for the core and the growth market and are we prepared to do that. So, this goes back to the presentation, getting closer to that customer, having those commercial organizations out with the customer, and understanding what they want for a product, Services, technology perspective. And we've been doing that for some time now. And the products are definitely tailored to their unique needs. In fact, fairly different needs in each one of those regions. So the XE models that we've got out there, are the most technologically advanced, productive, fuel efficient machines in the industry, generally serving the high productivity demands, that could be in either region. A lot of times it's more core, but not always.

In addition, you've got more of a mainstream, not necessarily as advanced technological capability, et cetera, more for your mainline job, that can also occur in the core, or in the growth region. So we've got that tier of products available for whatever solution those customers want. And, as you have seen, we've had really good experience with that, with the customer base, obviously, as recently as this year in the results.

>> JOE CREED: Yeah. I'm confident we have the right products and dealer reach to serve the growth markets. The question though is: If a customer solely is making it on first cost and price of a machine, then that is probably not going to be us, right? That is not our brand. So but there is a significant amount of the customer base, to Tony's point, that I think we have the right offerings, the right dealer support, and by listening to them and understanding what their unique challenges are, we are going to be the company of choice for them.

>> Hi Mike Schlitzky of D.A Davidson. A couple of quick Resource Industries questions. First, I wanted to clarify the video you had with the Suncor, are they paying you per barrel or per hour in the contract? Is that going to be common going forward? I just want to ask about risk, whether you are going to be taking on risk now or risk if there is no oil in the actual sand? Just what are the structures about on those contracts going forward? And then, secondly, on RPM, could that [Inaudible] that they have been used

across construction or other areas that Caterpillar works with in the future? Or, Joe, is that an area you might want to consider making another M&A deal, helping your construction customers plan their projects? Thanks.

>> DENISE JOHNSON: Both really good questions. So the initial agreement with Suncor is cost per hour agreement, but we are working towards a cost per barrel or cost per ton agreement. So it is something that is in evolution. And we are continuing to expand our relationship with Suncor. They have been a great partner too, and we talked about aligned incentives, but how do you make sure that what we are doing to improve our performance at site is actually helping them be more successful? And so tying that into things that you can control, but that you still have an alignment around. Moving on to your second question, which is RPM, there's quite a bit in the suite that RPM provides around asset management, that we can leverage for contracts that we have with customers, that allow us to really have visibility into not only how much it costs from a maintenance perspective and work order management with our dealers, but also really allow us to optimize when we are replacing components. So they do have a fairly large suite of what we call asset management tools that complement, that they don't duplicate what we do with our condition monitoring tools, that as we continue to build out our engines for advanced analytics will really allow us to unlock the value for both mining and for construction products.

>> TONY FASSINO: Yeah. And think about that construction. If you think about the RPM video and think about the technology and AI work that Bob talked about also, take that and the planning, to plan the job, that is kind of what RPM is about, right? And put it on a construction job. I was on a recent job where it was a very large job, multi-warehouse location where they had a pretty big cut and fill they had to do, soft underfoot conditions, actually over a part of it a former landfill, and they had shot rock, a very complex job site. And they walk up to that saying, okay, how are we going to do this? What is the plan?

>> BOB DE LANGE: >> Building block for precision mining.

>> TONY FASSINO: That is the answer is how to plan that job out because that is the question they have. Every time they walk up to these bigger, complex jobs, if we can help them do that more efficient, lower TCO, more profitable, better sustainability from a customer profitability perspective.

>> BOB DE LANGE: So, I think that is a key message. It's a key building block for precision mining, but we see a lot of opportunities to apply it on places and applications as well.

>> TONY FASSINO: Yeah. Because watch construction jobs. I'm sure you have watched them, some of the big things. You see more and more jobs in that billion-dollar range. In fact, quite a few more jobs in that \$2 billion range. Those are big jobs. Those jobs of that size require pretty detailed planning, which, again, anything that RPM can do, we can borrow from that knowledge. Of course, the tools that Bob talked about, you combine those two together, you got a great solution.

>> ALEX KAPPER: Just a reminder, RPM is not closed, so we are still seeking regulatory approval, so we will wait for that to all close before we get too far into it.

So I think we are right at time. I'd like to give maybe the stage to Joe to close us out some, you know, final thoughts and then we will close.

>> JOE CREED: One, I appreciate everybody that joined us online today and then those of you who made the trip here to see us in person. I hope you, again, get a chance or had a chance to see the tech station. I think you are going to really enjoy the tour at our DeSoto solar turbine's facility. You know, we have...this is a really exciting time. And I know my teammates up here and I, we have been anxious to get to this date to tell our story. We have been working on this a really long time. At the same time we have amazing momentum in the business. We have tremendous growth opportunities in all three [primary] segments (company clarified after the call). And, you know, we are going to make the investments we need to make in capacity. We are going to make it in digital and technology to differentiate ourselves. And we're going to continue to drive OPACC dollars which we think will result in strong total shareholder returns moving forward. So we really appreciate your interest and you taking the time to come see us today. And we look forward to hopefully we will talk to you in our normal cadence, but hopefully see some of you at CES and then again at ConExpo as the guys talked about today. So thank you very much. Alex, back to you.

>> ALEX KAPPER: Thanks, Joe. Thanks to the full executive office for your participation. We will have the slides and a transcript and a full reply on investors.Caterpillar.com. And that concludes our broadcast for today.

>> Thank you, everyone.

[Video presentation]