

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

Third Quarter 2023 Financial Review

October 31, 2023

CATERPILLAR[®]

Forward-Looking Statements

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

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

A reconciliation of non-GAAP financial information can be found in our press release describing third-quarter 2023 financial results which is available on our website at www.caterpillar.com/earnings.

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

CATERPILLAR®

Strong Performance

3Q 2023 EARNINGS RELEASE

THANK YOU
TO OUR
GLOBAL TEAM

HEALTHY DEMAND
ACROSS MOST
END MARKETS

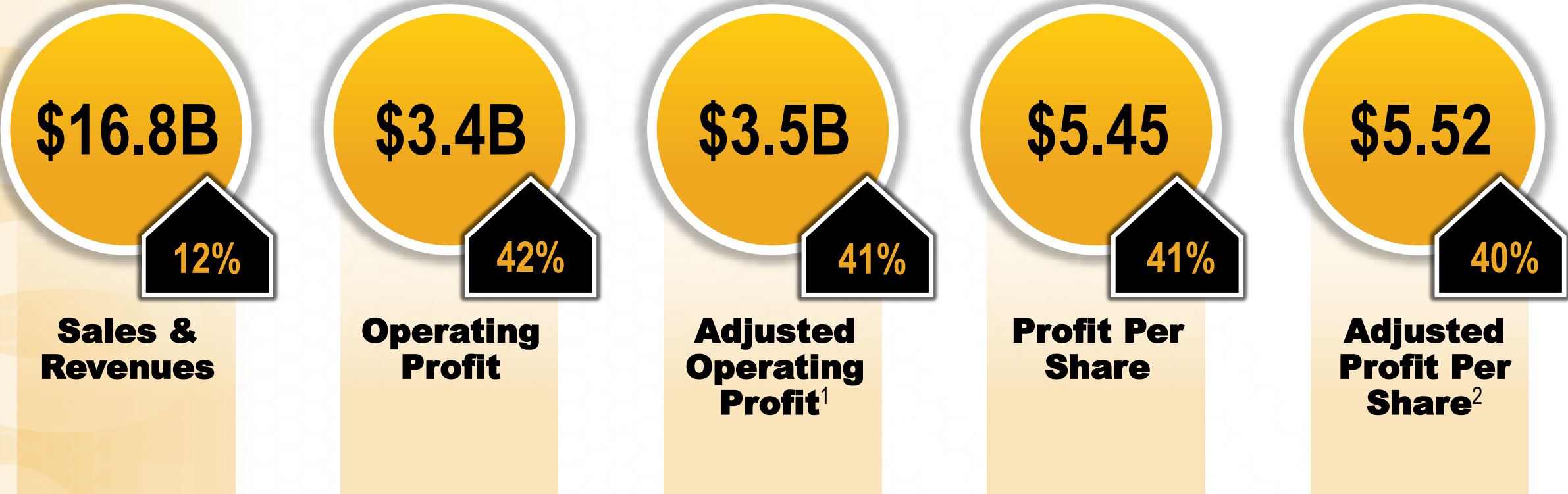
EXECUTING OUR
STRATEGY FOR
LONG-TERM
PROFITABLE
GROWTH

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

CATERPILLAR®

Key Takeaways

Third Quarter 2023 vs. Third Quarter 2022



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

² Third-quarter 2023 adjusted profit per share excluded restructuring costs of \$0.07 per share.
Third-quarter 2022 adjusted profit per share excluded restructuring costs of \$0.08 per share.

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



ME&T Free Cash Flow¹ and Capital Deployment

3Q 2023 EARNINGS RELEASE

\$6.8B

September YTD ME&T Free Cash Flow¹

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

\$4.1B

Returned to Shareholders September YTD

Through share repurchases and dividends

**30
Years**

Dividend Aristocrat

Higher annual dividends to shareholders for 30 consecutive years²

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

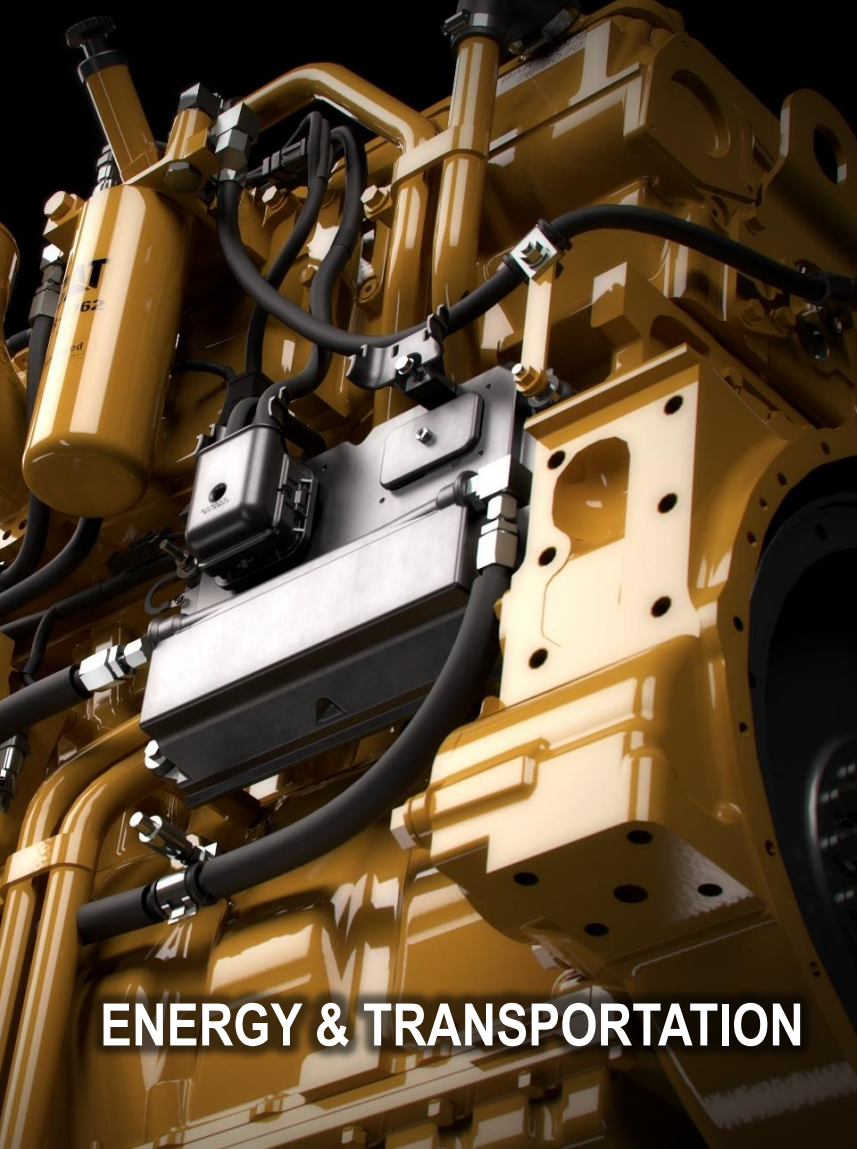
² With dividend payable on Nov 20, 2023, Caterpillar will have paid higher dividends for 30 years (announced October 2023).

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

CATERPILLAR[®]

End Market Commentary

3Q 2023 EARNINGS RELEASE



CONSTRUCTION INDUSTRIES

RESOURCE INDUSTRIES

ENERGY & TRANSPORTATION

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

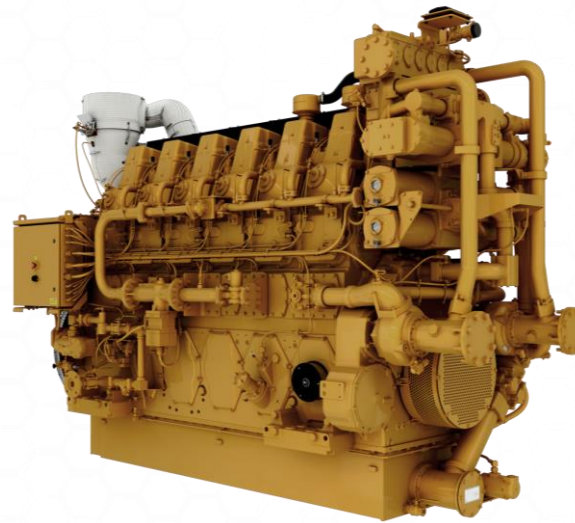


Sustainability

Cat® 980 XE



Cat® G3600 Gen 2



Albemarle



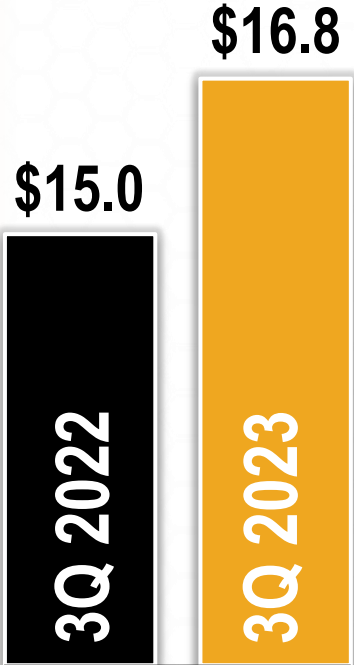
WE HELP OUR CUSTOMERS **BUILD A BETTER, MORE SUSTAINABLE WORLD.**

Financial Results Summary

Third Quarter 2023 vs. Third Quarter 2022

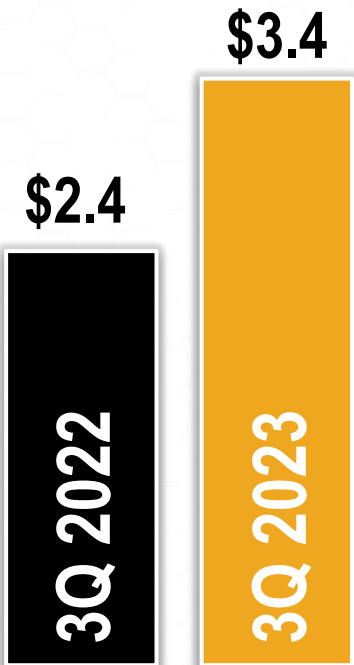
SALES & REVENUES

(in billions of dollars)



OPERATING PROFIT

(in billions of dollars)



ADJUSTED PROFIT

PER SHARE¹

(in dollars)



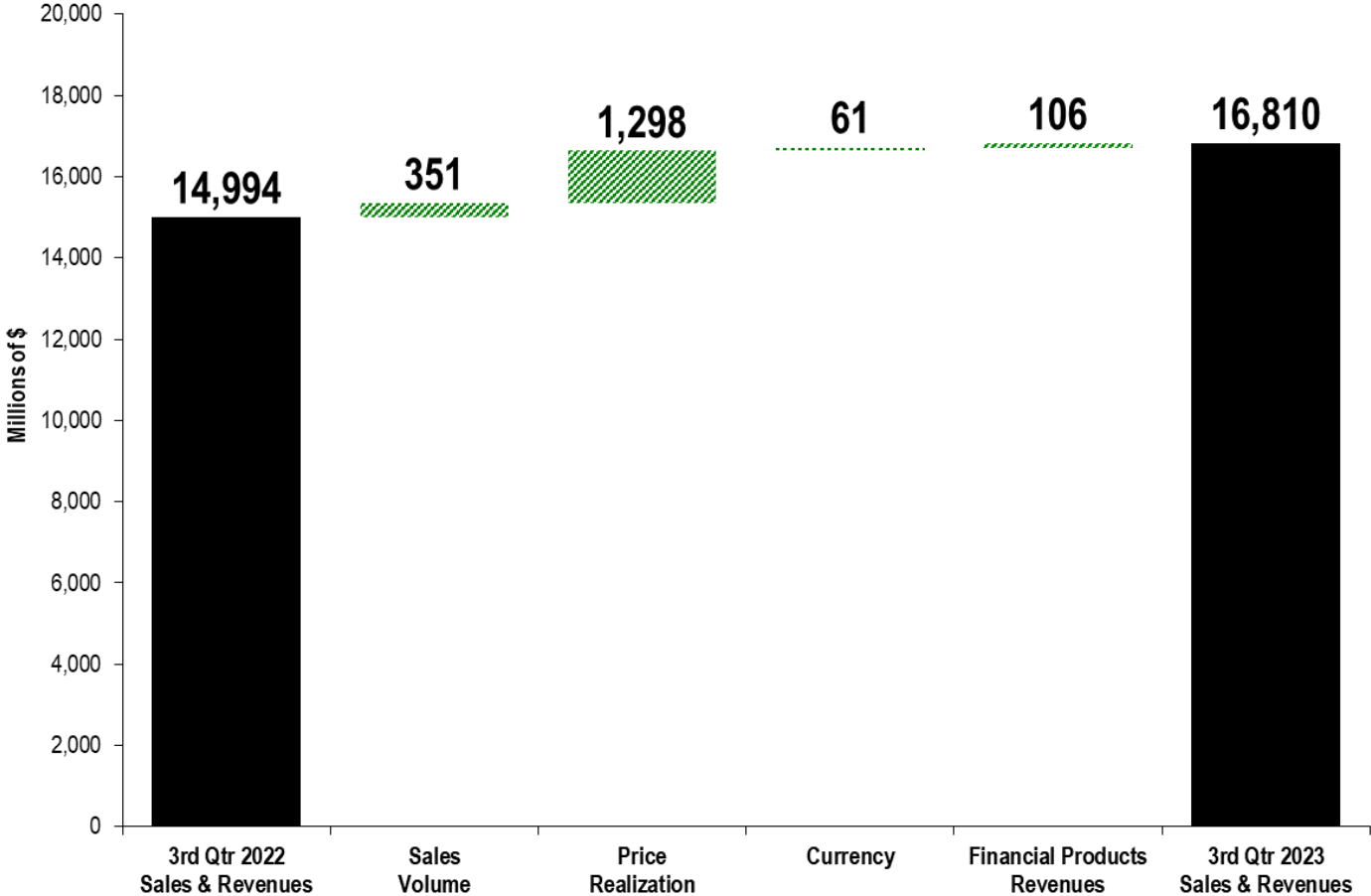
¹ Third-quarter 2023 adjusted profit per share excluded restructuring costs of \$0.07 per share.
Third-quarter 2022 adjusted profit per share excluded restructuring costs of \$0.08 per share.

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



Consolidated Sales and Revenues

Third Quarter 2023 vs. Third Quarter 2022



3rd Quarter Highlights

Sales & Revenues Increased \$1.8B or 12%

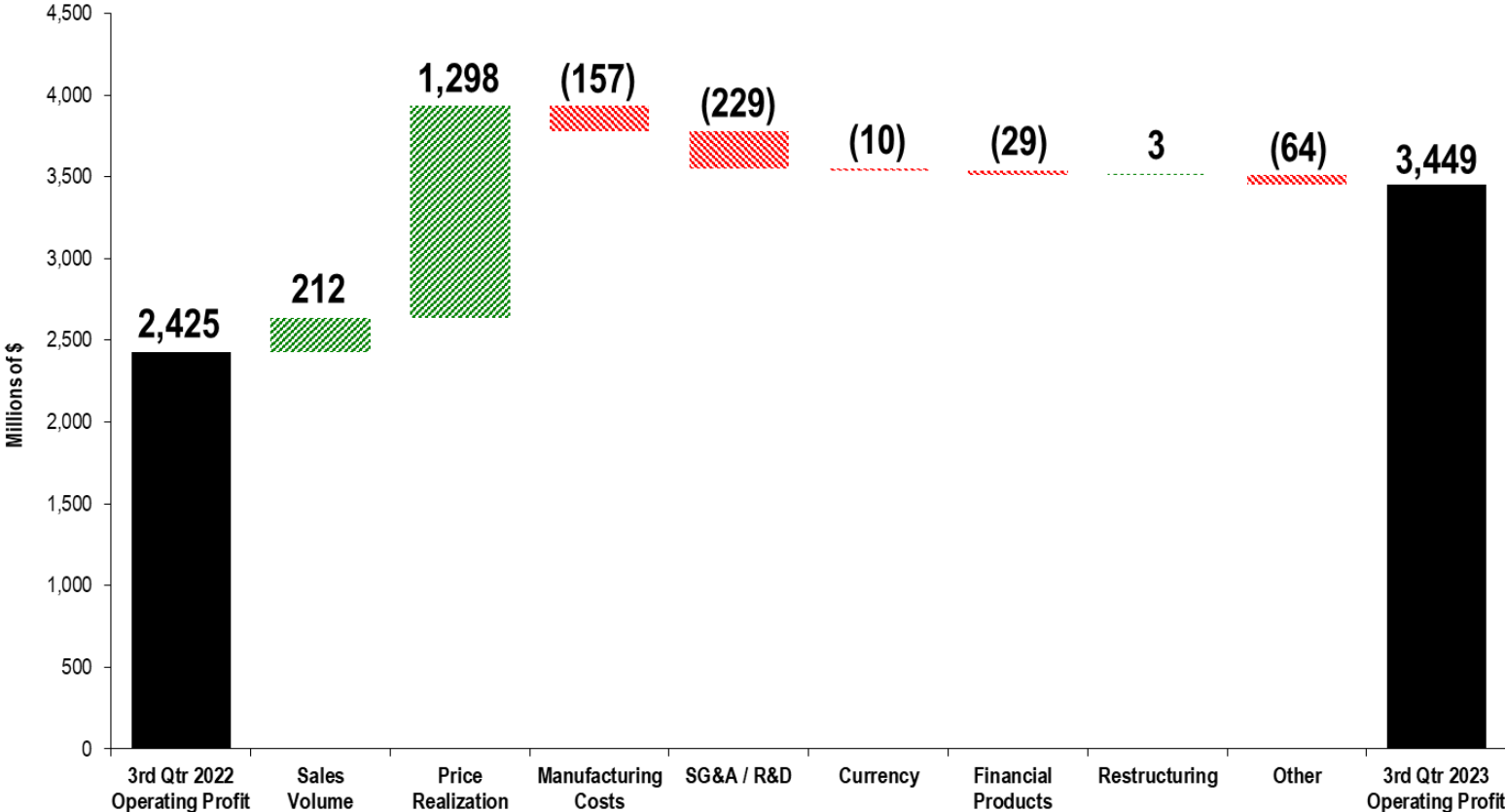
- Favorable impact from price realization and sales volume
- Sales increased across the three primary segments

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



Consolidated Operating Profit

Third Quarter 2023 vs. Third Quarter 2022



3rd Quarter Highlights

Operating Profit Increased \$1.0B or 42%

- Favorable price realization, including a favorable geographic mix, and higher sales volume
- Partially offset by higher SG&A/R&D expenses and higher manufacturing costs

Operating Profit Margin of 20.5%

Adjusted Operating Profit Margin¹ of 20.8%

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

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

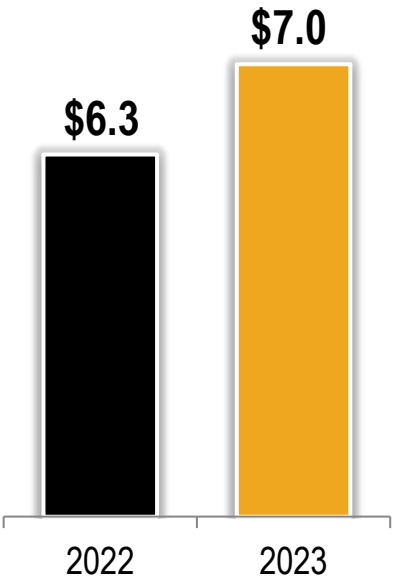


Construction Industries

Third Quarter 2023 vs. Third Quarter 2022

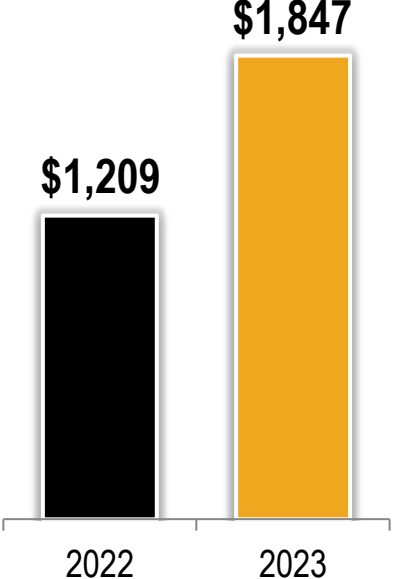
Total Sales*

(in billions of dollars)



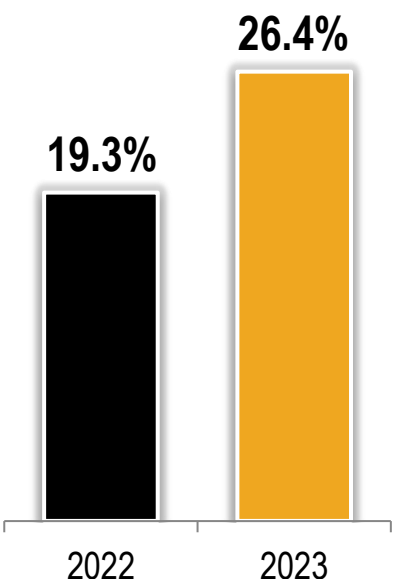
Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



* Includes inter-segment sales.

3rd Quarter Highlights

Total Sales Increased \$723M or 12%

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

Segment Profit Increased \$638M or 53%

- Favorable price realization

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

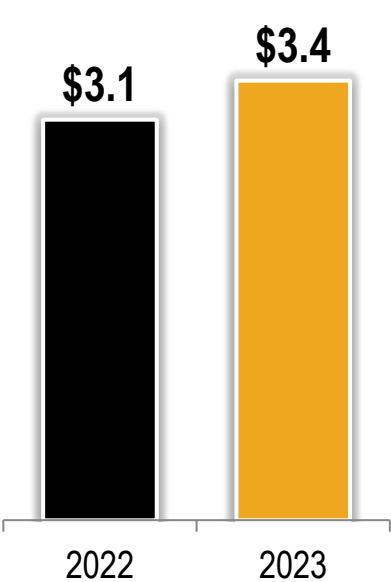


Resource Industries

Third Quarter 2023 vs. Third Quarter 2022

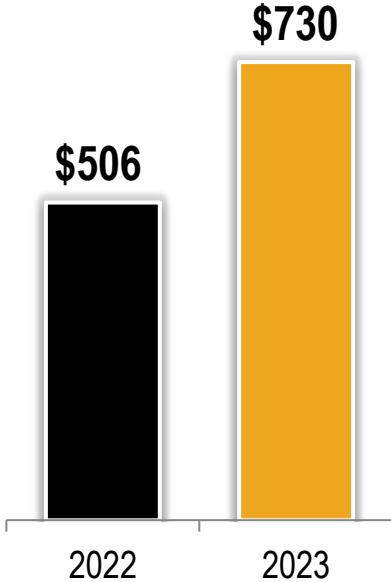
Total Sales*

(in billions of dollars)



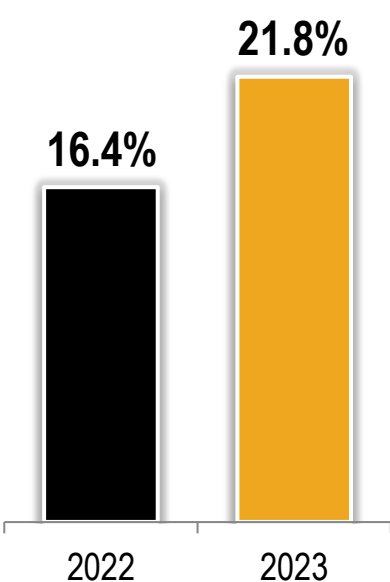
Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



3rd Quarter Highlights

Total Sales Increased \$264M or 9%

- Favorable price realization, partially offset by lower sales volume

Segment Profit Increased \$224M or 44%

- Favorable price realization
- Partially offset by lower sales volume, including an unfavorable mix of products

* Includes inter-segment sales.

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

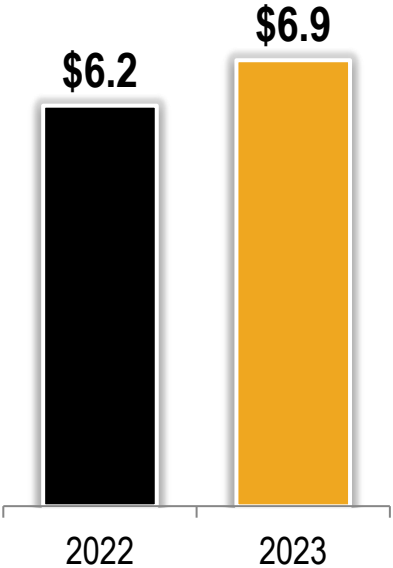


Energy & Transportation

Third Quarter 2023 vs. Third Quarter 2022

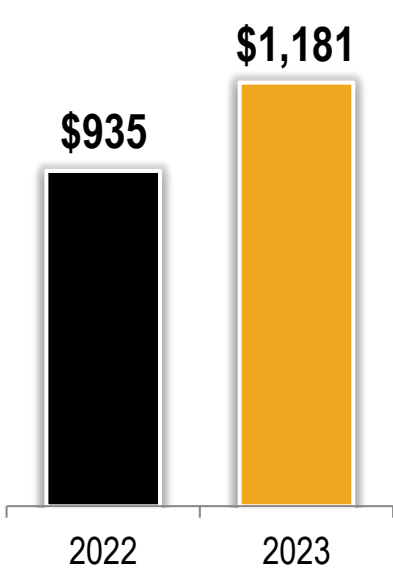
Total Sales*

(in billions of dollars)



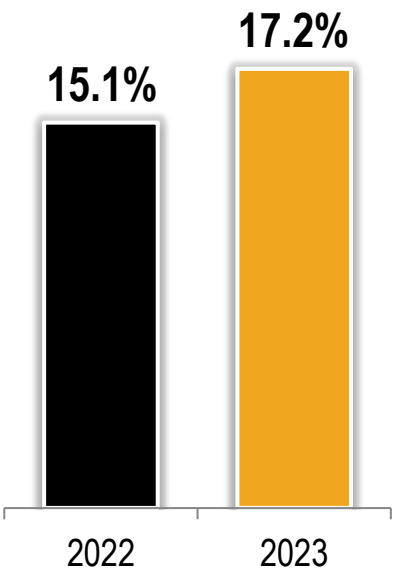
Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



* Includes inter-segment sales.

3rd Quarter Highlights

Total Sales Increased \$673M or 11%

- **Oil and Gas** – Increase in turbine and turbine-related services as well as reciprocating engines used in well-servicing
- **Power Generation** – Increase in large reciprocating engines
- **Industrial** – Increase in sales primarily in EAME and Latin America
- **Transportation** – Increase in rail services

Segment Profit Increased \$246M or 26%

- Favorable price realization and higher sales volume
- Partially offset by higher SG&A/R&D expenses, higher manufacturing costs and unfavorable currency impacts

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

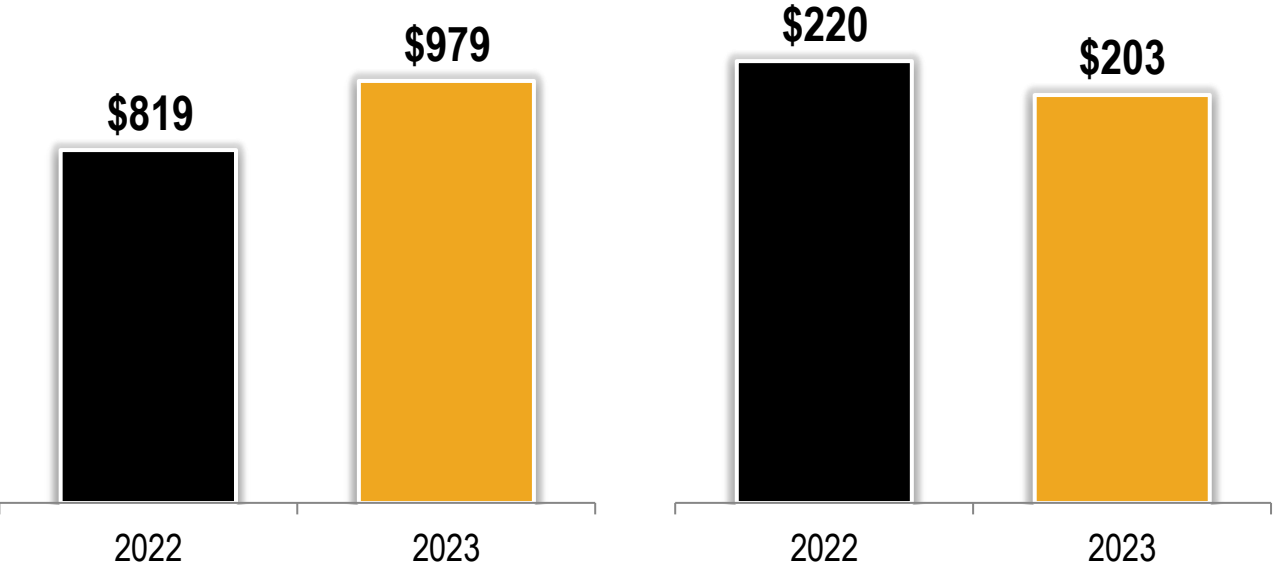


Financial Products

Third Quarter 2023 vs. Third Quarter 2022

Total Revenues*
(in millions of dollars)

Segment Profit
(in millions of dollars)



* Includes inter-segment revenues.

3rd Quarter Highlights

Total Revenues Increased \$160M or 20%

- Higher average financing rates across all regions

Segment Profit Decreased \$17M or 8%

- Decrease mainly due to the absence of prior year reserve releases for credit losses at Cat Financial
- Partially offset by a favorable impact from mark-to-market adjustments

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



ME&T Free Cash Flow¹ and Capital Deployment

3Q 2023 EARNINGS RELEASE

\$6.8B

September YTD ME&T Free Cash Flow¹

Expect to exceed the ME&T free cash flow¹ target range² of \$4B - \$8B for the full year

\$4.1B

Returned to Shareholders September YTD

Through share repurchases and dividends

\$6.5B

Enterprise Cash Balance

In addition, hold \$4.3B in liquid marketable securities

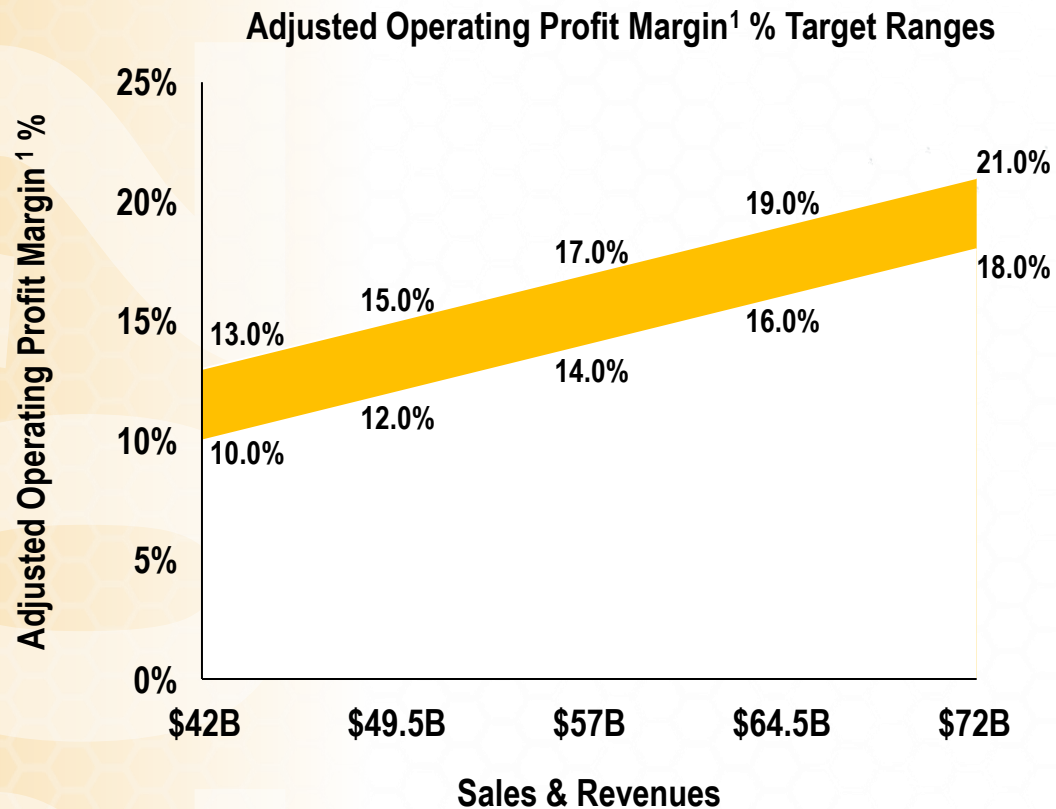
¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

² Target based on Caterpillar Investor Day held in 2022. Caterpillar communicated a ME&T free cash flow target in the range of \$4B to \$8B annually.

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

CATERPILLAR[®]

Key Thoughts As We Look Ahead



- Expect slightly higher fourth-quarter 2023 sales and revenues vs fourth-quarter 2022
- Adjusted operating profit margin¹ in fourth quarter of 2023 expected to be lower than third quarter of 2023
- Full-year 2023 adjusted operating profit margin¹ expected to be slightly above the targeted range² relative to the corresponding expected level of sales
- ME&T free cash flow³ expected to exceed our \$4B to \$8B range for the full year

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

² 2023 adjusted operating profit margin target based on expected sales level and was communicated during the 4Q 2022 earnings call.

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

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



Third-Quarter 2023 Key Takeaways

3Q 2023 EARNINGS RELEASE

YTD ADJUSTED
**PROFIT PER
SHARE¹**
\$15.98

3Q ADJUSTED
**OPERATING
PROFIT MARGIN²**
INCREASED TO **20.8%**

YTD
**ME&T FREE CASH
FLOW³**
\$6.8B

EXECUTING OUR STRATEGY FOR LONG-TERM PROFITABLE GROWTH

¹Adjusted profit per share for year-to-date 2023 excluded restructuring costs of \$1.30 per share, which included \$1.13 per share for the impact of the divestiture of the company's Longwall business and \$0.17 per share of other restructuring costs. It also excluded a discrete tax benefit to adjust deferred tax balances of \$0.17 per share.

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

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

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



Q&A

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



2024 Caterpillar Earnings Call Schedule

3Q 2023 EARNINGS RELEASE

Earnings Quarter	Release Date	Call Time
4 th Quarter 2023	Monday, February 5, 2024	8:30 a.m. Eastern
1 st Quarter 2024	Thursday, April 25, 2024	8:30 a.m. Eastern
2 nd Quarter 2024	Tuesday, August 6, 2024	8:30 a.m. Eastern
3 rd Quarter 2024	Wednesday, October 30, 2024	8:30 a.m. Eastern

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



Dealer Inventory and Order Backlog

3Q 2023 EARNINGS RELEASE

Dealer Inventories¹

¹Dealers are independent businesses and control their own inventory.
Note: Amounts may not add due to rounding.

Increased
\$0.6B
3Q 2023
vs. 2Q 2023

Increased
\$0.7B
3Q 2022
vs. 2Q 2022

Unfavorable
\$0.1B
3Q 2023
Impact on Total Sales

Order Backlog

Decreased
\$2.6B
3Q 2023
vs. 2Q 2023

Increased
\$0.3B
2Q 2023
vs. 1Q 2023

Decreased
\$1.9B
3Q 2023
vs. 3Q 2022

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

CATERPILLAR[®]

Key Thoughts As We Look Ahead

- Restructuring expense expected to be about \$700 million for the full year
- Capex about \$1.5 billion for the full year
- Estimated global tax rate of about 22.5%, excluding discrete items



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

Non-GAAP Financial Measures

3Q 2023 EARNINGS RELEASE

(Dollars in millions except per share data)

	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate	Profit	Profit per Share
Three Months Ended September 30, 2023 - U.S. GAAP	\$ 3,449	20.5 %	\$ 3,515	\$ 734	20.9 %	\$ 2,794	\$ 5.45
Restructuring costs	46	0.3 %	46	10	20.0 %	36	0.07
Three Months Ended September 30, 2023 - Adjusted	<u>\$ 3,495</u>	20.8 %	<u>\$ 3,561</u>	<u>\$ 744</u>	20.9 %	<u>\$ 2,830</u>	<u>\$ 5.52</u>
Three Months Ended September 30, 2022 - U.S. GAAP	\$ 2,425	16.2 %	\$ 2,558	\$ 527	20.6 %	\$ 2,041	\$ 3.87
Restructuring costs	49	0.3 %	49	9	18.4 %	40	0.08
Three Months Ended September 30, 2022 - Adjusted	<u>\$ 2,474</u>	16.5 %	<u>\$ 2,607</u>	<u>\$ 536</u>	20.6 %	<u>\$ 2,081</u>	<u>\$ 3.95</u>
Nine Months Ended September 30, 2023- U.S. GAAP	\$ 9,832	19.7 %	\$ 9,801	\$ 2,194	22.4 %	\$ 7,659	\$ 14.85
Restructuring costs - Longwall divestiture	586	1.2 %	586	—	— %	586	1.13
Other restructuring costs	102	0.1 %	102	21	20.0 %	81	0.17
Deferred tax valuation allowance adjustments	—	— %	—	88	— %	(88)	(0.17)
Nine Months Ended September 30, 2023 - Adjusted	<u>\$ 10,520</u>	21.0 %	<u>\$ 10,489</u>	<u>\$ 2,303</u>	22.0 %	<u>\$ 8,238</u>	<u>\$ 15.98</u>
Nine Months Ended September 30, 2022 - U.S. GAAP	\$ 6,224	14.5 %	\$ 6,653	\$ 1,423	21.4 %	\$ 5,251	\$ 9.85
Restructuring costs	90	0.2 %	90	13	14.0 %	77	0.14
Nine Months Ended September 30, 2022 - Adjusted	<u>\$ 6,314</u>	14.7 %	<u>\$ 6,743</u>	<u>\$ 1,436</u>	21.3 %	<u>\$ 5,328</u>	<u>\$ 9.99</u>

Note: Amounts may not add due to rounding.

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

CATERPILLAR®

Reconciliation to U.S. GAAP

3Q 2023 EARNINGS RELEASE

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

(USD in billions)	3Q 2022	3Q 2023	Sep YTD 2022	Sep YTD 2023
ME&T cash flow from operations	\$ 1.9	\$ 3.3	\$ 3.2	\$ 8.0
ME&T capital expenditures	(0.3)	(0.4)	(0.9)	(1.1)
Payments made related to settlements with IRS	0.5	-	0.5	-
ME&T free cash flow	\$ 2.1	\$ 2.9	\$ 2.8	\$ 6.8

Note: Amounts may not add due to rounding.

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

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

CATERPILLAR[®]