

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549



**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 1-768**

**CATERPILLAR INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**37-0602744**

(State or other jurisdiction of incorporation)

(IRS Employer I.D. No.)

**5205 N. O'Connor Boulevard, Suite 100, Irving, Texas**

**75039**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(972) 891-7700**

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: **N/A**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                    | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock (\$1.00 par value)        | CAT               | New York Stock Exchange                   |
| 5.3% Debentures due September 15, 2035 | CAT35             | New York Stock Exchange                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At June 30, 2025, 468,478,923 shares of common stock of the registrant were outstanding.

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**Part I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Caterpillar Inc.**  
**Consolidated Statement of Results of Operations**  
**(Unaudited)**  
**(Dollars in millions except per share data)**

|  | <b>Three Months Ended June 30,</b> |                 |
|--|------------------------------------|-----------------|
|  | <b>2025</b>                        | <b>2024</b>     |
| <b>Sales and revenues:</b>                                     |                                    |                 |
| Sales of Machinery, Energy & Transportation                    | \$ 15,674                          | \$ 15,840       |
| Revenues of Financial Products                                 | 895                                | 849             |
| <b>Total sales and revenues</b>                                | <b>16,569</b>                      | <b>16,689</b>   |
| <b>Operating costs:</b>  |                                    |                 |
| Cost of goods sold   | 10,807                             | 10,150          |
| Selling, general and administrative expenses                   | 1,694                              | 1,652           |
| Research and development expenses                              | 551                                | 535             |
| Interest expense of Financial Products                         | 336                                | 314             |
| Other operating (income) expenses                              | 321                                | 556             |
| <b>Total operating costs</b>                                   | <b>13,709</b>                      | <b>13,207</b>   |
| <b>Operating profit</b>  | <b>2,860</b>                       | <b>3,482</b>    |
| Interest expense excluding Financial Products                  | 126                                | 137             |
| Other income (expense)   | 84                                 | 155             |
| <b>Consolidated profit before taxes</b>                        | <b>2,818</b>                       | <b>3,500</b>    |
| Provision (benefit) for income taxes                           | 646                                | 836             |
| <b>Profit of consolidated companies</b>                        | <b>2,172</b>                       | <b>2,664</b>    |
| Equity in profit (loss) of unconsolidated affiliated companies | 7                                  | 17              |
| <b>Profit of consolidated and affiliated companies</b>         | <b>2,179</b>                       | <b>2,681</b>    |
| Less: Profit (loss) attributable to noncontrolling interests   | —                                  | —               |
| <b>Profit <sup>1</sup></b>                                     | <b>\$ 2,179</b>                    | <b>\$ 2,681</b> |
| <b>Profit per common share</b>                                 | <b>\$ 4.64</b>                     | <b>\$ 5.50</b>  |
| <b>Profit per common share – diluted <sup>2</sup></b>          | <b>\$ 4.62</b>                     | <b>\$ 5.48</b>  |
| <b>Weighted-average common shares outstanding (millions)</b>   |                                    |                 |
| – Basic  | 469.7                              | 487.2           |
| – Diluted <sup>2</sup>   | 471.5                              | 489.5           |

<sup>1</sup> Profit attributable to common shareholders.

<sup>2</sup> Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

See accompanying notes to Consolidated Financial Statements.

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**Caterpillar Inc.**  
**Consolidated Statement of Comprehensive Income**  
**(Unaudited)**  
**(Dollars in millions)**

|  | <b>Three Months Ended June</b> |                 |
|--|--------------------------------|-----------------|
|  | <b>30,</b>                     |                 |
|  | <b>2025</b>                    | <b>2024</b>     |
| <b>Profit of consolidated and affiliated companies</b>   | <b>\$ 2,179</b>                | <b>\$ 2,681</b> |
| Other comprehensive income (loss), net of tax (Note 13): |                                |                 |
| Foreign currency translation                             | 435                            | (71)            |
| Pension and other postretirement benefits                | (1)                            | (3)             |
| Derivative financial instruments                         | 63                             | (62)            |
| Available-for-sale securities                            | 24                             | (1)             |
| Total other comprehensive income (loss), net of tax      | 521                            | (137)           |
| <b>Comprehensive income attributable to shareholders</b> | <b>\$ 2,700</b>                | <b>\$ 2,544</b> |

See accompanying notes to Consolidated Financial Statements.

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**Caterpillar Inc.**  
**Consolidated Statement of Results of Operations**  
**(Unaudited)**  
**(Dollars in millions except per share data)**

|  | <b>Six Months Ended June 30,</b> |                 |
|--|----------------------------------|-----------------|
|  | <b>2025</b>                      | <b>2024</b>     |
| <b>Sales and revenues:</b>                                     |                                  |                 |
| Sales of Machinery, Energy & Transportation                    | \$ 29,052                        | \$ 30,800       |
| Revenues of Financial Products                                 | 1,766                            | 1,688           |
| <b>Total sales and revenues</b>                                | <b>30,818</b>                    | <b>32,488</b>   |
| <b>Operating costs:</b>  |                                  |                 |
| Cost of goods sold   | 19,772                           | 19,812          |
| Selling, general and administrative expenses                   | 3,287                            | 3,229           |
| Research and development expenses                              | 1,031                            | 1,055           |
| Interest expense of Financial Products                         | 662                              | 612             |
| Other operating (income) expenses                              | 627                              | 779             |
| <b>Total operating costs</b>                                   | <b>25,379</b>                    | <b>25,487</b>   |
| <b>Operating profit</b>  | <b>5,439</b>                     | <b>7,001</b>    |
| Interest expense excluding Financial Products                  | 242                              | 280             |
| Other income (expense)   | 191                              | 311             |
| <b>Consolidated profit before taxes</b>                        | <b>5,388</b>                     | <b>7,032</b>    |
| Provision (benefit) for income taxes                           | 1,220                            | 1,524           |
| <b>Profit of consolidated companies</b>                        | <b>4,168</b>                     | <b>5,508</b>    |
| Equity in profit (loss) of unconsolidated affiliated companies | 14                               | 27              |
| <b>Profit of consolidated and affiliated companies</b>         | <b>4,182</b>                     | <b>5,535</b>    |
| Less: Profit (loss) attributable to noncontrolling interests   | —                                | (2)             |
| <b>Profit <sup>1</sup></b>                                     | <b>\$ 4,182</b>                  | <b>\$ 5,537</b> |
| <b>Profit per common share</b>                                 | <b>\$ 8.85</b>                   | <b>\$ 11.28</b> |
| <b>Profit per common share – diluted <sup>2</sup></b>          | <b>\$ 8.82</b>                   | <b>\$ 11.23</b> |
| <b>Weighted-average common shares outstanding (millions)</b>   |                                  |                 |
| – Basic  | 472.4                            | 490.7           |
| – Diluted <sup>2</sup>   | 474.5                            | 493.3           |

<sup>1</sup> Profit attributable to common shareholders.

<sup>2</sup> Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

**See accompanying notes to Consolidated Financial Statements.**

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**Caterpillar Inc.**  
**Consolidated Statement of Comprehensive Income**  
**(Unaudited)**  
**(Dollars in millions)**

|  | <b>Six Months Ended June 30,</b> |                 |
|--|----------------------------------|-----------------|
|  | <b>2025</b>                      | <b>2024</b>     |
| <b>Profit of consolidated and affiliated companies</b>                         | <b>\$ 4,182</b>                  | <b>\$ 5,535</b> |
| Other comprehensive income (loss), net of tax (Note 13):                       |                                  |                 |
| Foreign currency translation   | 623                              | (328)           |
| Pension and other postretirement benefits                                      | (2)                              | (6)             |
| Derivative financial instruments   | 120                              | (62)            |
| Available-for-sale securities  | 46                               | (14)            |
| Total other comprehensive income (loss), net of tax                            | 787                              | (410)           |
| Comprehensive income   | 4,969                            | 5,125           |
| Less: comprehensive income (loss) attributable to the noncontrolling interests | —                                | (2)             |
| <b>Comprehensive income attributable to shareholders</b>                       | <b>\$ 4,969</b>                  | <b>\$ 5,127</b> |

**See accompanying notes to Consolidated Financial Statements.**

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**Caterpillar Inc.**  
**Consolidated Statement of Financial Position**  
**(Unaudited)**  
**(Dollars in millions)**

|   | June 30,<br>2025 | December 31,<br>2024 |
|---|------------------|----------------------|
| <b>Assets</b>   |                  |                      |
| Current assets:   |                  |                      |
| Cash and cash equivalents   | \$ 5,442         | \$ 6,889             |
| Receivables – trade and other   | 9,704            | 9,282                |
| Receivables – finance   | 10,147           | 9,565                |
| Prepaid expenses and other current assets   | 2,867            | 3,119                |
| Inventories   | 18,595           | 16,827               |
| <b>Total current assets</b>   | <b>46,755</b>    | <b>45,682</b>        |
| Property, plant and equipment – net   | 13,896           | 13,361               |
| Long-term receivables – trade and other   | 1,607            | 1,225                |
| Long-term receivables – finance   | 13,835           | 13,242               |
| Noncurrent deferred and refundable income taxes                                       | 3,427            | 3,312                |
| Intangible assets   | 321              | 399                  |
| Goodwill  | 5,331            | 5,241                |
| Other assets  | 5,153            | 5,302                |
| <b>Total assets</b>   | <b>\$ 90,325</b> | <b>\$ 87,764</b>     |
| <b>Liabilities</b>  |                  |                      |
| Current liabilities:  |                  |                      |
| Short-term borrowings:  |                  |                      |
| Financial Products  | \$ 4,485         | \$ 4,393             |
| Accounts payable  | 8,563            | 7,675                |
| Accrued expenses  | 5,207            | 5,243                |
| Accrued wages, salaries and employee benefits   | 1,618            | 2,391                |
| Customer advances   | 3,412            | 2,322                |
| Dividends payable   | 707              | 674                  |
| Other current liabilities   | 2,627            | 2,909                |
| Long-term debt due within one year:   |                  |                      |
| Machinery, Energy & Transportation  | 30               | 46                   |
| Financial Products  | 8,285            | 6,619                |
| <b>Total current liabilities</b>  | <b>34,934</b>    | <b>32,272</b>        |
| Long-term debt due after one year:  |                  |                      |
| Machinery, Energy & Transportation  | 10,654           | 8,564                |
| Financial Products  | 17,294           | 18,787               |
| Liability for postemployment benefits   | 3,611            | 3,757                |
| Other liabilities   | 5,169            | 4,890                |
| <b>Total liabilities</b>  | <b>71,662</b>    | <b>68,270</b>        |
| <b>Commitments and contingencies (Notes 11 and 14)</b>                                |                  |                      |
| <b>Shareholders' equity</b>   |                  |                      |
| Common stock of \$1.00 par value:   |                  |                      |
| Authorized shares: 2,000,000,000  |                  |                      |
| Issued shares: (6/30/25 and 12/31/24 – 814,894,624) at paid-in amount                 | 6,143            | 6,941                |
| Treasury stock: (6/30/25 – 346,415,701 shares; 12/31/24 – 336,962,600 shares) at cost | (47,958)         | (44,331)             |
| Profit employed in the business   | 62,160           | 59,352               |
| Accumulated other comprehensive income (loss)   | (1,684)          | (2,471)              |
| Noncontrolling interests  | 2                | 3                    |
| <b>Total shareholders' equity</b>   | <b>18,663</b>    | <b>19,494</b>        |
| <b>Total liabilities and shareholders' equity</b>                                     | <b>\$ 90,325</b> | <b>\$ 87,764</b>     |

See accompanying notes to Consolidated Financial Statements.

**Caterpillar Inc.**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**(Unaudited)**  
**(Dollars in millions)**

|  | Common<br>stock | Treasury<br>stock  | Profit<br>employed<br>in the<br>business | Accumulated<br>other<br>comprehensive<br>income (loss) | Noncontrolling<br>interests | Total            |
|--|-----------------|--------------------|--|--|-----------------------------|------------------|
| <b>Three Months Ended June 30, 2024</b>  |                 |                    |  |  |                             |                  |
| <b>Balance at March 31, 2024</b>   | \$ 5,663        | \$ (40,039)        | \$ 54,108                                | \$ (2,093)   | \$ 6                        | \$ 17,645        |
| Profit (loss) of consolidated and affiliated companies                         | —               | —                  | 2,681                                    | —  | —                           | 2,681            |
| Foreign currency translation, net of tax                                       | —               | —                  | —  | (71)   | —                           | (71)             |
| Pension and other postretirement benefits, net of tax                          | —               | —                  | —  | (3)  | —                           | (3)              |
| Derivative financial instruments, net of tax                                   | —               | —                  | —  | (62)   | —                           | (62)             |
| Available-for-sale securities, net of tax                                      | —               | —                  | —  | (1)  | —                           | (1)              |
| Dividends declared <sup>1</sup>  | —               | —                  | (1,334)                                  | —  | —                           | (1,334)          |
| Common shares issued from treasury stock for stock-based compensation: 203,219 | 4               | 12                 | —  | —  | —                           | 16               |
| Stock-based compensation expense   | 75              | —                  | —  | —  | —                           | 75               |
| Common shares repurchased: 4,578,023 <sup>2</sup>                              | —               | (1,570)            | —  | —  | —                           | (1,570)          |
| Outstanding authorized accelerated share repurchase                            | (250)           | —                  | —  | —  | —                           | (250)            |
| Other  | 25              | (15)               | —  | —  | —                           | 10               |
| <b>Balance at June 30, 2024</b>  | <b>\$ 5,517</b> | <b>\$ (41,612)</b> | <b>\$ 55,455</b>                         | <b>\$ (2,230)</b>                                      | <b>\$ 6</b>                 | <b>\$ 17,136</b> |
| <b>Three Months Ended June 30, 2025</b>  |                 |                    |  |  |                             |                  |
| <b>Balance at March 31, 2025</b>   | \$ 6,043        | \$ (47,127)        | \$ 61,356                                | \$ (2,205)   | \$ 3                        | \$ 18,070        |
| Profit (loss) of consolidated and affiliated companies                         | —               | —                  | 2,179                                    | —  | —                           | 2,179            |
| Foreign currency translation, net of tax                                       | —               | —                  | —  | 435  | —                           | 435              |
| Pension and other postretirement benefits, net of tax                          | —               | —                  | —  | (1)  | —                           | (1)              |
| Derivative financial instruments, net of tax                                   | —               | —                  | —  | 63   | —                           | 63               |
| Available-for-sale securities, net of tax                                      | —               | —                  | —  | 24   | —                           | 24               |
| Dividends declared <sup>1</sup>  | —               | —                  | (1,375)                                  | —  | —                           | (1,375)          |
| Common shares issued from treasury stock for stock-based compensation: 103,310 | —               | 5                  | —  | —  | —                           | 5                |
| Stock-based compensation expense   | 86              | —                  | —  | —  | —                           | 86               |
| Common shares repurchased: 2,666,175 <sup>2</sup>                              | —               | (828)              | —  | —  | —                           | (828)            |
| Other  | 14              | (8)                | —  | —  | (1)                         | 5                |
| <b>Balance at June 30, 2025</b>  | <b>\$ 6,143</b> | <b>\$ (47,958)</b> | <b>\$ 62,160</b>                         | <b>\$ (1,684)</b>                                      | <b>\$ 2</b>                 | <b>\$ 18,663</b> |

<sup>1</sup> Dividends per share of common stock of \$2.92 and \$2.71 were declared in the three months ended June 30, 2025 and 2024, respectively.

<sup>2</sup> See Note 12 for additional information.

**See accompanying notes to Consolidated Financial Statements.**

**Caterpillar Inc.**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**(Unaudited)**  
**(Dollars in millions)**

|  | Common<br>stock | Treasury<br>stock  | Profit<br>employed<br>in the<br>business | Accumulated<br>other<br>comprehensive<br>income (loss) | Noncontrolling<br>interests | Total            |
|--|-----------------|--------------------|--|--|-----------------------------|------------------|
| <b>Six Months Ended June 30, 2024</b>  |                 |                    |  |  |                             |                  |
| <b>Balance at December 31, 2023</b>  | \$ 6,403        | \$ (36,339)        | \$ 51,250                                | \$ (1,820)   | \$ 9                        | \$ 19,503        |
| Profit (loss) of consolidated and affiliated companies                           | —               | —                  | 5,537                                    | —  | (2)                         | 5,535            |
| Foreign currency translation, net of tax   | —               | —                  | —  | (328)  | —                           | (328)            |
| Pension and other postretirement benefits, net of tax                            | —               | —                  | —  | (6)  | —                           | (6)              |
| Derivative financial instruments, net of tax                                     | —               | —                  | —  | (62)   | —                           | (62)             |
| Available-for-sale securities, net of tax  | —               | —                  | —  | (14)   | —                           | (14)             |
| Dividends declared <sup>1</sup>  | —               | —                  | (1,332)                                  | —  | —                           | (1,332)          |
| Common shares issued from treasury stock for stock-based compensation: 1,427,357 | (41)            | 49                 | —  | —  | —                           | 8                |
| Stock-based compensation expense   | 119             | —                  | —  | —  | —                           | 119              |
| Common shares repurchased: 15,906,510 <sup>2</sup>                               | —               | (5,275)            | —  | —  | —                           | (5,275)          |
| Outstanding authorized accelerated share repurchases                             | (1,000)         | —                  | —  | —  | —                           | (1,000)          |
| Other  | 36              | (47)               | —  | —  | (1)                         | (12)             |
| <b>Balance at June 30, 2024</b>  | <b>\$ 5,517</b> | <b>\$ (41,612)</b> | <b>\$ 55,455</b>                         | <b>\$ (2,230)</b>                                      | <b>\$ 6</b>                 | <b>\$ 17,136</b> |
| <b>Six Months Ended June 30, 2025</b>  |                 |                    |  |  |                             |                  |
| <b>Balance at December 31, 2024</b>  | \$ 6,941        | \$ (44,331)        | \$ 59,352                                | \$ (2,471)   | \$ 3                        | \$ 19,494        |
| Profit (loss) of consolidated and affiliated companies                           | —               | —                  | 4,182                                    | —  | —                           | 4,182            |
| Foreign currency translation, net of tax   | —               | —                  | —  | 623  | —                           | 623              |
| Pension and other postretirement benefits, net of tax                            | —               | —                  | —  | (2)  | —                           | (2)              |
| Derivative financial instruments, net of tax                                     | —               | —                  | —  | 120  | —                           | 120              |
| Available-for-sale securities, net of tax  | —               | —                  | —  | 46   | —                           | 46               |
| Dividends declared <sup>1</sup>  | —               | —                  | (1,374)                                  | —  | —                           | (1,374)          |
| Common shares issued from treasury stock for stock-based compensation: 728,355   | (53)            | (6)                | —  | —  | —                           | (59)             |
| Stock-based compensation expense   | 131             | —                  | —  | —  | —                           | 131              |
| Common shares repurchased: 10,181,456 <sup>2</sup>                               | —               | (3,588)            | —  | —  | —                           | (3,588)          |
| Outstanding authorized accelerated share repurchases                             | (900)           | —                  | —  | —  | —                           | (900)            |
| Other  | 24              | (33)               | —  | —  | (1)                         | (10)             |
| <b>Balance at June 30, 2025</b>  | <b>\$ 6,143</b> | <b>\$ (47,958)</b> | <b>\$ 62,160</b>                         | <b>\$ (1,684)</b>                                      | <b>\$ 2</b>                 | <b>\$ 18,663</b> |

<sup>1</sup> Dividends per share of common stock of \$2.92 and \$2.71 were declared in the six months ended June 30, 2025 and 2024, respectively.

<sup>2</sup> See Note 12 for additional information.

**See accompanying notes to Consolidated Financial Statements.**

**Caterpillar Inc.**  
**Consolidated Statement of Cash Flow**  
**(Unaudited)**  
**(Dollars in Millions)**

|   | Six Months Ended June 30, |                |
|---|---------------------------|----------------|
|   | 2025                      | 2024           |
| <b>Cash flow from operating activities:</b>                                   |                           |                |
| Profit of consolidated and affiliated companies                               | \$ 4,182                  | \$ 5,535       |
| Adjustments to reconcile profit to net cash provided by operating activities: |                           |                |
| Depreciation and amortization   | 1,094                     | 1,055          |
| Provision (benefit) for deferred income taxes                                 | (110)                     | (133)          |
| (Gain) loss on divestiture  | —                         | 164            |
| Other   | 398                       | 105            |
| Changes in assets and liabilities, net of acquisitions and divestitures:      |                           |                |
| Receivables – trade and other   | (319)                     | (245)          |
| Inventories   | (1,639)                   | (643)          |
| Accounts payable  | 973                       | (21)           |
| Accrued expenses  | (12)                      | 69             |
| Accrued wages, salaries and employee benefits                                 | (805)                     | (1,056)        |
| Customer advances   | 1,276                     | 341            |
| Other assets – net  | (90)                      | 20             |
| Other liabilities – net   | (537)                     | (118)          |
| Net cash provided by (used for) operating activities                          | 4,411                     | 5,073          |
| <b>Cash flow from investing activities:</b>                                   |                           |                |
| Capital expenditures – excluding equipment leased to others                   | (1,265)                   | (841)          |
| Expenditures for equipment leased to others                                   | (608)                     | (614)          |
| Proceeds from disposals of leased assets and property, plant and equipment    | 365                       | 342            |
| Additions to finance receivables  | (7,064)                   | (7,446)        |
| Collections of finance receivables  | 6,399                     | 6,743          |
| Proceeds from sale of finance receivables                                     | 18                        | 37             |
| Investments and acquisitions (net of cash acquired)                           | (21)                      | (32)           |
| Proceeds from sale of businesses and investments (net of cash sold)           | 12                        | (61)           |
| Proceeds from maturities and sale of securities                               | 1,328                     | 2,574          |
| Investments in securities   | (618)                     | (523)          |
| Other – net   | (53)                      | 57             |
| Net cash provided by (used for) investing activities                          | (1,507)                   | 236            |
| <b>Cash flow from financing activities:</b>                                   |                           |                |
| Dividends paid  | (1,336)                   | (1,283)        |
| Common stock issued, including treasury shares reissued                       | (59)                      | 8              |
| Payments to purchase common stock   | (4,488)                   | (6,275)        |
| Excise tax paid on purchases of common stock                                  | (73)                      | —              |
| Proceeds from debt issued (original maturities greater than three months):    |                           |                |
| - Machinery, Energy & Transportation  | 1,976                     | —              |
| - Financial Products  | 3,731                     | 4,151          |
| Payments on debt (original maturities greater than three months):             |                           |                |
| - Machinery, Energy & Transportation  | (35)                      | (1,014)        |
| - Financial Products  | (4,133)                   | (4,203)        |
| Short-term borrowings – net (original maturities three months or less)        | 72                        | 687            |
| Net cash provided by (used for) financing activities                          | (4,345)                   | (7,929)        |
| Effect of exchange rate changes on cash                                       | (7)                       | (17)           |
| <b>Increase (decrease) in cash, cash equivalents and restricted cash</b>      | <b>(1,448)</b>            | <b>(2,637)</b> |
| Cash, cash equivalents and restricted cash at beginning of period             | 6,896                     | 6,985          |
| Cash, cash equivalents and restricted cash at end of period                   | \$ 5,448                  | \$ 4,348       |

*Cash equivalents primarily represent short-term, highly liquid investments with original maturities of generally three months or less.*

**See accompanying notes to Consolidated Financial Statements.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. A. Nature of operations**

Information in our financial statements and related commentary are presented in the following categories:

**Machinery, Energy & Transportation (ME&T)** — We define ME&T as Caterpillar Inc. and its subsidiaries, excluding Financial Products. ME&T's information relates to the design, manufacturing and marketing of our products.

**Financial Products** — We define Financial Products as our finance and insurance subsidiaries, primarily Caterpillar Financial Services Corporation (Cat Financial) and Caterpillar Insurance Holdings Inc. (Insurance Services). Financial Products' information relates to the financing to customers and dealers for the purchase and lease of Caterpillar and other equipment.

**B. Basis of presentation**

In the opinion of management, the accompanying unaudited financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of (a) the consolidated results of operations for the three and six months ended June 30, 2025 and 2024, (b) the consolidated comprehensive income for the three and six months ended June 30, 2025 and 2024, (c) the consolidated financial position at June 30, 2025 and December 31, 2024, (d) the consolidated changes in shareholders' equity for the three and six months ended June 30, 2025 and 2024 and (e) the consolidated cash flow for the six months ended June 30, 2025 and 2024. The financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC).

Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with the audited financial statements and notes thereto included in our company's annual report on Form 10-K for the year ended December 31, 2024 (2024 Form 10-K).

The December 31, 2024 financial position data included herein is derived from the audited consolidated financial statements included in the 2024 Form 10-K but does not include all disclosures required by U.S. GAAP.

Cat Financial has end-user customers and dealers that are variable interest entities (VIEs) of which we are not the primary beneficiary. Our maximum exposure to loss from our involvement with these VIEs is limited to the credit risk inherently present in the financial support that we have provided. Credit risk was evaluated and reflected in our financial statements as part of our overall portfolio of finance receivables and related allowance for credit losses. See Note 11 for further discussions on a consolidated VIE.

**2. New accounting guidance**

**A. Adoption of new accounting standards**

We consider the applicability and impact of all ASUs. We determined that the ASUs effective January 1, 2025 were either not applicable or did not have a material impact on our financial statements.

**B. Accounting standards issued but not yet adopted**

**Income tax reporting** (ASU 2023-09) — In December 2023, the Financial Accounting Standards Board (FASB) issued accounting guidance to expand the annual disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. The expanded disclosures are effective for our year ending December 31, 2025, and can be applied prospectively or retrospectively. We are in the process of evaluating the effect of this new guidance on the related disclosures.

**Disaggregation of income statement expenses** (ASU 2024-03) — In November 2024, the FASB issued accounting guidance to enhance transparency into the nature and function of income statement expenses. The amendments require that on an annual and interim basis, entities disclose disaggregated operating expense information about specific categories, including purchases of inventory, employee compensation, depreciation and amortization. The expanded annual disclosures are effective for our year ending December 31, 2027, and the expanded interim disclosures are effective in 2028, with early adoption permitted. We are in the process of evaluating the effect of this new guidance on the related disclosures.

All other ASUs issued but not yet adopted were assessed and determined that they either were not applicable or were not expected to have a material impact on our financial statements.

### 3. Sales and revenue contract information

Trade receivables represent amounts due from dealers and end users for the sale of our products, and include amounts due from wholesale inventory financing provided by Cat Financial for a dealer's purchase of inventory. We recognize trade receivables from dealers and end users in Receivables – trade and other and Long-term receivables – trade and other in the Consolidated Statement of Financial Position. Trade receivables from dealers and end users were \$8,354 million, \$7,864 million and \$7,923 million as of June 30, 2025, December 31, 2024 and December 31, 2023, respectively. Long-term trade receivables from dealers and end users were \$682 million, \$640 million and \$589 million as of June 30, 2025, December 31, 2024 and December 31, 2023, respectively.

For certain contracts, we invoice for payment when contractual milestones are achieved. We recognize a contract asset when a sale is recognized before achieving the contractual milestones for invoicing. We reduce the contract asset when we invoice for payment and recognize a corresponding trade receivable. Contract assets are included in Prepaid expenses and other current assets in the Consolidated Statement of Financial Position. Contract assets were \$227 million, \$238 million and \$246 million as of June 30, 2025, December 31, 2024 and December 31, 2023, respectively.

We invoice in advance of recognizing the sale of certain products. We recognize advanced customer payments as a contract liability in Customer advances and Other liabilities in the Consolidated Statement of Financial Position. Contract liabilities were \$4,043 million, \$2,745 million and \$2,389 million as of June 30, 2025, December 31, 2024 and December 31, 2023, respectively. We reduce the contract liability when revenue is recognized. During the three and six months ended June 30, 2025, we recognized \$462 million and \$1,145 million, respectively, of revenue that was recorded as a contract liability at the beginning of 2025. During the three and six months ended June 30, 2024, we recognized \$360 million and \$1,173 million, respectively, of revenue that was recorded as a contract liability at the beginning of 2024.

We provide discounts to dealers through merchandising programs. We have numerous programs that are designed to promote the sale of our products. The most common dealer programs provide a discount when the dealer sells a product to a targeted end user. We report the estimated cost of these discounts as a reduction to the transaction price when we recognize the product sale. We accrue a corresponding post-sale discount reserve in the Consolidated Statement of Financial Position, which represents discounts we expect to pay on units sold. If discounts paid differ from those estimated, we report the difference as a change in the transaction price in the subsequent period when the final discount is paid. As a result of differences between actual and estimated payments and changes in estimates, we recognized a decrease in revenue of \$201 million and \$454 million during the three and six months ended June 30, 2025, respectively, related to prior period sales. The change in revenue during the three and six months ended June 30, 2024 related to prior periods sales was inconsequential. Generally, we estimate the cost of these discounts for each product by model by geographic region based on historical experience and changes in merchandising programs known as of the period end financial reporting date. Products sold to dealers in a prior period that remained in dealer inventory during 2025 were subject to merchandising program actions taken in 2025 which resulted in higher discounts paid in the current year.

As of June 30, 2025, we have entered into contracts with dealers and end users for which sales have not been recognized as we have not satisfied our performance obligations and transferred control of the products. The dollar amount of unsatisfied performance obligations for contracts with an original duration greater than one year is \$19.7 billion, with about one-half of the amount expected to be completed and revenue recognized in the twelve months following June 30, 2025. We have elected the practical expedient not to disclose unsatisfied performance obligations with an original contract duration of one year or less. Contracts with an original duration of one year or less are primarily sales to dealers for machinery, engines and replacement parts.

See Note 16 for further disaggregated sales and revenues information.

**4. Stock-based compensation**

Accounting for stock-based compensation requires that the cost resulting from all stock-based payments be recognized in the financial statements based on the grant date fair value of the award. Our stock-based compensation consists of stock options, restricted stock units (RSUs) and performance-based restricted stock units (PRSUs).

We recognized pretax stock-based compensation expense of \$86 million and \$131 million for the three and six months ended June 30, 2025, respectively, and \$75 million and \$119 million for the three and six months ended June 30, 2024, respectively.

The following table illustrates the type and fair value of the stock-based compensation awards granted during the six months ended June 30, 2025 and 2024, respectively:

|               | Six Months Ended June 30, 2025 |                                       | Six Months Ended June 30, 2024 |                                       |
|---------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
|               | Shares Granted                 | Weighted-Average Fair Value Per Share | Shares Granted                 | Weighted-Average Fair Value Per Share |
| Stock options | 299,523                        | \$ 106.04                             | 296,295                        | \$ 104.27                             |
| RSUs          | 442,800                        | \$ 333.10                             | 379,621                        | \$ 338.65                             |
| PRSUs         | 199,856                        | \$ 345.60                             | 169,120                        | \$ 408.64                             |

The fair value of our stock options was estimated using the Black-Scholes option-pricing model. The following table provides the assumptions used in determining the fair value of the stock-options granted in the six months ended June 30, 2025 and 2024, respectively:

|                                   | Grant Year    |               |
|-----------------------------------|---------------|---------------|
|                                   | 2025          | 2024          |
| Weighted-average dividend yield   | 2.13%         | 2.40%         |
| Weighted-average volatility       | 30.5%         | 30.7%         |
| Range of volatilities             | 26.6% - 32.6% | 26.3% - 32.3% |
| Range of risk-free interest rates | 4.13% - 4.40% | 4.28% - 5.03% |
| Weighted-average expected lives   | 7 years       | 7 years       |

The PRSUs granted in 2025 and 2024 contain a market condition and a Monte Carlo simulation was utilized to estimate the fair value of the awards. The following table provides the assumptions used in determining the fair value of the PRSUs granted in the six months ended June 30, 2025 and 2024, respectively:

|  | Grant Year |       |
|--|------------|-------|
|  | 2025       | 2024  |
| Expected volatility of the Company's stock | 29.5%      | 29.8% |
| Risk-free interest rate                    | 3.90%      | 4.38% |

As of June 30, 2025, the total remaining unrecognized compensation expense related to nonvested stock-based compensation awards was \$292 million, which will be amortized over the weighted-average remaining requisite service periods of approximately 1.9 years.

## 5. Derivative financial instruments and risk management

Our earnings and cash flow are subject to fluctuations due to changes in foreign currency exchange rates, interest rates, commodity prices, and certain deferred compensation plan liabilities. Our Risk Management Policy (policy) allows for the use of derivative financial instruments to prudently manage foreign currency exchange rate, interest rate, commodity price and certain deferred compensation plan liability exposures. Our policy specifies that derivatives are not to be used for speculative purposes. Derivatives that we use are primarily foreign currency forward, option and cross currency contracts, interest rate contracts, commodity forward and option contracts and total return swap contracts. Our derivative activities are subject to the management, direction and control of our senior financial officers. We present at least annually to the Audit Committee of the Board of Directors on our risk management practices, including our use of financial derivative instruments.

We recognize all derivatives at their fair value on the Consolidated Statement of Financial Position. On the date the derivative contract is entered into, we designate the derivative as (1) a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction or the variability of cash flow (cash flow hedge) or (3) an undesignated instrument. We record in current earnings changes in the fair value of a derivative that is qualified, designated and highly effective as a fair value hedge, along with the gain or loss on the hedged recognized asset or liability that is attributable to the hedged risk. For foreign exchange contracts designated as fair value hedges, the interim settlements are excluded from the effectiveness assessment and are recognized under a systematic and rational method over the life of the hedging instrument within Interest expense. We record in AOCI changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge, to the extent effective, on the Consolidated Statement of Financial Position until we reclassify them to earnings in the same period or periods during which the hedged transaction affects earnings. We report changes in the fair value of undesignated derivative instruments in current earnings. We classify cash flows from designated derivative financial instruments within the same category as the item being hedged on the Consolidated Statement of Cash Flow. We include cash flows from undesignated derivative financial instruments in the investing category on the Consolidated Statement of Cash Flow.

We formally document all relationships between hedging instruments and hedged items, as well as the risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value hedges to specific assets and liabilities on the Consolidated Statement of Financial Position and linking cash flow hedges to specific forecasted transactions or variability of cash flow.

We also formally assess, both at the hedge's inception and on an ongoing basis, whether the designated derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged items. When a derivative is determined not to be highly effective as a hedge or the underlying hedged transaction is no longer probable, we discontinue hedge accounting prospectively, in accordance with the derecognition criteria for hedge accounting.

Foreign currency exchange rate risk

Foreign currency exchange rate movements create a degree of risk by affecting the U.S. dollar value of sales made and costs incurred in foreign currencies. Movements in foreign currency rates also affect our competitive position as these changes may affect business practices and/or pricing strategies of non-U.S.-based competitors. Additionally, we have balance sheet positions denominated in foreign currencies, thereby creating exposure to movements in exchange rates.

Our ME&T operations purchase, manufacture and sell products in many locations around the world. As we have a diversified revenue and cost base, we manage our future foreign currency cash flow exposure on a net basis. We use foreign currency forward and option contracts to manage unmatched foreign currency cash inflow and outflow. Our objective is to minimize the risk of exchange rate movements that would reduce the U.S. dollar value of our foreign currency cash flow. Our policy allows for managing anticipated foreign currency cash flow for up to approximately five years. As of June 30, 2025, the maximum term of these outstanding contracts at inception was approximately 60 months.

We generally designate as cash flow hedges at inception of the contract any foreign currency forward or option contracts that meet the requirements for hedge accounting and the maturity extends beyond the current quarter-end. We perform designation on a specific exposure basis to support hedge accounting. The remainder of ME&T foreign currency contracts are undesignated.

In managing foreign currency risk for our Financial Products operations, our objective is to minimize earnings volatility resulting from conversion and the remeasurement of net foreign currency balance sheet positions and future transactions denominated in foreign currencies. Our policy allows the use of foreign currency forward, option and cross currency contracts to offset the risk of currency mismatch between our assets and liabilities and exchange rate risk associated with future transactions denominated in foreign currencies. Our foreign currency forward and option contracts are primarily undesignated. We designate fixed-to-fixed cross currency contracts as cash flow hedges to protect against movements in exchange rates on foreign currency fixed-rate assets and liabilities. We designate float-to-float cross currency contracts as fair value hedges to protect against movements in exchange rates on floating-rate assets and liabilities.

Interest rate risk

Interest rate movements create a degree of risk by affecting the amount of our interest payments and the value of our fixed-rate debt. Our practice is to use interest rate contracts to manage our exposure to interest rate changes.

Our ME&T operations generally use fixed-rate debt as a source of funding. Our objective is to minimize the cost of borrowed funds. Our policy allows us to enter into fixed-to-floating interest rate contracts and forward rate agreements to meet that objective. We designate fixed-to-floating interest rate contracts as fair value hedges at inception of the contract, and we designate certain forward rate agreements as cash flow hedges at inception of the contract.

Financial Products operations has a match-funding policy that addresses interest rate risk by aligning the interest rate profile (fixed or floating rate and duration) of Cat Financial's debt portfolio with the interest rate profile of our receivables portfolio within predetermined ranges on an ongoing basis. In connection with that policy, we use interest rate derivative instruments to modify the debt structure to match assets within the receivables portfolio. This matched funding reduces the volatility of margins between interest-bearing assets and interest-bearing liabilities, regardless of which direction interest rates move.

Our policy allows us to use fixed-to-floating, floating-to-fixed and floating-to-floating interest rate contracts to meet the match-funding objective. We designate fixed-to-floating interest rate contracts as fair value hedges to protect debt against changes in fair value due to changes in the benchmark interest rate. We designate most floating-to-fixed interest rate contracts as cash flow hedges to protect against the variability of cash flows due to changes in the benchmark interest rate.

We have, at certain times, liquidated fixed-to-floating and floating-to-fixed interest rate contracts at both ME&T and Financial Products. We amortize the gains or losses associated with these contracts at the time of liquidation into earnings over the remaining term of the previously designated hedged item.

Commodity price risk

Commodity price movements create a degree of risk by affecting the price we must pay for certain raw materials. Our policy is to use commodity forward and option contracts to manage the commodity risk and reduce the cost of purchased materials.

Our ME&T operations purchase base and precious metals embedded in the components we purchase from suppliers. Our suppliers pass on to us price changes in the commodity portion of the component cost. In addition, we are subject to price changes on energy products such as natural gas and diesel fuel purchased for operational use.

Our objective is to minimize volatility in the price of these commodities. Our policy allows us to enter into commodity forward and option contracts to lock in the purchase price of a portion of these commodities within a five-year horizon. All such commodity forward and option contracts are undesignated.

Deferred compensation plan liability risk

We are also exposed to variability in compensation expense related to certain non-qualified deferred compensation obligations to employees. We utilize total return swaps to economically hedge this exposure to offset the related compensation expense. All such total return swap contracts are undesignated.

The location and fair value of derivative instruments reported in the Consolidated Statement of Financial Position were as follows:

| (Millions of dollars)           | Fair Value          |                          |                     |                          |
|---------------------------------|---------------------|--------------------------|---------------------|--------------------------|
|                                 | June 30, 2025       |                          | December 31, 2024   |                          |
|                                 | Assets <sup>1</sup> | Liabilities <sup>2</sup> | Assets <sup>1</sup> | Liabilities <sup>2</sup> |
| <b>Designated derivatives</b>   |                     |                          |                     |                          |
| Foreign exchange contracts      | \$ 476              | \$ (235)                 | \$ 357              | \$ (275)                 |
| Interest rate contracts         | 66                  | (119)                    | 10                  | (201)                    |
| <b>Total</b>                    | <b>\$ 542</b>       | <b>\$ (354)</b>          | <b>\$ 367</b>       | <b>\$ (476)</b>          |
| <b>Undesignated derivatives</b> |                     |                          |                     |                          |
| Foreign exchange contracts      | \$ 41               | \$ (82)                  | \$ 91               | \$ (56)                  |
| Commodity contracts             | 5                   | (3)                      | 4                   | (6)                      |
| Total return swap contracts     | 30                  | —                        | —                   | (33)                     |
| <b>Total</b>                    | <b>\$ 76</b>        | <b>\$ (85)</b>           | <b>\$ 95</b>        | <b>\$ (95)</b>           |

<sup>1</sup> Assets are classified as Receivables - trade and other or Long-term receivables - trade and other.

<sup>2</sup> Liabilities are classified as Accrued expenses or Other liabilities.

The total notional amounts of the derivative instruments as of June 30, 2025 and December 31, 2024 were \$28.0 billion and \$27.0 billion, respectively. The notional amounts of the derivative financial instruments do not represent amounts exchanged by the parties. We calculate the amounts exchanged by the parties by referencing the notional amounts and by other terms of the derivatives, such as foreign currency exchange rates, interest rates, commodity prices or certain deferred compensation plan liabilities.

Gains (Losses) on derivative instruments are categorized as follows:

| (Millions of dollars)       | Three Months Ended June 30,   |              |                                   |               |  |              |
|-----------------------------|---|--------------|-----------------------------------|---------------|--|--------------|
|                             | Gains (Losses) Recognized on the Consolidated Statement of Results of Operations <sup>1</sup> |              | Gains (Losses) Recognized in AOCI |               | Gains (Losses) Reclassified from AOCI <sup>2</sup> |              |
|                             | 2025  | 2024         | 2025                              | 2024          | 2025   | 2024         |
| <b>Cash Flow Hedges</b>     |   |              |                                   |               |  |              |
| Foreign exchange contracts  | \$ —  | \$ —         | \$ 139                            | \$ (13)       | \$ 72  | \$ 56        |
| Interest rate contracts     | —   | —            | 15                                | 4             | 1  | 14           |
| <b>Fair Value Hedges</b>    |   |              |                                   |               |  |              |
| Foreign exchange contracts  | —   | —            | (2)                               | —             | (1)  | —            |
| Interest rate contracts     | (20)  | (38)         | —                                 | —             | —  | —            |
| <b>Undesignated Hedges</b>  |   |              |                                   |               |  |              |
| Foreign exchange contracts  | (83)  | 64           | —                                 | —             | —  | —            |
| Commodity contracts         | (3)   | 11           | —                                 | —             | —  | —            |
| Total return swap contracts | 56  | (12)         | —                                 | —             | —  | —            |
| <b>Total</b>                | <b>\$ (50)</b>  | <b>\$ 25</b> | <b>\$ 152</b>                     | <b>\$ (9)</b> | <b>\$ 72</b>                                       | <b>\$ 70</b> |

<sup>1</sup> Foreign exchange contract, Commodity contract and Total return swap contract gains (losses) are included in Other income (expense). Interest rate contract gains (losses) are included in Interest expense of Financial Products and Interest expense excluding Financial Products.

<sup>2</sup> Foreign exchange contract gains (losses) are primarily included in Other income (expense). Interest rate contract gains (losses) are primarily included in Interest expense of Financial Products.

| (Millions of dollars)       | Six Months Ended June 30,   |              |                                   |              |  |               |
|-----------------------------|---|--------------|-----------------------------------|--------------|--|---------------|
|                             | Gains (Losses) Recognized on the Consolidated Statement of Results of Operations <sup>1</sup> |              | Gains (Losses) Recognized in AOCI |              | Gains (Losses) Reclassified from AOCI <sup>2</sup> |               |
|                             | 2025  | 2024         | 2025                              | 2024         | 2025   | 2024          |
| <b>Cash Flow Hedges</b>     |   |              |                                   |              |  |               |
| Foreign exchange contracts  | \$ —  | \$ —         | \$ 217                            | \$ 82        | \$ 72  | \$ 147        |
| Interest rate contracts     | —   | —            | 13                                | 15           | 2  | 29            |
| <b>Fair Value Hedges</b>    |   |              |                                   |              |  |               |
| Foreign exchange contracts  | —   | —            | (2)                               | —            | (1)  | —             |
| Interest rate contracts     | (38)  | (74)         | —                                 | —            | —  | —             |
| <b>Undesignated Hedges</b>  |   |              |                                   |              |  |               |
| Foreign exchange contracts  | (97)  | 93           | —                                 | —            | —  | —             |
| Commodity contracts         | 5   | 1            | —                                 | —            | —  | —             |
| Total return swap contracts | 30  | 18           | —                                 | —            | —  | —             |
| <b>Total</b>                | <b>\$ (100)</b>   | <b>\$ 38</b> | <b>\$ 228</b>                     | <b>\$ 97</b> | <b>\$ 73</b>                                       | <b>\$ 176</b> |

<sup>1</sup> Foreign exchange contract, Commodity contract and Total return swap contract gains (losses) are included in Other income (expense). Interest rate contract gains (losses) are included in Interest expense of Financial Products and Interest expense excluding Financial Products.

<sup>2</sup> Foreign exchange contract gains (losses) are primarily included in Other income (expense). Interest rate contract gains (losses) are primarily included in Interest expense of Financial Products.

The following amounts were recorded on the Consolidated Statement of Financial Position related to cumulative basis adjustments for fair value hedges:

| (Millions of dollars)             | Carrying Value of the Hedged Liabilities |                   | Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Value of the Hedged Liabilities |                   |
|-----------------------------------|--|-------------------|---|-------------------|
|                                   | June 30, 2025                            | December 31, 2024 | June 30, 2025   | December 31, 2024 |
|                                   | Long-term debt due within one year       | \$ 1,096          | \$ 483  | \$ (1)            |
| Long-term debt due after one year | 5,405                                    | 5,327             | (45)  | (170)             |
| <b>Total</b>                      | <b>\$ 6,501</b>                          | <b>\$ 5,810</b>   | <b>\$ (46)</b>  | <b>\$ (186)</b>   |

We enter into International Swaps and Derivatives Association (ISDA) master netting agreements within ME&T and Financial Products that permit the net settlement of amounts owed under their respective derivative contracts. Under these master netting agreements, net settlement generally permits the company or the counterparty to determine the net amount payable for contracts due on the same date and in the same currency for similar types of derivative transactions. The master netting agreements may also provide for net settlement of all outstanding contracts with a counterparty in the case of an event of default or a termination event. Our exposure to credit loss in the event of nonperformance by the counterparties is limited to only those gains that we have recorded, but for which we have not yet received cash payment.

Collateral is typically not required of the counterparties or of our company under the master netting agreements. As of June 30, 2025 and December 31, 2024, no cash collateral was received or pledged under the master netting agreements.

The effect of the net settlement provisions of the master netting agreements on our derivative balances upon an event of default or termination event was as follows:

| (Millions of dollars)            | June 30, 2025            |                 | December 31, 2024 |                 |
|----------------------------------|--------------------------|-----------------|-------------------|-----------------|
|                                  | Assets                   | Liabilities     | Assets            | Liabilities     |
|                                  | Gross Amounts Recognized | \$ 618          | \$ (439)          | \$ 462          |
| Financial Instruments Not Offset | (238)                    | 238             | (186)             | 186             |
| <b>Net Amount</b>                | <b>\$ 380</b>            | <b>\$ (201)</b> | <b>\$ 276</b>     | <b>\$ (385)</b> |

## 6. Inventories

Inventories (principally using the last-in, first-out (LIFO) method) were comprised of the following:

| (Millions of dollars)    | June 30, 2025    | December 31, 2024 |
|--------------------------|------------------|-------------------|
| Raw materials            | \$ 7,134         | \$ 6,681          |
| Work-in-process          | 1,487            | 1,438             |
| Finished goods           | 9,591            | 8,329             |
| Supplies                 | 383              | 379               |
| <b>Total inventories</b> | <b>\$ 18,595</b> | <b>\$ 16,827</b>  |

7. **Intangible assets and goodwill**

**A. Intangible assets**

Intangible assets were comprised of the following:

| (Millions of dollars)                | June 30, 2025               |                             |        |
|--------------------------------------|-----------------------------|-----------------------------|--------|
|                                      | Gross<br>Carrying<br>Amount | Accumulated<br>Amortization | Net    |
| Customer relationships               | \$ 2,214                    | \$ (2,012)                  | \$ 202 |
| Intellectual property                | 483                         | (394)                       | 89     |
| Other                                | 117                         | (87)                        | 30     |
| Total finite-lived intangible assets | \$ 2,814                    | \$ (2,493)                  | \$ 321 |

| (Millions of dollars)                | December 31, 2024           |                             |        |
|--------------------------------------|-----------------------------|-----------------------------|--------|
|                                      | Gross<br>Carrying<br>Amount | Accumulated<br>Amortization | Net    |
| Customer relationships               | \$ 2,220                    | \$ (1,950)                  | \$ 270 |
| Intellectual property                | 496                         | (401)                       | 95     |
| Other                                | 117                         | (83)                        | 34     |
| Total finite-lived intangible assets | \$ 2,833                    | \$ (2,434)                  | \$ 399 |

Amortization expense was \$43 million for both the three months ended June 30, 2025 and 2024. Amortization expense was \$87 million for both the six months ended June 30, 2025 and 2024.

Amortization expense related to intangible assets is expected to be:

| (Millions of dollars)           |      |      |      |      |            |
|---------------------------------|------|------|------|------|------------|
| Remaining Six Months<br>of 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter |
| \$80                            | \$98 | \$34 | \$27 | \$24 | \$58       |

**B. Goodwill**

No goodwill was impaired during the six months ended June 30, 2025 or 2024.

The changes in carrying amount of goodwill by reportable segment for the six months ended June 30, 2025 were as follows:

| (Millions of dollars)              | December 31,<br>2024 | Other Adjustments <sup>1</sup> | June 30,<br>2025 |
|------------------------------------|----------------------|--------------------------------|------------------|
| <b>Construction Industries</b>     |                      |                                |                  |
| Goodwill                           | \$ 261               | \$ 14                          | \$ 275           |
| Impairments                        | (22)                 | —                              | (22)             |
| Net goodwill                       | 239                  | 14                             | 253              |
| <b>Resource Industries</b>         |                      |                                |                  |
| Goodwill                           | 4,124                | 33                             | 4,157            |
| Impairments                        | (1,175)              | —                              | (1,175)          |
| Net goodwill                       | 2,949                | 33                             | 2,982            |
| <b>Energy &amp; Transportation</b> |                      |                                |                  |
| Goodwill                           | 2,939                | 40                             | 2,979            |
| Impairments                        | (925)                | —                              | (925)            |
| Net goodwill                       | 2,014                | 40                             | 2,054            |
| <b>All Other <sup>2</sup></b>      |                      |                                |                  |
| Goodwill                           | 39                   | 3                              | 42               |
| <b>Consolidated total</b>          |                      |                                |                  |
| Goodwill                           | 7,363                | 90                             | 7,453            |
| Impairments                        | (2,122)              | —                              | (2,122)          |
| Net goodwill                       | \$ 5,241             | \$ 90                          | \$ 5,331         |

<sup>1</sup> Other adjustments are comprised primarily of foreign currency translation.

<sup>2</sup> Includes All Other Segment (See Note 16).

**8. Investments in debt and equity securities**

We have investments in certain debt and equity securities, which we record at fair value and primarily include in Other assets in the Consolidated Statement of Financial Position. Short-term and long-term investments are held with high quality institutions and, by policy, the amount of credit exposure to any one institution is limited.

We classify debt securities primarily as available-for-sale. We include the unrealized gains and losses arising from the revaluation of available-for-sale debt securities, net of applicable deferred income taxes, in equity (AOCI in the Consolidated Statement of Financial Position). We include the unrealized gains and losses arising from the revaluation of the equity securities in Other income (expense) in the Consolidated Statement of Results of Operations. We generally determine realized gains and losses on sales of investments using the specific identification method for available-for-sale debt and equity securities and include them in Other income (expense) in the Consolidated Statement of Results of Operations.

The cost basis and fair value of available-for-sale debt securities with unrealized gains and losses included in equity (AOCI in the Consolidated Statement of Financial Position) were as follows:

| Available-for-sale debt securities<br><br>(Millions of dollars) | June 30, 2025   |                                      |                 | December 31, 2024 |                                      |                 |
|---|-----------------|--------------------------------------|-----------------|-------------------|--------------------------------------|-----------------|
|   | Cost Basis      | Unrealized Pretax Net Gains (Losses) | Fair Value      | Cost Basis        | Unrealized Pretax Net Gains (Losses) | Fair Value      |
| <b>Government debt securities</b>                               |                 |                                      |                 |                   |                                      |                 |
| U.S. treasury bonds   | \$ 10           | \$ —                                 | \$ 10           | \$ 10             | \$ —                                 | \$ 10           |
| Other U.S. and non-U.S. government bonds                        | 64              | 2                                    | 66              | 71                | (3)                                  | 68              |
| <b>Corporate debt securities</b>                                |                 |                                      |                 |                   |                                      |                 |
| Corporate bonds and other debt securities                       | 2,426           | 11                                   | 2,437           | 3,199             | (29)                                 | 3,170           |
| Asset-backed securities   | 256             | (1)                                  | 255             | 220               | (1)                                  | 219             |
| <b>Mortgage-backed debt securities</b>                          |                 |                                      |                 |                   |                                      |                 |
| U.S. governmental agency  | 508             | (23)                                 | 485             | 476               | (33)                                 | 443             |
| Residential   | 1               | —                                    | 1               | 2                 | —                                    | 2               |
| Commercial  | 135             | (3)                                  | 132             | 136               | (6)                                  | 130             |
| <b>Total available-for-sale debt securities</b>                 | <u>\$ 3,400</u> | <u>\$ (14)</u>                       | <u>\$ 3,386</u> | <u>\$ 4,114</u>   | <u>\$ (72)</u>                       | <u>\$ 4,042</u> |

Available-for-sale debt securities in an unrealized loss position:

| (Millions of dollars)                    | June 30, 2025                    |                   |                                |                   |                 |                   |
|--|----------------------------------|-------------------|--------------------------------|-------------------|-----------------|-------------------|
|  | Less than 12 months <sup>1</sup> |                   | 12 months or more <sup>1</sup> |                   | Total           |                   |
|  | Fair Value                       | Unrealized Losses | Fair Value                     | Unrealized Losses | Fair Value      | Unrealized Losses |
| <b>Government debt securities</b>        |                                  |                   |                                |                   |                 |                   |
| Other U.S. and non-U.S. government bonds | \$ —                             | \$ —              | \$ 16                          | \$ 1              | \$ 16           | \$ 1              |
| <b>Corporate debt securities</b>         |                                  |                   |                                |                   |                 |                   |
| Corporate bonds                          | 82                               | —                 | 483                            | 14                | 565             | 14                |
| Asset-backed securities                  | 24                               | —                 | 38                             | 1                 | 62              | 1                 |
| <b>Mortgage-backed debt securities</b>   |                                  |                   |                                |                   |                 |                   |
| U.S. governmental agency                 | 71                               | 1                 | 257                            | 23                | 328             | 24                |
| Commercial                               | —                                | —                 | 98                             | 4                 | 98              | 4                 |
| <b>Total</b>                             | <u>\$ 177</u>                    | <u>\$ 1</u>       | <u>\$ 892</u>                  | <u>\$ 43</u>      | <u>\$ 1,069</u> | <u>\$ 44</u>      |

| (Millions of dollars)                    | December 31, 2024                |                   |                                |                   |                 |                   |
|--|----------------------------------|-------------------|--------------------------------|-------------------|-----------------|-------------------|
|  | Less than 12 months <sup>1</sup> |                   | 12 months or more <sup>1</sup> |                   | Total           |                   |
|  | Fair Value                       | Unrealized Losses | Fair Value                     | Unrealized Losses | Fair Value      | Unrealized Losses |
| <b>Government debt securities</b>        |                                  |                   |                                |                   |                 |                   |
| Other U.S. and non-U.S. government bonds | \$ —                             | \$ —              | \$ 55                          | \$ 4              | \$ 55           | \$ 4              |
| <b>Corporate debt securities</b>         |                                  |                   |                                |                   |                 |                   |
| Corporate bonds                          | 729                              | 3                 | 812                            | 33                | 1,541           | 36                |
| Asset-backed securities                  | 7                                | —                 | 37                             | 2                 | 44              | 2                 |
| <b>Mortgage-backed debt securities</b>   |                                  |                   |                                |                   |                 |                   |
| U.S. governmental agency                 | 126                              | 3                 | 273                            | 30                | 399             | 33                |
| Commercial                               | 13                               | —                 | 113                            | 6                 | 126             | 6                 |
| <b>Total</b>                             | <b>\$ 875</b>                    | <b>\$ 6</b>       | <b>\$ 1,290</b>                | <b>\$ 75</b>      | <b>\$ 2,165</b> | <b>\$ 81</b>      |

<sup>1</sup> Indicates the length of time that individual securities have been in a continuous unrealized loss position.

The unrealized losses on our investments in government debt securities, corporate debt securities, and mortgage-backed debt securities relate to changes in underlying interest rates and credit spreads since time of purchase. We do not intend to sell the investments, and it is not likely that we will be required to sell the investments before recovery of their respective amortized cost basis. In addition, we did not expect credit-related losses on these investments as of June 30, 2025.

The cost basis and fair value of available-for-sale debt securities at June 30, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to prepay and creditors may have the right to call obligations.

| (Millions of dollars)                               | June 30, 2025   |                 |
|---|-----------------|-----------------|
|   | Cost Basis      | Fair Value      |
| Due in one year or less                             | \$ 873          | \$ 875          |
| Due after one year through five years               | 1,445           | 1,453           |
| Due after five years through ten years              | 294             | 297             |
| Due after ten years                                 | 144             | 143             |
| U.S. governmental agency mortgage-backed securities | 508             | 485             |
| Residential mortgage-backed securities              | 1               | 1               |
| Commercial mortgage-backed securities               | 135             | 132             |
| <b>Total debt securities – available-for-sale</b>   | <b>\$ 3,400</b> | <b>\$ 3,386</b> |

For the three months ended June 30, 2025 and 2024, proceeds from available-for-sale debt securities were \$402 million and \$300 million, respectively. For the six months ended June 30, 2025 and 2024, proceeds from available-for-sale debt securities were \$1,313 million and \$660 million, respectively.

For the three months ended June 30, 2025 and 2024, the net unrealized gains (losses) for equity securities held at June 30, 2025 and 2024 were \$24 million and \$(3) million, respectively. For the six months ended June 30, 2025 and 2024, the net unrealized gains (losses) for equity securities held at June 30, 2025 and 2024 were \$27 million and \$14 million, respectively.

9. Postretirement benefits

A. Pension and postretirement benefit costs

| (Millions of dollars)                            | U.S. Pension Benefits |                | Non-U.S. Pension Benefits |               | Other Postretirement Benefits |              |
|--|-----------------------|----------------|---------------------------|---------------|-------------------------------|--------------|
|  | June 30,              |                | June 30,                  |               | June 30,                      |              |
|  | 2025                  | 2024           | 2025                      | 2024          | 2025                          | 2024         |
| <b>For the three months ended:</b>               |                       |                |                           |               |                               |              |
| <b>Components of net periodic benefit cost:</b>  |                       |                |                           |               |                               |              |
| Service cost                                     | \$ —                  | \$ —           | \$ 12                     | \$ 11         | \$ 16                         | \$ 17        |
| Interest cost                                    | 153                   | 157            | 27                        | 31            | 30                            | 33           |
| Expected return on plan assets                   | (180)                 | (175)          | (40)                      | (42)          | (2)                           | (2)          |
| Amortization of prior service cost (credit)      | —                     | —              | —                         | —             | (1)                           | (4)          |
| Net periodic benefit cost (benefit) <sup>1</sup> | <u>\$ (27)</u>        | <u>\$ (18)</u> | <u>\$ (1)</u>             | <u>\$ —</u>   | <u>\$ 43</u>                  | <u>\$ 44</u> |
| <b>For the six months ended:</b>                 |                       |                |                           |               |                               |              |
| <b>Components of net periodic benefit cost:</b>  |                       |                |                           |               |                               |              |
| Service cost                                     | \$ —                  | \$ —           | \$ 23                     | \$ 22         | \$ 32                         | \$ 34        |
| Interest cost                                    | 306                   | 313            | 55                        | 61            | 61                            | 66           |
| Expected return on plan assets                   | (360)                 | (350)          | (80)                      | (84)          | (4)                           | (4)          |
| Amortization of prior service cost (credit)      | —                     | —              | —                         | —             | (2)                           | (7)          |
| Net periodic benefit cost (benefit) <sup>1</sup> | <u>\$ (54)</u>        | <u>\$ (37)</u> | <u>\$ (2)</u>             | <u>\$ (1)</u> | <u>\$ 87</u>                  | <u>\$ 89</u> |

<sup>1</sup> The service cost component is included in Operating costs. All other components are included in Other income (expense).

We made \$65 million and \$276 million of contributions to our pension and other postretirement plans during the three and six months ended June 30, 2025, respectively. We currently anticipate full-year 2025 contributions of approximately \$354 million.

B. Defined contribution benefit costs

Total company costs related to our defined contribution plans, which are included in Operating costs in the Consolidated Statement of Results of Operations, were as follows:

| (Millions of dollars)   | Three Months Ended June 30, |               | Six Months Ended June 30, |               |
|-------------------------|-----------------------------|---------------|---------------------------|---------------|
|                         | 2025                        | 2024          | 2025                      | 2024          |
| U.S. Plans <sup>1</sup> | \$ 190                      | \$ 115        | \$ 344                    | \$ 338        |
| Non-U.S. Plans          | 35                          | 32            | 68                        | 62            |
|                         | <u>\$ 225</u>               | <u>\$ 147</u> | <u>\$ 412</u>             | <u>\$ 400</u> |

<sup>1</sup> Includes costs related to our non-qualified deferred compensation plans. We utilize total return swaps to economically hedge this exposure to offset the related costs. See Note 5 for additional information.

**10. Leases**

Revenues from finance and operating leases, primarily included in Revenues of Financial Products on the Consolidated Statement of Results of Operations, were as follows:

| (Millions of dollars)   | Three Months Ended June 30, |        | Six Months Ended June 30, |        |
|-------------------------|-----------------------------|--------|---------------------------|--------|
|                         | 2025                        | 2024   | 2025                      | 2024   |
| Finance lease revenue   | \$ 118                      | \$ 107 | \$ 231                    | \$ 215 |
| Operating lease revenue | 298                         | 293    | 608                       | 606    |
| Total                   | \$ 416                      | \$ 400 | \$ 839                    | \$ 821 |

We present revenues net of sales and other related taxes.

**11. Guarantees and product warranty**

We have provided various guarantees that have varying terms and limit potential payment. Under the guarantees, non-performance by the third-parties could require Caterpillar to satisfy the contractual obligation by providing goods, services or financial compensation. The maximum potential amount of future payments (undiscounted and without reduction for any amounts possibly recoverable) that we could be required to make under the guarantees was \$421 million and \$368 million at June 30, 2025 and December 31, 2024, respectively.

We have dealer performance guarantees and third-party performance guarantees that do not limit potential payment to end users related to indemnities and other commercial contractual obligations. In addition, we have entered into contracts involving industry standard indemnifications that do not limit potential payment. For these unlimited guarantees, we are unable to estimate a maximum potential amount of future payments that could result from claims made.

No significant loss has been experienced or is anticipated under any of these guarantees.

Cat Financial provides guarantees to purchase certain loans of Caterpillar dealers from a special-purpose corporation (SPC) that qualifies as a variable interest entity. Cat Financial receives a fee for providing this guarantee. The purpose of the SPC is to provide short-term working capital loans to Caterpillar dealers. This SPC issues commercial paper and uses the proceeds to fund its loan program. Cat Financial is the primary beneficiary of the SPC as its guarantees result in Cat Financial having both the power to direct the activities that most significantly impact the SPC's economic performance and the obligation to absorb losses, and therefore Cat Financial has consolidated the financial statements of the SPC. As of June 30, 2025 and December 31, 2024, the SPC's assets of \$1.06 billion and \$1.14 billion, respectively, were primarily comprised of loans to dealers, and the SPC's liabilities of \$1.06 billion and \$1.14 billion, respectively, were primarily comprised of commercial paper. The assets of the SPC are not available to pay Cat Financial's creditors. Cat Financial may be obligated to perform under the guarantee if the SPC experiences losses. No loss has been experienced or is anticipated under this loan purchase agreement.

We determine our product warranty liability by applying historical claim rate experience to the current field population and dealer inventory. Generally, we base historical claim rates on actual warranty experience for each product by machine model/engine size by customer or dealer location (inside or outside North America). We develop specific rates for each product shipment month and update them monthly based on actual warranty claim experience.

The reconciliation of the change in our product warranty liability balances for the six months ended June 30 was as follows:

| (Millions of dollars)                   | Six Months Ended June 30, |          |
|---|---------------------------|----------|
|   | 2025                      | 2024     |
| Warranty liability, beginning of period | \$ 1,700                  | \$ 1,894 |
| Reduction in liability (payments)       | (172)                     | (387)    |
| Increase in liability (new warranties)  | 141                       | 276      |
| Warranty liability, end of period       | \$ 1,669                  | \$ 1,783 |

## 12. Profit per share

| Computations of profit per share:<br>(Dollars in millions except per share data)   | Three Months Ended June 30, |          | Six Months Ended June 30, |          |
|--|-----------------------------|----------|---------------------------|----------|
|  | 2025                        | 2024     | 2025                      | 2024     |
| Profit for the period (A) <sup>1</sup>   | \$ 2,179                    | \$ 2,681 | \$ 4,182                  | \$ 5,537 |
| Determination of shares (in millions):   |                             |          |                           |          |
| Weighted-average number of common shares outstanding (B)   | 469.7                       | 487.2    | 472.4                     | 490.7    |
| Shares issuable on exercise of stock awards, net of shares assumed to be purchased out of proceeds at average market price | 1.8                         | 2.3      | 2.1                       | 2.6      |
| Average common shares outstanding for fully diluted computation (C) <sup>2</sup>   | 471.5                       | 489.5    | 474.5                     | 493.3    |
| Profit per share of common stock:  |                             |          |                           |          |
| Basic (A/B)  | \$ 4.64                     | \$ 5.50  | \$ 8.85                   | \$ 11.28 |
| Diluted (A/C) <sup>2</sup>   | \$ 4.62                     | \$ 5.48  | \$ 8.82                   | \$ 11.23 |
| Shares outstanding as of June 30, (in millions)  |                             |          | 468.5                     | 484.9    |

<sup>1</sup> Profit attributable to common shareholders.

<sup>2</sup> Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

For the three and six months ended June 30, 2025, we excluded 0.6 million and 0.4 million of outstanding stock options, respectively, from the computation of diluted earnings per share because the effect would have been antidilutive. For both the three and six months ended June 30, 2024, we excluded 0.3 million of outstanding stock options, respectively, from the computation of diluted earnings per share because the effect would have been antidilutive.

For the three and six months ended June 30, 2025, we repurchased 2.7 million and 10.2 million shares of Caterpillar common stock, respectively, at an aggregate cost of \$0.8 billion and \$3.6 billion, respectively. For the three and six months ended June 30, 2024, we repurchased 4.6 million and 15.9 million shares of Caterpillar common stock, respectively, at an aggregate cost of \$1.6 billion and \$5.3 billion, respectively. We made these purchases through the combination of accelerated share repurchase (ASR) agreements with third-party financial institutions and open market transactions in 2025 and 2024.

In the first quarter of 2025, we entered into ASR agreements to repurchase an aggregate of \$3.0 billion of common stock. We advanced the \$3.0 billion and received approximately 5.7 million shares of Caterpillar common stock, approximately 70% of the estimated final number of shares to be repurchased, with a value of \$2.1 billion. The final number of shares to ultimately be repurchased will be based on the average of the daily volume-weighted average prices of our common stock during the term of the ASR agreements, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements. The final settlement of the ASR agreements is scheduled to occur during the fourth quarter of 2025. The remaining \$0.9 billion was evaluated as unsettled forward contracts and was classified as a reduction to Common stock within the Consolidated Statement of Financial Position.

**13. Accumulated other comprehensive income (loss)**

We present comprehensive income and its components in the Consolidated Statement of Comprehensive Income. Changes in the balances for each component of AOCI were as follows:

| (Millions of dollars)                              | Three Months Ended June 30, |            | Six Months Ended June 30, |            |
|--|-----------------------------|------------|---------------------------|------------|
|  | 2025                        | 2024       | 2025                      | 2024       |
| <b>Foreign currency translation</b>                |                             |            |                           |            |
| Beginning balance                                  | \$ (2,122)                  | \$ (2,039) | \$ (2,310)                | \$ (1,782) |
| Gains (losses) on foreign currency translation     | 435                         | (128)      | 623                       | (341)      |
| Less: Tax provision (benefit)                      | —                           | 4          | —                         | 15         |
| Net gains (losses) on foreign currency translation | 435                         | (132)      | 623                       | (356)      |
| (Gains) losses reclassified to earnings            | —                           | 61         | —                         | 28         |
| Less: Tax provision (benefit)                      | —                           | —          | —                         | —          |
| Net (gains) losses reclassified to earnings        | —                           | 61         | —                         | 28         |
| Other comprehensive income (loss), net of tax      | 435                         | (71)       | 623                       | (328)      |
| Ending balance                                     | \$ (1,687)                  | \$ (2,110) | \$ (1,687)                | \$ (2,110) |
| <b>Pension and other postretirement benefits</b>   |                             |            |                           |            |
| Beginning balance                                  | \$ (62)                     | \$ (52)    | \$ (61)                   | \$ (49)    |
| Current year prior service credit (cost)           | —                           | —          | —                         | —          |
| Less: Tax provision (benefit)                      | —                           | —          | —                         | —          |
| Net current year prior service credit (cost)       | —                           | —          | —                         | —          |
| Amortization of prior service (credit) cost        | (1)                         | (4)        | (2)                       | (7)        |
| Less: Tax provision (benefit)                      | —                           | (1)        | —                         | (1)        |
| Net amortization of prior service (credit) cost    | (1)                         | (3)        | (2)                       | (6)        |
| Other comprehensive income (loss), net of tax      | (1)                         | (3)        | (2)                       | (6)        |
| Ending balance                                     | \$ (63)                     | \$ (55)    | \$ (63)                   | \$ (55)    |
| <b>Derivative financial instruments</b>            |                             |            |                           |            |
| Beginning balance                                  | \$ 11                       | \$ 67      | \$ (46)                   | \$ 67      |
| Gains (losses) deferred                            | 152                         | (9)        | 228                       | 97         |
| Less: Tax provision (benefit)                      | 37                          | (1)        | 55                        | 27         |
| Net gains (losses) deferred                        | 115                         | (8)        | 173                       | 70         |
| (Gains) losses reclassified to earnings            | (72)                        | (70)       | (73)                      | (176)      |
| Less: Tax provision (benefit)                      | (20)                        | (16)       | (20)                      | (44)       |
| Net (gains) losses reclassified to earnings        | (52)                        | (54)       | (53)                      | (132)      |
| Other comprehensive income (loss), net of tax      | 63                          | (62)       | 120                       | (62)       |
| Ending balance                                     | \$ 74                       | \$ 5       | \$ 74                     | \$ 5       |
| <b>Available-for-sale securities</b>               |                             |            |                           |            |
| Beginning balance                                  | \$ (32)                     | \$ (69)    | \$ (54)                   | \$ (56)    |
| Gains (losses) deferred                            | 29                          | (1)        | 55                        | (18)       |
| Less: Tax provision (benefit)                      | 6                           | 1          | 12                        | (2)        |
| Net gains (losses) deferred                        | 23                          | (2)        | 43                        | (16)       |
| (Gains) losses reclassified to earnings            | 1                           | 1          | 3                         | 2          |
| Less: Tax provision (benefit)                      | —                           | —          | —                         | —          |
| Net (gains) losses reclassified to earnings        | 1                           | 1          | 3                         | 2          |
| Other comprehensive income (loss), net of tax      | 24                          | (1)        | 46                        | (14)       |
| Ending balance                                     | \$ (8)                      | \$ (70)    | \$ (8)                    | \$ (70)    |
| Total AOCI ending balance at June 30,              | \$ (1,684)                  | \$ (2,230) | \$ (1,684)                | \$ (2,230) |

**14. Environmental and legal matters**

The Company is regulated by federal, state and international environmental laws governing its use, transport and disposal of substances and control of emissions. In addition to governing our manufacturing and other operations, these laws often impact the development of our products, including, but not limited to, required compliance with air emissions standards applicable to internal combustion engines. We have made, and will continue to make, significant research and development and capital expenditures to comply with these emissions standards.

We are engaged in remedial activities at a number of locations, often with other companies, pursuant to federal and state laws. When it is probable we will pay remedial costs at a site, and those costs can be reasonably estimated, we accrue the investigation, remediation, and operating and maintenance costs against our earnings. We accrue costs based on consideration of currently available data and information with respect to each individual site, including available technologies, current applicable laws and regulations, and prior remediation experience. Where no amount within a range of estimates is more likely, we accrue the minimum. Where multiple potentially responsible parties are involved, we consider our proportionate share of the probable costs. In formulating the estimate of probable costs, we do not consider amounts expected to be recovered from insurance companies or others. We reassess these accrued amounts on a quarterly basis. The amount recorded for environmental remediation is not material and is included in Accrued expenses. We believe there is no more than a remote chance that a material amount for remedial activities at any individual site, or at all the sites in the aggregate, will be required.

In addition, we are involved in other unresolved legal actions that arise in the normal course of business. The most prevalent of these unresolved actions involve disputes related to product design, manufacture and performance liability (including claimed asbestos exposure), contracts, employment issues, environmental matters, intellectual property rights, taxes (other than income taxes) and securities laws. The aggregate range of reasonably possible losses in excess of accrued liabilities, if any, associated with these unresolved legal actions is not material. In some cases, we cannot reasonably estimate a range of loss because there is insufficient information regarding the matter. However, we believe there is no more than a remote chance that any liability arising from these matters would be material. Although it is not possible to predict with certainty the outcome of these unresolved legal actions, we believe that these actions will not individually or in the aggregate have a material adverse effect on our consolidated results of operations, financial position or liquidity.

Our operations in Brazil are subject to highly complex labor, tax, customs and other laws. While we believe that we are in compliance with such laws, we are periodically engaged in litigation regarding the application of these laws, including certain tax and customs disputes with federal, state and municipal authorities in Brazil relating to export activities associated with Caterpillar Brasil Ltda. The Company is unable to predict the outcome or reasonably estimate any potential losses; however, we currently believe that any matters raised will not have a material adverse effect on the Company's consolidated results of operations, financial position or liquidity.

**15. Income taxes**

The effective tax rate for the three months ended June 30, 2025 was 23.0 percent compared to 23.9 percent for the three months ended June 30, 2024 which was negatively impacted by losses for the divestiture of two non-U.S. entities with no related tax benefit. The effective tax rate for the six months ended June 30, 2025 was 22.6 percent compared to 21.7 percent for the six months ended June 30, 2024.

On July 4, 2025, U.S. tax legislation was enacted containing a number of corporate tax provisions including reinstatement of 100 percent bonus depreciation and full expensing of U.S. research and development expenditures. This change in tax law will be accounted for in the period of enactment. We are evaluating the impact of this legislation and do not currently expect this change to have a material impact on our 2025 effective tax rate.

## 16. Segment information

### A. Basis for segment information

Our Executive Office is comprised of a Chief Executive Officer (CEO), four Group Presidents, a Chief Financial Officer (CFO), a Chief Legal Officer and General Counsel and a Chief Human Resources Officer. The Group Presidents and CFO are accountable for a related set of end-to-end businesses that they manage. The Chief Legal Officer and General Counsel leads the Law, Security and Public Policy Division. The Chief Human Resources Officer leads the Human Resources Organization. The CEO allocates resources and manages performance at the Group President/CFO level. As such, the CEO serves as our Chief Operating Decision Maker (CODM), and operating segments are primarily based on the Group President/CFO reporting structure.

Three of our operating segments, Construction Industries, Resource Industries and Energy & Transportation are led by Group Presidents. One operating segment, Financial Products, is led by the CFO who also has responsibility for Corporate Services. Corporate Services is a cost center primarily responsible for the performance of certain support functions globally and to provide centralized services; it does not meet the definition of an operating segment. One Group President leads one smaller operating segment that is included in the All Other Segment. The Law, Security and Public Policy Division and the Human Resources Organization are cost centers and do not meet the definition of an operating segment.

### B. Description of segments

We have five operating segments, of which four are reportable segments. Following is a brief description of our reportable segments and the business activities included in the All Other Segment:

**Construction Industries:** A segment primarily responsible for supporting customers using machinery in infrastructure and building construction applications. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing and sales and product support. The product portfolio includes asphalt pavers; backhoe loaders; cold planers; compactors; compact track loaders; forestry machines; material handlers; motor graders; pipelayers; road reclaimers; skid steer loaders; telehandlers; track-type loaders; track-type tractors (small, medium); track excavators (mini, small, medium, large); wheel excavators; wheel loaders (compact, small, medium); and related parts and work tools. Inter-segment sales are a source of revenue for this segment.

**Resource Industries:** A segment primarily responsible for supporting customers using machinery in mining, heavy construction and quarry and aggregates. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing and sales and product support. The product portfolio includes large track-type tractors; large mining trucks; hard rock vehicles; electric rope shovels; draglines; hydraulic shovels; rotary drills; large wheel loaders; off-highway trucks; articulated trucks; wheel tractor scrapers; wheel dozers; landfill compactors; soil compactors; wide-body trucks; select work tools; machinery components; electronics and control systems and related parts. In addition to equipment, Resource Industries also develops and sells technology products and services to provide customers fleet management, equipment management analytics, autonomous machine capabilities, safety services and mining performance solutions. Resource Industries also manages areas that provide services to other parts of the company, including strategic procurement, lean center of excellence, integrated manufacturing, research and development for hydraulic systems, automation, electronics and software for Caterpillar machines and engines. Inter-segment sales are a source of revenue for this segment.

**Energy & Transportation:** A segment primarily responsible for supporting customers using reciprocating engines, turbines, diesel-electric locomotives and related services across industries serving Oil and Gas, Power Generation, Industrial and Transportation applications, including marine- and rail-related businesses as well as product support of on-highway engines. Responsibilities include business strategy, product design, product management, development and testing, manufacturing, marketing and sales and product support. The product and services portfolio includes turbines, centrifugal gas compressors, and turbine-related services; reciprocating engine-powered generator sets; integrated systems and solutions used in the electric power generation industry; reciprocating engines, drivetrain and integrated systems and solutions for the marine and oil and gas industries; reciprocating engines, drivetrain and integrated systems and solutions supplied to the industrial industry as well as Caterpillar machines; electrified powertrain and zero-emission power sources and service solutions development; and diesel-electric and hybrid locomotives and components and other rail-related products and services, including remanufacturing and leasing. Responsibilities also include the remanufacturing of Caterpillar reciprocating engines and components and remanufacturing services for other companies. Inter-segment sales are a source of revenue for this segment.

**Financial Products Segment:** Provides financing alternatives to customers and dealers around the world for Caterpillar products and services, as well as financing for power generation facilities that, in most cases, incorporate Caterpillar products. Financing plans include operating and finance leases, revolving charge accounts, installment sale contracts, repair/rebuild financing, working capital loans and wholesale financing plans. The segment also provides insurance and risk management products and services that help customers and dealers manage their business risk. Insurance and risk management products offered include physical damage insurance, inventory protection plans, extended service coverage and maintenance plans for machines and engines, and dealer property and casualty insurance. The various forms of financing, insurance and risk management products offered to customers and dealers help support the purchase and lease of Caterpillar equipment. The segment also earns revenues from Machinery, Energy & Transportation, but the related costs are not allocated to operating segments. Financial Products' segment profit is determined on a pretax basis and includes other income/expense items.

**All Other Segment:** Primarily includes activities such as: business strategy; product management and development; manufacturing and sourcing of wear and maintenance components primarily for Cat® products; parts distribution; integrated logistics solutions; distribution services responsible for dealer development and administration, including a wholly owned dealer in Japan; dealer portfolio management and ensuring the most efficient and effective distribution of machines, engines and parts; brand management and marketing strategy; and digital investments for new customer and dealer solutions that integrate data analytics with state-of-the-art digital technologies while transforming the buying experience. Results for the All Other Segment are included as a reconciling item between reportable segments and consolidated external reporting.

### C. Segment measurement and reconciliations

We determine the segment profit of Construction Industries, Resource Industries, Energy & Transportation and our All Other Segment on a pretax basis and exclude most interest expense and certain other income (expense) items. We determine Financial Products Segment profit on a pretax basis and include other income (expense) items.

Our CODM evaluates the operating performance of the segments using segment profit as it provides insight into the financial health of each segment. The CODM reviews this metric regularly to compare the profitability of segments, identify trends, and evaluate which segments require additional resources or strategic adjustments. The CODM uses segment profit to support the allocation of resources predominantly in the annual budget and forecasting process. Additionally, the CODM monitors forecast-to-actual variances, focusing on areas where performance deviates from expectations, when evaluating the performance of each segment and making decisions about allocating capital and other resources to each segment.

There are several methodology differences between our segment reporting and our external reporting. The following is a list of the more significant methodology differences:

- For Construction Industries, Resource Industries, Energy & Transportation and our All Other Segment net assets generally include inventories, receivables, property, plant and equipment, goodwill, intangibles, accounts payable and customer advances. We generally manage at the corporate level liabilities other than accounts payable and customer advances, and we do not include these in segment operations. Financial Products Segment assets generally include all categories of assets.
- We value segment inventories and cost of sales using a current cost methodology.

- We amortize goodwill allocated to segments using a fixed amount based on a 20-year useful life. This methodology difference only impacts segment assets. We do not include goodwill amortization expense in segment profit. In addition, we have allocated to segments only a portion of goodwill for certain acquisitions made in 2011 or later.
- We generally manage currency exposures for operating segments, other than Financial Products, at the corporate level and do not include in segment profit or segment assets the effects of changes in exchange rates on results of operations and financial position within the year. We report the net difference created in the translation of revenues and costs between exchange rates used for U.S. GAAP reporting and exchange rates used for segment reporting as a methodology difference.
- We do not include stock-based compensation expense in segment profit.
- Postretirement benefit expenses are split; segments are generally responsible for service costs, with the remaining elements of net periodic benefit cost included as a methodology difference.

Reconciling items are created based on accounting differences between segment reporting and our consolidated external reporting. Please refer to pages 33-35 for financial information regarding significant reconciling items. Most of our reconciling items are self-explanatory given the above explanations. For the reconciliation of profit, we have grouped the reconciling items as follows:

- **Corporate costs:** These costs are related to corporate requirements primarily for compliance and legal functions for the benefit of the entire organization.
- **Restructuring income/costs:** May include costs for employee separation, long-lived asset impairments, contract terminations and (gains)/losses on divestitures. These costs are included in Other operating (income) expenses except for defined-benefit plan curtailment losses and special termination benefits, which are included in Other income (expense). Restructuring costs also include other exit-related costs, which may consist of accelerated depreciation, inventory write-downs, building demolition, equipment relocation and project management costs and LIFO inventory decrement benefits from inventory liquidations at closed facilities, all of which are primarily included in Cost of goods sold. See Note 20 for more information.
- **Methodology differences:** See previous discussion of significant accounting differences between segment reporting and consolidated external reporting.
- **Timing:** Timing differences in the recognition of costs between segment reporting and consolidated external reporting. For example, we report certain costs on the cash basis for segment reporting and the accrual basis for consolidated external reporting.

The three and six months ended June 30, 2025 and 2024, sales and revenues by geographic region reconciled to consolidated sales and revenues were as follows:

| <b>Sales and Revenues by Geographic Region</b>    |                 |                 |                 |                 |                             |                                 |                          |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------------|---------------------------------|--------------------------|
| (Millions of dollars)                             | North America   | Latin America   | EAME            | Asia/Pacific    | External Sales and Revenues | Intersegment Sales and Revenues | Total Sales and Revenues |
| <b>Three Months Ended June 30, 2025</b>           |                 |                 |                 |                 |                             |                                 |                          |
| Construction Industries                           | \$ 3,369        | \$ 540          | \$ 1,185        | \$ 1,029        | \$ 6,123                    | \$ 67                           | \$ 6,190                 |
| Resource Industries                               | 1,111           | 541             | 501             | 851             | 3,004                       | 83                              | 3,087                    |
| Energy & Transportation                           | 3,776           | 493             | 1,386           | 905             | 6,560                       | 1,276                           | 7,836                    |
| Financial Products Segment                        | 703             | 105             | 126             | 108             | 1,042 <sup>1</sup>          | —                               | 1,042                    |
| Total sales and revenues from reportable segments | 8,959           | 1,679           | 3,198           | 2,893           | 16,729                      | 1,426                           | 18,155                   |
| All Other Segment                                 | 13              | —               | 3               | 17              | 33                          | 71                              | 104                      |
| Corporate Items and Eliminations                  | (121)           | (23)            | (21)            | (28)            | (193)                       | (1,497)                         | (1,690)                  |
| <b>Total Sales and Revenues</b>                   | <b>\$ 8,851</b> | <b>\$ 1,656</b> | <b>\$ 3,180</b> | <b>\$ 2,882</b> | <b>\$ 16,569</b>            | <b>\$ —</b>                     | <b>\$ 16,569</b>         |
| <b>Three Months Ended June 30, 2024</b>           |                 |                 |                 |                 |                             |                                 |                          |
| Construction Industries                           | \$ 3,957        | \$ 677          | \$ 1,047        | \$ 975          | \$ 6,656                    | \$ 27                           | \$ 6,683                 |
| Resource Industries                               | 1,206           | 524             | 442             | 950             | 3,122                       | 84                              | 3,206                    |
| Energy & Transportation                           | 3,308           | 439             | 1,421           | 912             | 6,080                       | 1,257                           | 7,337                    |
| Financial Products Segment                        | 668             | 101             | 124             | 111             | 1,004 <sup>1</sup>          | —                               | 1,004                    |
| Total sales and revenues from reportable segments | 9,139           | 1,741           | 3,034           | 2,948           | 16,862                      | 1,368                           | 18,230                   |
| All Other Segment                                 | 13              | —               | 4               | 12              | 29                          | 79                              | 108                      |
| Corporate Items and Eliminations                  | (109)           | (22)            | (41)            | (30)            | (202)                       | (1,447)                         | (1,649)                  |
| <b>Total Sales and Revenues</b>                   | <b>\$ 9,043</b> | <b>\$ 1,719</b> | <b>\$ 2,997</b> | <b>\$ 2,930</b> | <b>\$ 16,689</b>            | <b>\$ —</b>                     | <b>\$ 16,689</b>         |

<sup>1</sup> Includes revenues from Construction Industries, Resource Industries, Energy & Transportation and All Other Segment of \$172 million and \$180 million in the three months ended June 30, 2025 and 2024, respectively.

| <b>Sales and Revenues by Geographic Region</b>    |                  |                 |                 |                 |                             |                                 |                          |
|---|------------------|-----------------|-----------------|-----------------|-----------------------------|---------------------------------|--------------------------|
| (Millions of dollars)                             | North America    | Latin America   | EAME            | Asia/Pacific    | External Sales and Revenues | Intersegment Sales and Revenues | Total Sales and Revenues |
| <b>Six Months Ended June 30, 2025</b>             |                  |                 |                 |                 |                             |                                 |                          |
| Construction Industries                           | \$ 6,273         | \$ 1,044        | \$ 2,052        | \$ 1,898        | \$ 11,267                   | \$ 107                          | \$ 11,374                |
| Resource Industries                               | 2,195            | 1,102           | 907             | 1,621           | 5,825                       | 146                             | 5,971                    |
| Energy & Transportation                           | 6,918            | 863             | 2,516           | 1,661           | 11,958                      | 2,446                           | 14,404                   |
| Financial Products Segment                        | 1,385            | 204             | 248             | 212             | 2,049 <sup>1</sup>          | —                               | 2,049                    |
| Total sales and revenues from reportable segments | 16,771           | 3,213           | 5,723           | 5,392           | 31,099                      | 2,699                           | 33,798                   |
| All Other Segment                                 | 30               | —               | 5               | 29              | 64                          | 131                             | 195                      |
| Corporate Items and Eliminations                  | (212)            | (42)            | (42)            | (49)            | (345)                       | (2,830)                         | (3,175)                  |
| <b>Total Sales and Revenues</b>                   | <b>\$ 16,589</b> | <b>\$ 3,171</b> | <b>\$ 5,686</b> | <b>\$ 5,372</b> | <b>\$ 30,818</b>            | <b>\$ —</b>                     | <b>\$ 30,818</b>         |
| <b>Six Months Ended June 30, 2024</b>             |                  |                 |                 |                 |                             |                                 |                          |
| Construction Industries                           | \$ 7,790         | \$ 1,272        | \$ 2,043        | \$ 1,968        | \$ 13,073                   | \$ 34                           | \$ 13,107                |
| Resource Industries                               | 2,470            | 1,000           | 907             | 1,841           | 6,218                       | 181                             | 6,399                    |
| Energy & Transportation                           | 6,259            | 847             | 2,715           | 1,746           | 11,567                      | 2,451                           | 14,018                   |
| Financial Products Segment                        | 1,327            | 202             | 247             | 219             | 1,995 <sup>1</sup>          | —                               | 1,995                    |
| Total sales and revenues from reportable segments | 17,846           | 3,321           | 5,912           | 5,774           | 32,853                      | 2,666                           | 35,519                   |
| All Other Segment                                 | 31               | (1)             | 8               | 25              | 63                          | 154                             | 217                      |
| Corporate Items and Eliminations                  | (261)            | (42)            | (71)            | (54)            | (428)                       | (2,820)                         | (3,248)                  |
| <b>Total Sales and Revenues</b>                   | <b>\$ 17,616</b> | <b>\$ 3,278</b> | <b>\$ 5,849</b> | <b>\$ 5,745</b> | <b>\$ 32,488</b>            | <b>\$ —</b>                     | <b>\$ 32,488</b>         |

<sup>1</sup> Includes revenues from Construction Industries, Resource Industries, Energy & Transportation and All Other Segment of \$335 million and \$357 million in the six months ended June 30, 2025 and 2024, respectively.

For the three and six months ended June 30, 2025 and 2024, Energy & Transportation external sales by end user application were as follows:

| (Millions of dollars)                             | Three Months Ended June 30, |                 | Six Months Ended June 30, |                  |
|---|-----------------------------|-----------------|---------------------------|------------------|
|   | 2025                        | 2024            | 2025                      | 2024             |
|   | Oil and gas                 | \$ 1,867        | \$ 1,829                  | \$ 3,125         |
| Power generation                                  | 2,407                       | 1,885           | 4,403                     | 3,503            |
| Industrial  | 1,060                       | 1,045           | 2,027                     | 2,034            |
| Transportation                                    | 1,226                       | 1,321           | 2,403                     | 2,633            |
| <b>Energy &amp; Transportation External Sales</b> | <b>\$ 6,560</b>             | <b>\$ 6,080</b> | <b>\$ 11,958</b>          | <b>\$ 11,567</b> |

#### Profit from Reportable Segments

| (Millions of dollars)                   | Construction Industries | Resource Industries | Energy & Transportation | Financial Products Segment | Total from Reportable Segments |
|---|-------------------------|---------------------|-------------------------|----------------------------|--------------------------------|
| <b>Three Months Ended June 30, 2025</b> |                         |                     |                         |                            |                                |
| Sales and revenues                      | \$ 6,190                | \$ 3,087            | \$ 7,836                | \$ 1,042                   | \$ 18,155                      |
| Less <sup>1</sup> :                     |                         |                     |                         |                            |                                |
| Cost of goods sold                      | 4,459                   | 2,189               | 5,415                   | —                          | 12,063                         |
| SG&A/R&D <sup>2</sup>                   | 470                     | 376                 | 817                     | 204                        | 1,867                          |
| Other segment items <sup>3</sup>        | 17                      | (15)                | 19                      | 590                        | 611                            |
| <b>Segment Profit</b>                   | <b>\$ 1,244</b>         | <b>\$ 537</b>       | <b>\$ 1,585</b>         | <b>\$ 248</b>              | <b>\$ 3,614</b>                |
| <b>Three Months Ended June 30, 2024</b> |                         |                     |                         |                            |                                |
| Sales and revenues                      | \$ 6,683                | \$ 3,206            | \$ 7,337                | \$ 1,004                   | \$ 18,230                      |
| Less <sup>1</sup> :                     |                         |                     |                         |                            |                                |
| Cost of goods sold                      | 4,470                   | 2,132               | 4,989                   | —                          | 11,591                         |
| SG&A/R&D <sup>2</sup>                   | 477                     | 352                 | 797                     | 182                        | 1,808                          |
| Other segment items <sup>3</sup>        | (5)                     | 4                   | 26                      | 595                        | 620                            |
| <b>Segment Profit</b>                   | <b>\$ 1,741</b>         | <b>\$ 718</b>       | <b>\$ 1,525</b>         | <b>\$ 227</b>              | <b>\$ 4,211</b>                |

<sup>1</sup> The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment income/expenses are included within the amounts shown.

<sup>2</sup> Includes selling, general and administrative (SG&A) and research and development (R&D) expenses. The combined presentation aligns with the segment-level information that is regularly provided to the CODM.

<sup>3</sup> Other segment items for each reportable segment primarily includes:

Construction Industries / Resource Industries / Energy & Transportation – other operating (income) expenses, currency impacts defined as a methodology difference between exchange rates used in U.S. GAAP and segment reporting, and equity in (profit) loss of unconsolidated affiliated companies.

Financial Products Segment – interest expense, Cat Financial's depreciation on equipment leased to others, Insurance Services' underwriting expenses and investment and interest income, and foreign exchange (gains) losses.

| <b>Profit from Reportable Segments</b> |                         |                     |                         |                            |                                |  |
|--|-------------------------|---------------------|-------------------------|----------------------------|--------------------------------|--|
| (Millions of dollars)                  | Construction Industries | Resource Industries | Energy & Transportation | Financial Products Segment | Total from Reportable Segments |  |
| <b>Six Months Ended June 30, 2025</b>  |                         |                     |                         |                            |                                |  |
| Sales and revenues                     | \$ 11,374               | \$ 5,971            | \$ 14,404               | \$ 2,049                   | \$ 33,798                      |  |
| Less <sup>1</sup> :                    |                         |                     |                         |                            |                                |  |
| Cost of goods sold                     | 8,177                   | 4,149               | 9,910                   | —                          | 22,236                         |  |
| SG&A/R&D <sup>2</sup>                  | 921                     | 722                 | 1,597                   | 399                        | 3,639                          |  |
| Other segment items <sup>3</sup>       | 8                       | (36)                | (2)                     | 1,187                      | 1,157                          |  |
| <b>Segment Profit</b>                  | <b>\$ 2,268</b>         | <b>\$ 1,136</b>     | <b>\$ 2,899</b>         | <b>\$ 463</b>              | <b>\$ 6,766</b>                |  |
| <b>Six Months Ended June 30, 2024</b>  |                         |                     |                         |                            |                                |  |
| Sales and revenues                     | \$ 13,107               | \$ 6,399            | \$ 14,018               | \$ 1,995                   | \$ 35,519                      |  |
| Less <sup>1</sup> :                    |                         |                     |                         |                            |                                |  |
| Cost of goods sold                     | 8,680                   | 4,248               | 9,567                   | —                          | 22,495                         |  |
| SG&A/R&D <sup>2</sup>                  | 923                     | 693                 | 1,575                   | 355                        | 3,546                          |  |
| Other segment items <sup>3</sup>       | (1)                     | 10                  | 50                      | 1,120                      | 1,179                          |  |
| <b>Segment Profit</b>                  | <b>\$ 3,505</b>         | <b>\$ 1,448</b>     | <b>\$ 2,826</b>         | <b>\$ 520</b>              | <b>\$ 8,299</b>                |  |

<sup>1</sup> The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment income/expenses are included within the amounts shown.

<sup>2</sup> Includes selling, general and administrative (SG&A) and research and development (R&D) expenses. The combined presentation aligns with the segment-level information that is regularly provided to the CODM.

<sup>3</sup> Other segment items for each reportable segment primarily includes:  
 Construction Industries / Resource Industries / Energy & Transportation – other operating (income) expenses, currency impacts defined as a methodology difference between exchange rates used in U.S. GAAP and segment reporting, and equity in (profit) loss of unconsolidated affiliated companies.  
 Financial Products Segment – interest expense, Cat Financial’s depreciation on equipment leased to others, Insurance Services’ underwriting expenses and investment and interest income, and foreign exchange (gains) losses.

| <b>Reconciliation of Consolidated profit before taxes:</b> |                             |                 |                           |                 |  |  |
|--|-----------------------------|-----------------|---------------------------|-----------------|--|--|
| (Millions of dollars)                                      | Three Months Ended June 30, |                 | Six Months Ended June 30, |                 |  |  |
|  | 2025                        | 2024            | 2025                      | 2024            |  |  |
| Total profit from reportable segments                      | \$ 3,614                    | \$ 4,211        | \$ 6,766                  | \$ 8,299        |  |  |
| Profit (loss) from All Other Segment                       | (5)                         | 21              | (26)                      | 45              |  |  |
| Cost centers   | (10)                        | (2)             | (6)                       | 12              |  |  |
| Corporate costs  | (211)                       | (276)           | (424)                     | (477)           |  |  |
| Timing   | (76)                        | 82              | (83)                      | 15              |  |  |
| Restructuring income (costs)                               | (56)                        | (258)           | (89)                      | (252)           |  |  |
| Methodology differences:                                   |                             |                 |                           |                 |  |  |
| Inventory/cost of sales                                    | (21)                        | 9               | (48)                      | 3               |  |  |
| Postretirement benefit expense                             | (67)                        | 1               | (53)                      | (55)            |  |  |
| Stock-based compensation expense                           | (85)                        | (75)            | (130)                     | (119)           |  |  |
| Financing costs  | (68)                        | (41)            | (114)                     | (69)            |  |  |
| Currency   | (95)                        | 21              | (149)                     | 108             |  |  |
| Other income/expense methodology differences               | (86)                        | (168)           | (228)                     | (418)           |  |  |
| Other methodology differences                              | (16)                        | (25)            | (28)                      | (60)            |  |  |
| <b>Total consolidated profit before taxes</b>              | <b>\$ 2,818</b>             | <b>\$ 3,500</b> | <b>\$ 5,388</b>           | <b>\$ 7,032</b> |  |  |

**Reconciliation of Assets:**

| (Millions of dollars)                                | June 30, 2025 | December 31, 2024 |
|--|---------------|-------------------|
| Assets from reportable segments:                     |               |                   |
| Construction Industries                              | \$ 5,596      | \$ 5,546          |
| Resource Industries                                  | 5,496         | 5,548             |
| Energy & Transportation                              | 11,435        | 11,772            |
| Financial Products Segment                           | 39,093        | 36,925            |
| Total assets from reportable segments                | 61,620        | 59,791            |
| Assets from All Other Segment                        | 1,978         | 1,937             |
| Items not included in segment assets:                |               |                   |
| Cash and cash equivalents                            | 4,428         | 6,165             |
| Deferred income taxes                                | 3,296         | 3,194             |
| Goodwill and intangible assets                       | 4,680         | 4,478             |
| Property, plant and equipment – net and other assets | 4,354         | 4,808             |
| Inventory methodology differences                    | (3,698)       | (3,560)           |
| Liabilities included in segment assets               | 14,083        | 11,973            |
| Other  | (416)         | (1,022)           |
| Total assets   | \$ 90,325     | \$ 87,764         |

**Reconciliation of Depreciation and amortization:**

(Millions of dollars)

|  | Three Months Ended June 30, |        | Six Months Ended June 30, |          |
|--|-----------------------------|--------|---------------------------|----------|
|  | 2025                        | 2024   | 2025                      | 2024     |
| Depreciation and amortization from reportable segments:      |                             |        |                           |          |
| Construction Industries                                      | \$ 66                       | \$ 57  | \$ 129                    | \$ 113   |
| Resource Industries  | 68                          | 63     | 134                       | 126      |
| Energy & Transportation                                      | 156                         | 143    | 309                       | 280      |
| Financial Products Segment                                   | 178                         | 185    | 356                       | 370      |
| Total depreciation and amortization from reportable segments | 468                         | 448    | 928                       | 889      |
| Items not included in segment depreciation and amortization: |                             |        |                           |          |
| All Other Segment  | 60                          | 62     | 118                       | 123      |
| Cost centers   | 25                          | 24     | 49                        | 47       |
| Other  | 1                           | (3)    | (1)                       | (4)      |
| Total depreciation and amortization                          | \$ 554                      | \$ 531 | \$ 1,094                  | \$ 1,055 |

**Reconciliation of Capital expenditures:**

(Millions of dollars)

|   | Three Months Ended June 30, |        | Six Months Ended June 30, |          |
|---|-----------------------------|--------|---------------------------|----------|
|   | 2025                        | 2024   | 2025                      | 2024     |
| Capital expenditures from reportable segments:      |                             |        |                           |          |
| Construction Industries                             | \$ 64                       | \$ 55  | \$ 110                    | \$ 113   |
| Resource Industries                                 | 67                          | 52     | 113                       | 86       |
| Energy & Transportation                             | 412                         | 257    | 711                       | 379      |
| Financial Products Segment                          | 379                         | 320    | 549                       | 554      |
| Total capital expenditures from reportable segments | 922                         | 684    | 1,483                     | 1,132    |
| Items not included in segment capital expenditures: |                             |        |                           |          |
| All Other Segment                                   | 63                          | 57     | 105                       | 86       |
| Cost centers  | 35                          | 24     | 62                        | 54       |
| Timing  | (70)                        | (37)   | 225                       | 208      |
| Other   | 5                           | (9)    | (2)                       | (25)     |
| Total capital expenditures                          | \$ 955                      | \$ 719 | \$ 1,873                  | \$ 1,455 |

**17. Cat Financial financing activities**
**Allowance for credit losses**
**Portfolio segments**

A portfolio segment is the level at which Cat Financial develops a systematic methodology for determining its allowance for credit losses. Cat Financial's portfolio segments and related methods for estimating expected credit losses are as follows:

**Customer**

Cat Financial provides loans and finance leases to end-user customers primarily for the purpose of financing new and used Caterpillar machinery, engines and equipment for commercial use. Cat Financial also provides financing for power generation facilities that, in most cases, incorporate Caterpillar products. The average original term of Cat Financial's customer finance receivable portfolio was approximately 51 months with an average remaining term of approximately 27 months as of June 30, 2025.

Cat Financial typically maintains a security interest in financed equipment and generally requires physical damage insurance coverage on the financed equipment, both of which provide Cat Financial with certain rights and protections. If Cat Financial's collection efforts fail to bring a defaulted account current, Cat Financial generally can repossess the financed equipment, after satisfying local legal requirements, and sell it within the Caterpillar dealer network or through third-party auctions.

Cat Financial estimates the allowance for credit losses related to its customer finance receivables based on loss forecast models utilizing probabilities of default and the estimated loss given default based on past loss experience adjusted for current conditions and reasonable and supportable forecasts capturing country and industry-specific economic factors.

During the three and six months ended June 30, 2025, Cat Financial's forecasts reflected a continuation of the trend of historically low unemployment rates as well as global market uncertainty and continued actions by global central banks aimed at reducing inflation. Cat Financial believes the economic forecasts employed represent reasonable and supportable forecasts, followed by a reversion to long-term trends.

**Dealer**

Cat Financial provides financing to Caterpillar dealers in the form of wholesale financing plans and working capital loans. Cat Financial's wholesale financing plans provide financing to dealers for their primarily new Caterpillar equipment inventory and rental fleets on a secured and unsecured basis. In addition, Cat Financial provides a variety of secured and unsecured retail loans to Caterpillar dealers.

Cat Financial estimates the allowance for credit losses for dealer finance receivables based on historical loss rates with consideration of current economic conditions and reasonable and supportable forecasts.

In general, Cat Financial's Dealer portfolio segment has not historically experienced large increases or decreases in credit losses based on changes in economic conditions due to its close working relationships with the dealers and their financial strength. Therefore, Cat Financial made no adjustments to historical loss rates during the three and six months ended June 30, 2025.

#### Classes of finance receivables

Cat Financial further evaluates portfolio segments by the class of finance receivables, which is defined as a level of information (below a portfolio segment) in which the finance receivables have the same initial measurement attribute and a similar method for assessing and monitoring credit risk. Cat Financial's classes, which align with management reporting for credit losses, are as follows:

- **North America** - Finance receivables originated in the United States and Canada.
- **EAME** - Finance receivables originated in Europe, Africa, the Middle East and Eurasia.
- **Asia/Pacific** - Finance receivables originated in Australia, New Zealand, China, Japan, Southeast Asia and India.
- **Latin America** - Finance receivables originated in Mexico and Central and South American countries.
- **Mining** - Finance receivables originated worldwide related to large mining customers.
- **Power** - Finance receivables originated worldwide related to large power customers of Caterpillar electrical power generation, gas compression and co-generation systems and non-Caterpillar equipment that is powered by these systems.

Receivable balances, including accrued interest, are written off against the allowance for credit losses when, in the judgment of management, they are considered uncollectible (generally upon repossession of the collateral). Generally, the amount of the write-off is determined by comparing the fair value of the collateral, less cost to sell, to the amortized cost of the receivable. Subsequent recoveries, if any, are credited to the allowance for credit losses when received.

An analysis of the allowance for credit losses was as follows:

| (Millions of dollars)                    | Three Months Ended June 30, 2025 |          |           | Three Months Ended June 30, 2024 |          |           |
|--|----------------------------------|----------|-----------|----------------------------------|----------|-----------|
|  | Customer                         | Dealer   | Total     | Customer                         | Dealer   | Total     |
| Beginning balance                        | \$ 273                           | \$ 4     | \$ 277    | \$ 273                           | \$ 4     | \$ 277    |
| Write-offs                               | (27)                             | —        | (27)      | (33)                             | —        | (33)      |
| Recoveries                               | 9                                | —        | 9         | 15                               | —        | 15        |
| Provision for credit losses <sup>1</sup> | 21                               | —        | 21        | 15                               | —        | 15        |
| Other                                    | 5                                | —        | 5         | (24)                             | —        | (24)      |
| Ending balance                           | \$ 281                           | \$ 4     | \$ 285    | \$ 246                           | \$ 4     | \$ 250    |
|  | Six Months Ended June 30, 2025   |          |           | Six Months Ended June 30, 2024   |          |           |
|  | Customer                         | Dealer   | Total     | Customer                         | Dealer   | Total     |
| Beginning balance                        | \$ 258                           | \$ 4     | \$ 262    | \$ 276                           | \$ 51    | \$ 327    |
| Write-offs                               | (57)                             | —        | (57)      | (56)                             | (47)     | (103)     |
| Recoveries                               | 19                               | —        | 19        | 30                               | —        | 30        |
| Provision for credit losses <sup>1</sup> | 54                               | —        | 54        | 24                               | —        | 24        |
| Other                                    | 7                                | —        | 7         | (28)                             | —        | (28)      |
| Ending balance                           | \$ 281                           | \$ 4     | \$ 285    | \$ 246                           | \$ 4     | \$ 250    |
| Finance Receivables                      | \$ 22,842                        | \$ 1,378 | \$ 24,220 | \$ 20,740                        | \$ 1,780 | \$ 22,520 |

<sup>1</sup> Excludes provision for credit losses on unfunded commitments and other miscellaneous receivables.

Gross write-offs by origination year for the Customer portfolio segment were as follows:

| (Millions of dollars) | Three Months Ended June 30, 2025 |             |              |             |             |             |             | Revolving Finance Receivables | Total |
|-----------------------|----------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------------------------|-------|
|                       | 2025                             | 2024        | 2023         | 2022        | 2021        | Prior       |             |                               |       |
| North America         | \$ —                             | \$ 3        | \$ 6         | \$ 2        | \$ 2        | \$ 2        | \$ 2        | \$ 17                         |       |
| EAME                  | —                                | 1           | 2            | —           | 1           | —           | —           | 4                             |       |
| Asia/Pacific          | —                                | 1           | 1            | 1           | —           | —           | —           | 3                             |       |
| Latin America         | —                                | —           | 1            | 2           | —           | —           | —           | 3                             |       |
| <b>Total</b>          | <b>\$ —</b>                      | <b>\$ 5</b> | <b>\$ 10</b> | <b>\$ 5</b> | <b>\$ 3</b> | <b>\$ 2</b> | <b>\$ 2</b> | <b>\$ 27</b>                  |       |

|               | Three Months Ended June 30, 2024 |             |             |             |             |             |             | Revolving Finance Receivables | Total |
|---------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------------|-------|
|               | 2024                             | 2023        | 2022        | 2021        | 2020        | Prior       |             |                               |       |
| North America | \$ —                             | \$ 5        | \$ 2        | \$ 1        | \$ —        | \$ 1        | \$ 3        | \$ 12                         |       |
| EAME          | —                                | 1           | 1           | 1           | 1           | —           | —           | 4                             |       |
| Asia/Pacific  | —                                | 1           | 1           | 2           | —           | —           | —           | 4                             |       |
| Latin America | —                                | —           | 2           | 2           | 1           | 8           | —           | 13                            |       |
| <b>Total</b>  | <b>\$ —</b>                      | <b>\$ 7</b> | <b>\$ 6</b> | <b>\$ 6</b> | <b>\$ 2</b> | <b>\$ 9</b> | <b>\$ 3</b> | <b>\$ 33</b>                  |       |

|               | Six Months Ended June 30, 2025 |              |              |              |             |             |             | Revolving Finance Receivables | Total |
|---------------|--------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------------------------|-------|
|               | 2025                           | 2024         | 2023         | 2022         | 2021        | Prior       |             |                               |       |
| North America | \$ —                           | \$ 5         | \$ 11        | \$ 6         | \$ 4        | \$ 3        | \$ 4        | \$ 33                         |       |
| EAME          | —                              | 2            | 3            | 1            | 1           | —           | —           | 7                             |       |
| Asia/Pacific  | —                              | 1            | 2            | 1            | 1           | —           | —           | 5                             |       |
| Latin America | —                              | —            | 2            | 3            | —           | 1           | —           | 6                             |       |
| Mining        | —                              | 3            | 1            | 1            | —           | —           | —           | 5                             |       |
| Power         | —                              | —            | —            | —            | —           | 1           | —           | 1                             |       |
| <b>Total</b>  | <b>\$ —</b>                    | <b>\$ 11</b> | <b>\$ 19</b> | <b>\$ 12</b> | <b>\$ 6</b> | <b>\$ 5</b> | <b>\$ 4</b> | <b>\$ 57</b>                  |       |

|               | Six Months Ended June 30, 2024 |              |              |              |             |             |             | Revolving Finance Receivables | Total |
|---------------|--------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------------------------|-------|
|               | 2024                           | 2023         | 2022         | 2021         | 2020        | Prior       |             |                               |       |
| North America | \$ —                           | \$ 8         | \$ 6         | \$ 3         | \$ 1        | \$ 1        | \$ 6        | \$ 25                         |       |
| EAME          | —                              | 2            | 2            | 2            | 1           | —           | —           | 7                             |       |
| Asia/Pacific  | —                              | 2            | 3            | 3            | 1           | —           | —           | 9                             |       |
| Latin America | —                              | —            | 3            | 3            | 1           | 8           | —           | 15                            |       |
| <b>Total</b>  | <b>\$ —</b>                    | <b>\$ 12</b> | <b>\$ 14</b> | <b>\$ 11</b> | <b>\$ 4</b> | <b>\$ 9</b> | <b>\$ 6</b> | <b>\$ 56</b>                  |       |

For the three months ended June 30, 2025 and 2024, there were no gross write-offs in Cat Financial's Dealer portfolio segment. For the six months ended June 30, 2025, there were no gross write-offs in Cat Financial's Dealer portfolio segment. For the six months ended June 30, 2024, there were \$47 million of gross write-offs in Cat Financial's Dealer portfolio segment, all of which were in Latin America and originated prior to 2020.

#### Credit quality of finance receivables

At origination, Cat Financial evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, loan-to-value ratios, probabilities of default, industry trends, macroeconomic factors and other internal metrics. On an ongoing basis, Cat Financial monitors credit quality based on past-due status as there is a meaningful correlation between the past-due status of customers and the risk of loss. In determining past-due status, Cat Financial considers the entire finance receivable past due when any installment is over 30 days past due.

**Customer**

The aging category of Cat Financial's amortized cost of finance receivables in the Customer portfolio segment by origination year were as follows:

| (Millions of dollars)           | June 30, 2025   |                 |                 |                 |                 |               |               | Revolving<br>Finance<br>Receivables | Total Finance<br>Receivables |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|-------------------------------------|------------------------------|
|                                 | 2025            | 2024            | 2023            | 2022            | 2021            | Prior         |               |                                     |                              |
| <b>North America</b>            |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | \$ 2,805        | \$ 4,496        | \$ 2,439        | \$ 1,126        | \$ 607          | \$ 107        | \$ 443        | \$ 12,023                           |                              |
| 31-60 days past due             | 14              | 43              | 40              | 26              | 12              | 3             | 3             | 141                                 |                              |
| 61-90 days past due             | 3               | 18              | 13              | 8               | 5               | 1             | 1             | 49                                  |                              |
| 91+ days past due               | 1               | 27              | 37              | 26              | 14              | 5             | 1             | 111                                 |                              |
| <b>EAME</b>                     |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | 769             | 1,155           | 786             | 444             | 213             | 95            | —             | 3,462                               |                              |
| 31-60 days past due             | 2               | 9               | 11              | 6               | 2               | 1             | —             | 31                                  |                              |
| 61-90 days past due             | 2               | 4               | 7               | 3               | 2               | 2             | —             | 20                                  |                              |
| 91+ days past due               | —               | 8               | 14              | 8               | 4               | 3             | —             | 37                                  |                              |
| <b>Asia/Pacific</b>             |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | 533             | 730             | 414             | 168             | 51              | 6             | —             | 1,902                               |                              |
| 31-60 days past due             | 4               | 9               | 5               | 5               | 1               | —             | —             | 24                                  |                              |
| 61-90 days past due             | —               | 2               | 2               | 2               | —               | —             | —             | 6                                   |                              |
| 91+ days past due               | —               | 2               | 2               | 1               | —               | —             | —             | 5                                   |                              |
| <b>Latin America</b>            |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | 532             | 672             | 298             | 161             | 35              | 5             | 1             | 1,704                               |                              |
| 31-60 days past due             | —               | 10              | 5               | 3               | 1               | 1             | —             | 20                                  |                              |
| 61-90 days past due             | —               | 3               | 2               | 1               | —               | —             | —             | 6                                   |                              |
| 91+ days past due               | 1               | 7               | 8               | 7               | 3               | —             | —             | 26                                  |                              |
| <b>Mining</b>                   |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | 394             | 822             | 641             | 360             | 152             | 68            | 16            | 2,453                               |                              |
| 31-60 days past due             | —               | —               | 1               | —               | —               | —             | —             | 1                                   |                              |
| 61-90 days past due             | —               | —               | 1               | —               | —               | 2             | —             | 3                                   |                              |
| 91+ days past due               | —               | 3               | 4               | 5               | —               | 1             | —             | 13                                  |                              |
| <b>Power</b>                    |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | 87              | 227             | 178             | 37              | 32              | 67            | 176           | 804                                 |                              |
| 31-60 days past due             | —               | —               | —               | —               | —               | —             | —             | —                                   |                              |
| 61-90 days past due             | —               | —               | —               | —               | —               | —             | —             | —                                   |                              |
| 91+ days past due               | —               | —               | —               | —               | —               | 1             | —             | 1                                   |                              |
| <b>Totals by Aging Category</b> |                 |                 |                 |                 |                 |               |               |                                     |                              |
| Current                         | \$ 5,120        | \$ 8,102        | \$ 4,756        | \$ 2,296        | \$ 1,090        | \$ 348        | \$ 636        | \$ 22,348                           |                              |
| 31-60 days past due             | 20              | 71              | 62              | 40              | 16              | 5             | 3             | 217                                 |                              |
| 61-90 days past due             | 5               | 27              | 25              | 14              | 7               | 5             | 1             | 84                                  |                              |
| 91+ days past due               | 2               | 47              | 65              | 47              | 21              | 10            | 1             | 193                                 |                              |
| <b>Total Customer</b>           | <b>\$ 5,147</b> | <b>\$ 8,247</b> | <b>\$ 4,908</b> | <b>\$ 2,397</b> | <b>\$ 1,134</b> | <b>\$ 368</b> | <b>\$ 641</b> | <b>\$ 22,842</b>                    |                              |

| (Millions of dollars)           | December 31, 2024 |                 |                 |                 |               |               |                               |                           |
|---------------------------------|-------------------|-----------------|-----------------|-----------------|---------------|---------------|-------------------------------|---------------------------|
|                                 | 2024              | 2023            | 2022            | 2021            | 2020          | Prior         | Revolving Finance Receivables | Total Finance Receivables |
| <b>North America</b>            |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | \$ 5,340          | \$ 3,035        | \$ 1,567        | \$ 980          | \$ 244        | \$ 23         | \$ 385                        | \$ 11,574                 |
| 31-60 days past due             | 30                | 42              | 29              | 18              | 5             | 1             | 3                             | 128                       |
| 61-90 days past due             | 9                 | 14              | 10              | 6               | 2             | 1             | 1                             | 43                        |
| 91+ days past due               | 13                | 37              | 26              | 16              | 6             | 2             | 1                             | 101                       |
| <b>EAME</b>                     |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | 1,235             | 874             | 532             | 285             | 92            | 72            | —                             | 3,090                     |
| 31-60 days past due             | 7                 | 10              | 4               | 3               | 1             | —             | —                             | 25                        |
| 61-90 days past due             | 3                 | 4               | 1               | 1               | 1             | —             | —                             | 10                        |
| 91+ days past due               | 3                 | 14              | 8               | 6               | 4             | 1             | —                             | 36                        |
| <b>Asia/Pacific</b>             |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | 898               | 531             | 256             | 87              | 14            | 2             | —                             | 1,788                     |
| 31-60 days past due             | 4                 | 6               | 5               | 2               | —             | —             | —                             | 17                        |
| 61-90 days past due             | 1                 | 1               | 2               | 1               | —             | —             | —                             | 5                         |
| 91+ days past due               | 4                 | 1               | 2               | 1               | 1             | —             | —                             | 9                         |
| <b>Latin America</b>            |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | 800               | 363             | 220             | 60              | 8             | 2             | —                             | 1,453                     |
| 31-60 days past due             | 4                 | 6               | 5               | 1               | —             | 2             | —                             | 18                        |
| 61-90 days past due             | 1                 | 2               | 1               | —               | —             | —             | —                             | 4                         |
| 91+ days past due               | 2                 | 6               | 8               | 4               | 1             | 1             | —                             | 22                        |
| <b>Mining</b>                   |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | 924               | 755             | 444             | 206             | 67            | 34            | 21                            | 2,451                     |
| 31-60 days past due             | —                 | 1               | —               | —               | —             | —             | —                             | 1                         |
| 61-90 days past due             | —                 | 1               | —               | —               | —             | —             | —                             | 1                         |
| 91+ days past due               | 4                 | 5               | 5               | 1               | —             | 3             | —                             | 18                        |
| <b>Power</b>                    |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | 169               | 184             | 39              | 43              | 64            | 56            | 166                           | 721                       |
| 31-60 days past due             | —                 | —               | —               | —               | —             | —             | —                             | —                         |
| 61-90 days past due             | —                 | —               | —               | —               | —             | —             | —                             | —                         |
| 91+ days past due               | —                 | —               | —               | —               | —             | 2             | —                             | 2                         |
| <b>Totals by Aging Category</b> |                   |                 |                 |                 |               |               |                               |                           |
| Current                         | \$ 9,366          | \$ 5,742        | \$ 3,058        | \$ 1,661        | \$ 489        | \$ 189        | \$ 572                        | \$ 21,077                 |
| 31-60 days past due             | 45                | 65              | 43              | 24              | 6             | 3             | 3                             | 189                       |
| 61-90 days past due             | 14                | 22              | 14              | 8               | 3             | 1             | 1                             | 63                        |
| 91+ days past due               | 26                | 63              | 49              | 28              | 12            | 9             | 1                             | 188                       |
| <b>Total Customer</b>           | <b>\$ 9,451</b>   | <b>\$ 5,892</b> | <b>\$ 3,164</b> | <b>\$ 1,721</b> | <b>\$ 510</b> | <b>\$ 202</b> | <b>\$ 577</b>                 | <b>\$ 21,517</b>          |

## Dealer

As of June 30, 2025 and December 31, 2024, Cat Financial's total amortized cost of finance receivables within the Dealer portfolio segment was current.

### Non-accrual finance receivables

Recognition of income is suspended and the finance receivable is placed on non-accrual status when management determines that collection of future income is not probable. Contracts on non-accrual status are generally more than 120 days past due. Recognition is resumed and previously suspended income is recognized when collection is considered probable. Payments received while the finance receivable is on non-accrual status are applied to interest and principal in accordance with the contractual terms. Interest earned but uncollected prior to the receivable being placed on non-accrual status is written off through Provision for credit losses when, in the judgment of management, it is considered uncollectible.

In Cat Financial's Customer portfolio segment, finance receivables which were on non-accrual status and finance receivables over 90 days past due and still accruing income were as follows:

| (Millions of dollars) | June 30, 2025                       |                       | December 31, 2024                   |                       |
|-----------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
|                       | Amortized Cost                      |                       | Amortized Cost                      |                       |
|                       | Non-accrual<br>With an<br>Allowance | 91+ Still<br>Accruing | Non-accrual<br>With an<br>Allowance | 91+ Still<br>Accruing |
| North America         | \$ 94                               | \$ 20                 | \$ 83                               | \$ 20                 |
| EAME                  | 36                                  | 5                     | 33                                  | 5                     |
| Asia/Pacific          | 3                                   | 3                     | 5                                   | 5                     |
| Latin America         | 26                                  | —                     | 24                                  | —                     |
| Mining                | 16                                  | —                     | 29                                  | —                     |
| Power                 | 1                                   | —                     | 2                                   | —                     |
| <b>Total</b>          | <b>\$ 176</b>                       | <b>\$ 28</b>          | <b>\$ 176</b>                       | <b>\$ 30</b>          |

There were no finance receivables in Cat Financial's Dealer portfolio segment on non-accrual status as of June 30, 2025 and December 31, 2024.

### Modifications

Cat Financial periodically modifies the terms of their finance receivable agreements. Typically, the types of modifications granted are payment deferrals, interest-only payment periods and/or term extensions. Many modifications Cat Financial grants are for commercial reasons or for borrowers experiencing some form of short-term financial stress and may result in insignificant payment delays. Cat Financial does not consider these borrowers to be experiencing financial difficulty. Modifications for borrowers Cat Financial does consider to be experiencing financial difficulty typically result in payment deferrals and/or reduced payments for a period of four months or longer, term extension of six months or longer or a combination of both.

During the three and six months ended June 30, 2025 and 2024, there were no finance receivable modifications granted to borrowers experiencing financial difficulty in Cat Financial's Dealer portfolio segment.

The ending amortized cost of finance receivables modified with borrowers experiencing financial difficulty in Cat Financial's Customer portfolio segment was as follows:

| (Millions of dollars)                               | Three Months Ended June 30,                    |        | Six Months Ended June 30, |        |
|---|--|--------|---------------------------|--------|
|   | 2025   | 2024   | 2025                      | 2024   |
|   | Amortized cost of finance receivables modified | \$ 16  | \$ 3                      | \$ 20  |
| Modifications as a percentage of Customer portfolio | 0.07 %   | 0.02 % | 0.09 %                    | 0.03 % |

The financial effects of term extensions and payment delays for borrowers experiencing financial difficulty were as follows:

| (In months)  | Three Months Ended June 30,                              |      | Six Months Ended June 30, |      |
|--|--|------|---------------------------|------|
|  | 2025   | 2024 | 2025                      | 2024 |
|  | Weighted average extension to term of modified contracts | 14   | 13                        | 13   |
| Weighted average payment deferral and/or interest only periods | 7  | 6    | 7                         | 8    |

After Cat Financial modifies a finance receivable, they continue to track its performance under its most recent modified terms. Defaults of loans modified in the prior twelve months were not significant during the three and six months ended June 30, 2025 and 2024.

The effect of most modifications made to finance receivables for borrowers experiencing financial difficulty is already included in the allowance for credit losses based on the methodologies used to estimate the allowance; therefore, a change to the allowance for credit losses is generally not recorded upon modification. On rare occasions when principal forgiveness is provided, the amount forgiven is written off against the allowance for credit losses.

## 18. Fair value disclosures

### A. Fair value measurements

The guidance on fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. This guidance also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- **Level 1** — Quoted prices for identical instruments in active markets.
- **Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.
- **Level 3** — Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

When available, we use quoted market prices to determine fair value, and we classify such measurements within Level 1. In some cases where market prices are not available, we make use of observable market based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon valuations in which one or more significant inputs are unobservable, including internally developed models that use, where possible, current market-based parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

We classify fair value measurements according to the lowest level input or value-driver that is significant to the valuation. We may therefore classify a measurement within Level 3 even though there may be significant inputs that are readily observable.

Fair value measurement includes the consideration of nonperformance risk. Nonperformance risk refers to the risk that an obligation (either by a counterparty or Caterpillar) will not be fulfilled. For financial assets traded in an active market (Level 1 and certain Level 2), the nonperformance risk is included in the market price. For certain other financial assets and liabilities (certain Level 2 and Level 3), our fair value calculations have been adjusted accordingly.

Investments in debt and equity securities

We have investments in certain debt and equity securities that are recorded at fair value. Fair values for our U.S. treasury bonds and large capitalization value and smaller company growth equity securities are based upon valuations for identical instruments in active markets. Fair values for other government debt securities, corporate debt securities and mortgage-backed debt securities are based upon models that take into consideration such market-based factors as recent sales, risk-free yield curves and prices of similarly rated bonds.

In addition, Insurance Services has an equity investment in a real estate investment trust (REIT) which is recorded at fair value based on the net asset value (NAV) of the investment and is not classified within the fair value hierarchy.

See Note 8 for additional information on our investments in debt and equity securities.

Derivative financial instruments

The fair value of interest rate contracts is primarily based on a standard industry accepted valuation model that utilizes the appropriate market-based forward swap curves and zero-coupon interest rates to determine discounted cash flows. The fair value of foreign currency and commodity forward, option and cross currency contracts is based on standard industry accepted valuation models that discount cash flows resulting from the differential between the contract price and the market-based forward rate. The fair value of total return swap contracts is primarily based on valuing the underlying securities or funds using pricing by industry providers and the average Secured Overnight Financing Rate (SOFR) plus a spread.

See Note 5 for additional information.

Assets and liabilities measured on a recurring basis at fair value included in our Consolidated Statement of Financial Position as of June 30, 2025 and December 31, 2024 were as follows:

| (Millions of dollars)                          | June 30, 2025 |          |         |                    | Total<br>Assets / Liabilities,<br>at Fair Value |
|--|---------------|----------|---------|--------------------|---|
|  | Level 1       | Level 2  | Level 3 | Measured at<br>NAV |   |
| <b>Assets</b>                                  |               |          |         |                    |   |
| Debt securities                                |               |          |         |                    |   |
| Government debt securities                     |               |          |         |                    |   |
| U.S. treasury bonds                            | \$ 10         | \$ —     | \$ —    | \$ —               | \$ 10   |
| Other U.S. and non-U.S. government bonds       | —             | 66       | —       | —                  | 66  |
| Corporate debt securities                      |               |          |         |                    |   |
| Corporate bonds and other debt securities      | —             | 2,437    | —       | —                  | 2,437   |
| Asset-backed securities                        | —             | 255      | —       | —                  | 255   |
| Mortgage-backed debt securities                |               |          |         |                    |   |
| U.S. governmental agency                       | —             | 485      | —       | —                  | 485   |
| Residential                                    | —             | 1        | —       | —                  | 1   |
| Commercial                                     | —             | 132      | —       | —                  | 132   |
| Total debt securities                          | 10            | 3,376    | —       | —                  | 3,386   |
| Equity securities                              |               |          |         |                    |   |
| Large capitalization value                     | 284           | —        | —       | —                  | 284   |
| Smaller company growth                         | 45            | —        | —       | —                  | 45  |
| REIT   | —             | —        | —       | 171                | 171   |
| Total equity securities                        | 329           | —        | —       | 171                | 500   |
| Derivative financial instruments - assets      |               |          |         |                    |   |
| Foreign currency contracts - net               | —             | 200      | —       | —                  | 200   |
| Commodity contracts - net                      | —             | 2        | —       | —                  | 2   |
| Total return swap contracts - net              | —             | 30       | —       | —                  | 30  |
| Total assets                                   | \$ 339        | \$ 3,608 | \$ —    | \$ 171             | \$ 4,118  |
| <b>Liabilities</b>                             |               |          |         |                    |   |
| Derivative financial instruments - liabilities |               |          |         |                    |   |
| Interest rate contracts - net                  | \$ —          | \$ 53    | \$ —    | \$ —               | \$ 53   |
| Total liabilities                              | \$ —          | \$ 53    | \$ —    | \$ —               | \$ 53   |

| (Millions of dollars)                          | December 31, 2024 |          |         |                 |   |
|--|-------------------|----------|---------|-----------------|---|
|  | Level 1           | Level 2  | Level 3 | Measured at NAV | Total Assets / Liabilities, at Fair Value |
| <b>Assets</b>                                  |                   |          |         |                 |   |
| Debt securities                                |                   |          |         |                 |   |
| Government debt securities                     |                   |          |         |                 |   |
| U.S. treasury bonds                            | \$ 10             | \$ —     | \$ —    | \$ —            | \$ 10                                     |
| Other U.S. and non-U.S. government bonds       | —                 | 68       | —       | —               | 68  |
| Corporate debt securities                      |                   |          |         |                 |   |
| Corporate bonds and other debt securities      | —                 | 3,170    | —       | —               | 3,170                                     |
| Asset-backed securities                        | —                 | 219      | —       | —               | 219                                       |
| Mortgage-backed debt securities                |                   |          |         |                 |   |
| U.S. governmental agency                       | —                 | 443      | —       | —               | 443                                       |
| Residential                                    | —                 | 2        | —       | —               | 2   |
| Commercial                                     | —                 | 130      | —       | —               | 130                                       |
| Total debt securities                          | 10                | 4,032    | —       | —               | 4,042                                     |
| Equity securities                              |                   |          |         |                 |   |
| Large capitalization value                     | 261               | —        | —       | —               | 261                                       |
| Smaller company growth                         | 41                | —        | —       | —               | 41  |
| REIT   | —                 | —        | —       | 167             | 167                                       |
| Total equity securities                        | 302               | —        | —       | 167             | 469                                       |
| Derivative financial instruments - assets      |                   |          |         |                 |   |
| Foreign currency contracts - net               | —                 | 117      | —       | —               | 117                                       |
| Total assets                                   | \$ 312            | \$ 4,149 | \$ —    | \$ 167          | \$ 4,628                                  |
| <b>Liabilities</b>                             |                   |          |         |                 |   |
| Derivative financial instruments - liabilities |                   |          |         |                 |   |
| Interest rate contracts - net                  | \$ —              | \$ 191   | \$ —    | \$ —            | \$ 191                                    |
| Commodity contracts - net                      | —                 | 2        | —       | —               | 2   |
| Total return swap contracts - net              | —                 | 33       | —       | —               | 33  |
| Total liabilities                              | \$ —              | \$ 226   | \$ —    | \$ —            | \$ 226                                    |

In addition to the amounts above, certain Cat Financial loans are subject to measurement at fair value on a nonrecurring basis and are classified as Level 3 measurements. A loan is measured at fair value when management determines that collection of contractual amounts due is not probable and the loan is individually evaluated. Generally, the fair value of these receivables is measured using the fair value of collateral less estimated costs to sell. Cat Financial had loans carried at fair value of \$61 million and \$59 million as of June 30, 2025 and December 31, 2024, respectively.

## B. Fair values of financial instruments

In addition to the methods and assumptions we use to record the fair value of financial instruments as discussed in the Fair value measurements section above, we use the following methods and assumptions to estimate the fair value of our financial instruments:

### Cash and cash equivalents

Carrying amount approximates fair value. We classify cash and cash equivalents as Level 1. See Consolidated Statement of Financial Position.

Restricted cash and short-term investments

Carrying amount approximates fair value. We include restricted cash and short-term investments in Prepaid expenses and other current assets in the Consolidated Statement of Financial Position. We classify these instruments as Level 1. See Note 8 for additional information.

Finance receivables

We estimate fair value by discounting the future cash flows using current rates, representative of receivables with similar remaining maturities.

Wholesale inventory receivables

We estimate fair value by discounting the future cash flows using current rates, representative of receivables with similar remaining maturities.

Short-term borrowings

Carrying amount approximates fair value. We classify short-term borrowings as Level 1. See Consolidated Statement of Financial Position.

Long-term debt

We estimate fair value for fixed and floating rate debt based on quoted market prices.

Our financial instruments not carried at fair value were as follows:

| (Millions of dollars)  | June 30, 2025   |            | December 31, 2024 |            | Fair Value Levels | Reference |
|--|-----------------|------------|-------------------|------------|-------------------|-----------|
|  | Carrying Amount | Fair Value | Carrying Amount   | Fair Value |                   |           |
| <b>Assets</b>  |                 |            |                   |            |                   |           |
| Finance receivables – net (excluding finance leases <sup>1</sup> )             | \$ 16,928       | \$ 16,601  | \$ 16,180         | \$ 15,788  | 3                 | Note 17   |
| Wholesale inventory receivables – net (excluding finance leases <sup>1</sup> ) | 1,707           | 1,653      | 1,568             | 1,527      | 3                 |           |
| <b>Liabilities</b>   |                 |            |                   |            |                   |           |
| Long-term debt (including amounts due within one year)                         |                 |            |                   |            |                   |           |
| Machinery, Energy & Transportation   | 10,684          | 10,195     | 8,610             | 7,980      | 2                 |           |
| Financial Products   | 25,579          | 25,605     | 25,406            | 25,304     | 2                 |           |

<sup>1</sup> Represents finance leases and failed sale leasebacks of \$7,195 million and \$6,769 million at June 30, 2025 and December 31, 2024, respectively.

**19. Other income (expense)**

| (Millions of dollars)   | Three Months Ended June 30, |               | Six Months Ended June 30, |               |
|---|-----------------------------|---------------|---------------------------|---------------|
|   | 2025                        | 2024          | 2025                      | 2024          |
| Investment and interest income                                      | \$ 81                       | \$ 118        | \$ 180                    | \$ 254        |
| Foreign exchange gains (losses) <sup>1</sup>                        | (125)                       | 17            | (143)                     | 59            |
| License fee income  | 37                          | 37            | 72                        | 71            |
| Net periodic pension and OPEB income (cost), excluding service cost | 13                          | 2             | 24                        | 5             |
| Gains (losses) on securities  | 28                          | (5)           | 31                        | 12            |
| Miscellaneous income (loss)   | 50                          | (14)          | 27                        | (90)          |
| <b>Total</b>  | <b>\$ 84</b>                | <b>\$ 155</b> | <b>\$ 191</b>             | <b>\$ 311</b> |

<sup>1</sup> Includes gains (losses) from foreign exchange derivative contracts. See Note 5 for further details.

**20. Restructuring income/costs**

Our accounting for employee separations is dependent upon how the particular program is designed. For voluntary programs, we recognize eligible separation costs at the time of employee acceptance unless the acceptance requires explicit approval by the company. For involuntary programs, we recognize eligible costs when management has approved the program, the affected employees have been properly notified and the costs are estimable.

Restructuring costs for the three and six months ended June 30, 2025 and 2024 were as follows:

| (Millions of dollars)                     | Three Months Ended June 30, |               | Six Months Ended June 30, |               |
|---|-----------------------------|---------------|---------------------------|---------------|
|   | 2025                        | 2024          | 2025                      | 2024          |
| Employee separations <sup>1</sup>         | \$ 10                       | \$ 19         | \$ 27                     | \$ 32         |
| Divestitures <sup>1</sup>                 | —                           | 228           | —                         | 164           |
| Contract terminations <sup>1</sup>        | —                           | 1             | 4                         | 1             |
| Long-lived asset impairments <sup>1</sup> | 14                          | —             | 14                        | 7             |
| Other <sup>2</sup>                        | 35                          | 10            | 47                        | 48            |
| <b>Total restructuring (income) costs</b> | <b>\$ 59</b>                | <b>\$ 258</b> | <b>\$ 92</b>              | <b>\$ 252</b> |

<sup>1</sup> Recognized in Other operating (income) expenses.

<sup>2</sup> Represents costs related to our restructuring programs, primarily for inventory write-downs, project management, equipment relocation and accelerated depreciation, all of which are primarily included in Cost of goods sold.

The restructuring costs for the six months ended June 30, 2025 were related to restructuring actions across the company. The restructuring costs for the six months ended June 30, 2024 were primarily related to the divestitures of certain non-US entities.

In 2025 and 2024, all restructuring costs are excluded from segment profit.

**21. Supplier finance programs**

We facilitate voluntary supplier finance programs (the “Programs”) through participating financial institutions. The Programs are available to a wide range of suppliers and allow them the option to manage their cash flow. We are not a party to the agreements between the participating financial institutions and the suppliers in connection with the Programs. The range of payment terms, typically 60-90 days, we negotiate with our suppliers is consistent, irrespective of whether a supplier participates in the Programs. The amount of obligations outstanding that are confirmed as valid to the participating financial institutions for suppliers who voluntarily participate in the Programs, included in Accounts payable in the Consolidated Statement of Financial Position, were \$949 million and \$830 million at June 30, 2025 and December 31, 2024, respectively.

**22. Long-term debt**

On May 12, 2025, we issued \$1.7 billion of 5.200% Senior Notes due 2035 and \$300 million 5.500% Senior Notes due 2055. Interest on each series of notes will be paid semi-annually on May 15 and November 15 of each year, commencing on November 15, 2025.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide information that will assist the reader in understanding the company’s Consolidated Financial Statements, the changes in certain key items in those financial statements between select periods and the primary factors that accounted for those changes. In addition, we discuss how certain accounting principles, policies and critical estimates affect our Consolidated Financial Statements. Our discussion also contains certain forward-looking statements related to future events and expectations as well as a discussion of the many factors that we believe may have an impact on our business on an ongoing basis. This MD&A should be read in conjunction with our discussion of cautionary statements and significant risks to the company’s business under Part I, Item 1A. Risk Factors of the [2024 Form 10-K](#).

**Highlights for the second quarter of 2025 include:**

- Total sales and revenues for the second quarter of 2025 were \$16.569 billion, a decrease of \$120 million, or 1 percent, compared with \$16.689 billion in the second quarter of 2024. In the three primary segments, sales were higher in *Energy & Transportation* and lower in *Construction Industries* and *Resource Industries*.
- Operating profit margin was 17.3 percent for the second quarter of 2025, compared with 20.9 percent for the second quarter of 2024. *Adjusted operating profit margin* was 17.6 percent for the second quarter of 2025, compared with 22.4 percent for the second quarter of 2024.
- Second-quarter 2025 profit per share was \$4.62, and excluding the items in the table below, *adjusted profit per share* was \$4.72. Second-quarter 2024 profit per share was \$5.48, and excluding the items in the table below, adjusted profit per share was \$5.99.
- Caterpillar ended the second quarter of 2025 with \$5.4 billion of enterprise cash.

**Highlights for the six months ended June 30, 2025 include:**

- Total sales and revenues were \$30.818 billion for the six months ended June 30, 2025, a decrease of \$1.670 billion, or 5 percent, compared with \$32.488 billion for the six months ended June 30, 2024.
- Operating profit margin was 17.6 percent for the six months ended June 30, 2025, compared with 21.5 percent for the six months ended June 30, 2024. Adjusted operating profit margin was 17.9 percent for the six months ended June 30, 2025, compared with 22.3 percent for the six months ended June 30, 2024.
- Profit per share for the six months ended June 30, 2025, was \$8.82, and excluding the items in the table below, adjusted profit per share was \$8.97. Profit per share for the six months ended June 30, 2024, was \$11.23, and excluding the items in the table below, adjusted profit per share was \$11.59.
- Enterprise operating cash flow was \$4.4 billion for the six months ended June 30, 2025.

In order for our results to be more meaningful to our readers, we have separately quantified the impact of several significant items.

|  | Three Months Ended June 30, 2025 |                  | Three Months Ended June 30, 2024 |                  | Six Months Ended June 30, 2025 |                  | Six Months Ended June 30, 2024 |                  |
|--|----------------------------------|------------------|----------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
|  | Profit Before Taxes              | Profit Per Share | Profit Before Taxes              | Profit Per Share | Profit Before Taxes            | Profit Per Share | Profit Before Taxes            | Profit Per Share |
| (Dollars in millions except per share data)                              |                                  |                  |                                  |                  |                                |                  |                                |                  |
| <b>Profit</b>  | \$ 2,818                         | \$ 4.62          | \$ 3,500                         | \$ 5.48          | \$ 5,388                       | \$ 8.82          | \$ 7,032                       | \$ 11.23         |
| Other restructuring (income) costs                                       | 56                               | 0.10             | 30                               | 0.04             | 89                             | 0.15             | 88                             | 0.14             |
| Restructuring (income) costs - divestitures of certain non-U.S. entities | —                                | —                | 228                              | 0.47             | —                              | —                | 164                            | 0.22             |
| Adjusted profit  | \$ 2,874                         | \$ 4.72          | \$ 3,758                         | \$ 5.99          | \$ 5,477                       | \$ 8.97          | \$ 7,284                       | \$ 11.59         |

A detailed reconciliation of GAAP to non-GAAP financial measures is included on pages 67-69.

**Overview**

Total sales and revenues for the second quarter of 2025 were \$16.569 billion, a decrease of \$120 million, or 1 percent, compared with \$16.689 billion in the second quarter of 2024. The decrease was primarily due to unfavorable *price realization* of \$414 million, partially offset by higher *sales volume* of \$237 million and higher *Financial Products* revenues of \$46 million. Higher sales volume was mainly driven by higher sales of equipment to end users.

Second-quarter 2025 profit per share was \$4.62, compared with \$5.48 profit per share in the second quarter of 2024. In the second quarter of 2025 and 2024, profit per share included restructuring costs. Profit for the second quarter of 2025 was \$2.179 billion, a decrease of \$502 million, or 19 percent, compared with \$2.681 billion for the second quarter of 2024. The decrease was mainly due to unfavorable *manufacturing costs*. Unfavorable manufacturing costs largely reflected the impact of higher tariffs.

## Trends and Economic Conditions

### Outlook for Key End Markets

We continue to see strong orders across our three primary segments as demand remains resilient supported by infrastructure spending and growing energy needs. As a result, the backlog increased by about \$2.5 billion with increases across all three primary segments.

In Construction Industries, we are encouraged by another quarter of higher sales of equipment to end users, strong order rates across many of our regions, and backlog growth. Customers continue to be responsive to the attractive rates we are offering through Cat Financial. As a result, we anticipate growth in sales of equipment to end users in 2025 despite softness in the global industry. In North America, overall construction spending remains at healthy levels and infrastructure projects funded by the Infrastructure Investment and Jobs Act (IIJA) continue to be awarded. We now expect growth for sales of equipment to end users in North America in 2025. Dealer rental revenues are also expected to grow and dealer rental fleet loading is expected to increase in the second half of 2025. In Asia Pacific, we anticipate growth in sales of equipment to end users in 2025. China is showing positive momentum, and we expect growth in the above 10-ton excavator industry, but from a very low level of activity. In Asia Pacific, outside of China, we expect economic conditions to be soft. In *EAME*, we expect moderate growth in sales of equipment to end users in 2025, driven by healthy construction activity in Africa and the Middle East and improving economic conditions in Europe. Despite weaker construction activity in *Latin America*, we expect growth in sales of equipment to end users in 2025.

In Resource Industries, we currently anticipate lower sales of equipment to end users for 2025 compared to 2024, as customers continue to display capital discipline. However, we see positive momentum with strong order rates and backlog growth, particularly for large mining and articulated trucks. Although most key commodities remain above investment thresholds, declining coal prices have caused an increase in the number of parked trucks. As a result, we expect slightly lower rebuild activity throughout the second half of 2025. Overall, customer product utilization remains high, and the age of the fleet remains elevated. We also continue to see growing demand and customer acceptance of our autonomous solutions. We believe the evolving energy landscape will support increased commodity demand over time providing further opportunities for long-term profitable growth.

In Energy & Transportation, the backlog growth was driven by robust order activity in Power Generation, Oil and Gas, and Transportation. For Power Generation, we expect growth in 2025 as demand remains strong for both prime and backup power applications, driven by increasing energy demands to support data center growth related to cloud computing and generative artificial intelligence (AI). In Oil and Gas, we expect moderate growth in 2025. For Oil and Gas reciprocating engines and services, we continue to expect softness in well servicing due to ongoing capital discipline by our customers, industry consolidation and efficiency improvements in our customers' operations. Also within Oil and Gas, we do see positive momentum in demand for reciprocating engines used in gas compression applications. For turbines and turbine-related services used in Oil and Gas applications, backlog remains strong, and we see healthy order and inquiry activity. Demand for products in Industrial applications is expected to improve from previous low levels. Transportation is expected to remain stable.

### Full-Year 2025 Company Trends and Expectations

We are optimistic about our sales and revenues expectations. Demand signals have remained healthy, including backlog growth across our three primary segments.

For 2025, we expect slightly higher sales and revenues as compared to 2024, with a stronger second half of 2025 than is typical. *Services* revenues are expected to be about flat for 2025 as compared to 2024.

The environment continues to be dynamic. The incremental tariffs announced in 2025 and expected to be in place on August 7 will be a headwind to profitability during the remainder of the year. While we have taken initial mitigating actions to reduce the impact, tariff and trade negotiations continue to be fluid. We will remain flexible, and we intend to implement longer-term actions once there is sufficient certainty. We are considering all options to further reduce the impact from incremental tariffs going forward.

Based on the incremental tariffs announced in 2025 and expected to be in place on August 7, we expect the incremental tariff impact for 2025 to be around \$1.3 billion to \$1.5 billion, net of some mitigating actions and cost controls. This assumes higher net incremental tariff impacts in both the third and fourth quarters compared to the second-quarter level. Due to the timing of recent rate changes, the impact is likely to be larger in the fourth quarter of 2025 as compared to the third quarter of 2025.

In 2025, we expect restructuring costs of approximately \$300 to \$350 million and capital expenditures of around \$2.5 billion. We are evaluating the impact from recently enacted U.S. legislation and do not expect a material impact on the estimated annual effective tax rate of 23.0 percent in 2025.

*Second-Half 2025 Company Trends and Expectations*

We anticipate higher machine sales volume, including growth in sales of equipment to end users, in the second half of 2025 as compared to the second half of 2024. We also continue to expect machine dealer inventory will be about flat for the full-year 2025 as compared to 2024, which implies an increase in the second half of 2025 as compared to a decrease in the second half of 2024. In Energy & Transportation, we expect higher sales in the second half of 2025 compared to the second half of 2024.

We expect unfavorable price realization in the second half of 2025 as compared to the second half of 2024, although we expect it to be less unfavorable than the first half of 2025 as compared to the first half of 2024.

*Third-Quarter 2025 Company Trends and Expectations*

In the third quarter of 2025 as compared to the third quarter of 2024, we expect moderately higher sales and revenues, primarily driven by higher sales volume across all three primary segments. In Construction Industries, we expect higher sales in the third quarter of 2025 as compared to the third quarter of 2024, primarily driven by higher sales volume, partially offset by unfavorable price realization. We expect higher sales volume to be mainly driven by higher sales of equipment to end users. Though the year-over-year price comparison begins to ease in the third quarter of 2025, we expect our sales merchandising programs will continue to support higher sales of equipment to end users. The unfavorable impact of price realization in the third quarter of 2025 as compared to the third quarter of 2024 is expected to be about half of the impact in the second quarter of 2025 when compared to the second quarter of 2024. In Resource Industries, in the third quarter of 2025, we expect slightly higher sales as compared to the third quarter of 2024, primarily due to higher sales volume, partially offset by unfavorable price realization. The unfavorable impact of price realization in the third quarter of 2025 as compared to the third quarter of 2024 is expected to be similar to the impact in the second quarter of 2025 as compared to the second quarter of 2024. In Energy & Transportation, in the third quarter of 2025, we anticipate higher sales as compared to the third quarter of 2024, primarily driven by continued strength in Power Generation. We also expect higher sales in Oil and Gas, driven by turbines and turbine-related services. Price realization is expected to remain favorable.

In the third quarter of 2025 as compared to the third quarter of 2024, excluding the net impact from incremental tariffs, we expect the profit impact of higher sales volume to be about offset by unfavorable price realization and higher selling, general and administrative (SG&A) and research and development (R&D) expenses. In the third quarter of 2025, we expect a net incremental tariff impact of about \$400 to \$500 million.

In the third quarter of 2025 as compared to the third quarter of 2024, in Construction Industries, excluding the net impact from incremental tariffs, we expect the profit impact of higher sales volume will be about offset by unfavorable price realization. We expect about 55 percent of the net incremental tariff impact will be incurred in Construction Industries. In Resource Industries, excluding the net impact from incremental tariffs, we expect unfavorable price realization and higher SG&A/R&D expenses. We expect about 20 percent of the net incremental tariff impact will be incurred in Resource Industries. In Energy & Transportation, excluding the net impact from incremental tariffs, we expect profit impact of higher sales volume and favorable price realization, partially offset by higher manufacturing costs. We expect about 25 percent of the net incremental tariff impact will be incurred in Energy & Transportation.

*Global Business Conditions*

We continue to monitor a variety of external factors around the world, such as supply chain disruptions, inflationary cost, labor pressures and the impact of trade policies. Areas of particular focus include transportation, certain components and raw materials. We continue to work to minimize supply chain challenges that may impact our ability to meet customer demand. We continue to assess the environment to determine if additional actions need to be taken.

*Risk Factors*

Risk factors are disclosed within Item 1A. Risk Factors of the 2024 Form 10-K.

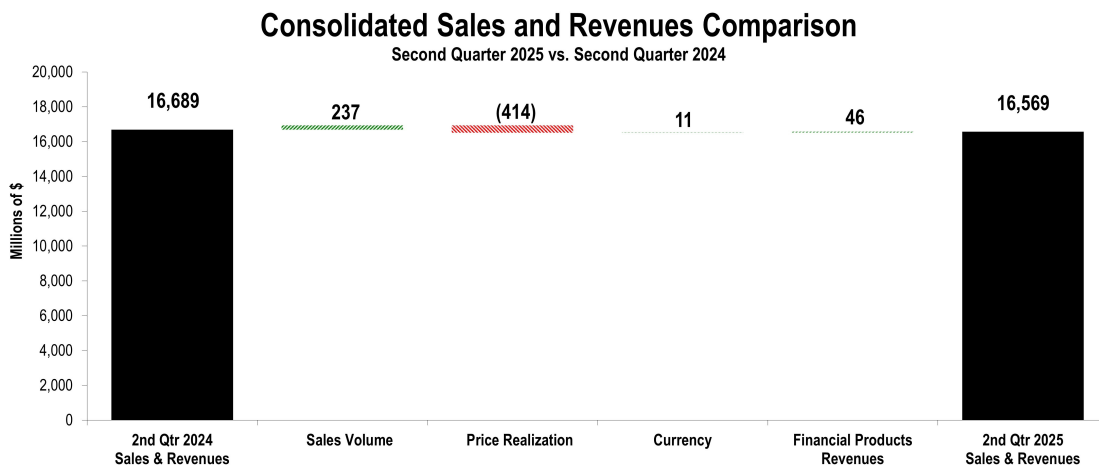
*Notes:*

- Glossary of terms is included on pages 61-63; first occurrence of terms shown in bold italics.
- Information on non-GAAP financial measures is included on pages 67-69.
- Certain amounts may not add due to rounding.

**Consolidated Results of Operations**

**THREE MONTHS ENDED JUNE 30, 2025 COMPARED WITH THREE MONTHS ENDED JUNE 30, 2024**

**CONSOLIDATED SALES AND REVENUES**



The chart above graphically illustrates reasons for the change in consolidated sales and revenues between the second quarter of 2024 (at left) and the second quarter of 2025 (at right). Caterpillar management utilizes these charts internally to visually communicate with the company's board of directors and employees.

Total sales and revenues for the second quarter of 2025 were \$16.569 billion, a decrease of \$120 million, or 1 percent, compared with \$16.689 billion in the second quarter of 2024. The decrease was primarily due to unfavorable price realization of \$414 million, partially offset by higher sales volume of \$237 million and higher Financial Products' revenues of \$46 million. Higher sales volume was mainly driven by higher sales of equipment to end users.

In the three primary segments, sales were higher in Energy & Transportation and lower in Construction Industries and Resource Industries.

North America sales decreased 3 percent primarily due to unfavorable price realization, partially offset by higher sales volume. The increase in sales volume was mainly driven by higher sales of equipment to end users, partially offset by the impact from changes in *dealer inventories*. Dealer inventory decreased during the second quarter of 2025, compared with an increase during the second quarter of 2024.

Sales decreased 4 percent in Latin America mainly due to lower sales volume. The decrease in sales volume was primarily driven by the impact from changes in dealer inventories. Dealer inventory increased less during the second quarter of 2025 than during the second quarter of 2024.

EAME sales increased 6 percent primarily due to higher sales volume. Higher sales volume was primarily driven by the impact from changes in dealer inventories. Dealer inventory increased during the second quarter of 2025, compared with a decrease during the second quarter of 2024.

Asia/Pacific sales decreased 2 percent due to unfavorable price realization and unfavorable *currency* impacts primarily related to the Australian dollar, partially offset by higher sales volume. Higher sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased during the second quarter of 2025, compared with a decrease during the second quarter of 2024.

Total dealer inventory increased \$100 million during the second quarter of 2025, compared with a decrease of \$200 million during the second quarter of 2024. In the second quarter of 2025 and 2024, machine dealer inventory decreased \$400 million. Dealers are independent, and the reasons for changes in their inventory levels vary, including their expectations of future demand and product delivery times. Dealers' demand expectations take into account seasonal changes, macroeconomic conditions, machine rentals and other factors. Delivery times can vary based on availability of product from Caterpillar factories and product distribution centers.

**Sales and Revenues by Segment**

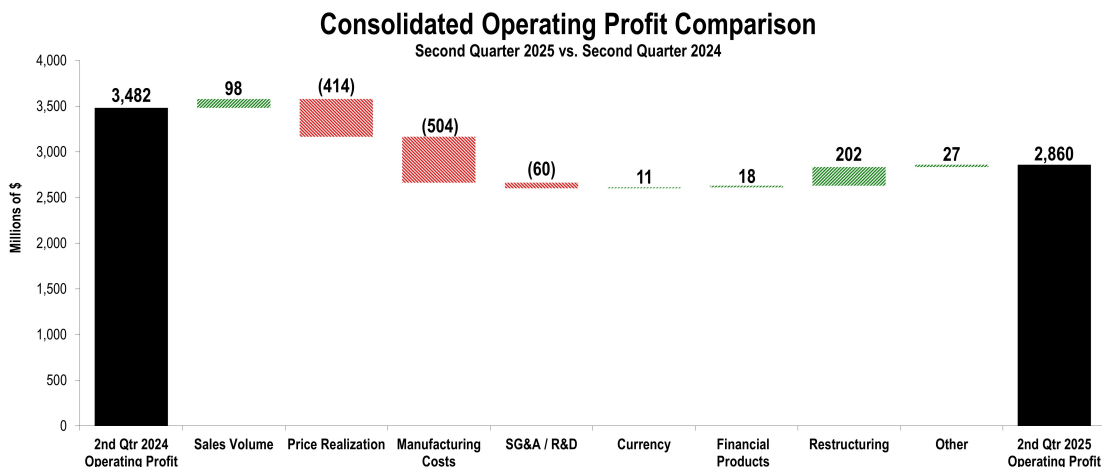
| (Millions of dollars)                               | Second Quarter 2024 | Sales Volume  | Price Realization | Currency     | Inter-Segment / Other | Second Quarter 2025 | \$ Change       | % Change    |
|---|---------------------|---------------|-------------------|--------------|-----------------------|---------------------|-----------------|-------------|
| Construction Industries                             | \$ 6,683            | \$ (83)       | \$ (459)          | \$ 9         | \$ 40                 | \$ 6,190            | \$ (493)        | (7%)        |
| Resource Industries                                 | 3,206               | (13)          | (94)              | (11)         | (1)                   | 3,087               | (119)           | (4%)        |
| Energy & Transportation                             | 7,337               | 326           | 139               | 15           | 19                    | 7,836               | 499             | 7%          |
| All Other Segment                                   | 108                 | 5             | (1)               | —            | (8)                   | 104                 | (4)             | (4%)        |
| Corporate Items and Eliminations                    | (1,494)             | 2             | 1                 | (2)          | (50)                  | (1,543)             | (49)            |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> | <b>15,840</b>       | <b>237</b>    | <b>(414)</b>      | <b>11</b>    | <b>—</b>              | <b>15,674</b>       | <b>(166)</b>    | <b>(1%)</b> |
| Financial Products Segment                          | 1,004               | —             | —                 | —            | 38                    | 1,042               | 38              | 4%          |
| Corporate Items and Eliminations                    | (155)               | —             | —                 | —            | 8                     | (147)               | 8               |             |
| <b>Financial Products Revenues</b>                  | <b>849</b>          | <b>—</b>      | <b>—</b>          | <b>—</b>     | <b>46</b>             | <b>895</b>          | <b>46</b>       | <b>5%</b>   |
| <b>Consolidated Sales and Revenues</b>              | <b>\$ 16,689</b>    | <b>\$ 237</b> | <b>\$ (414)</b>   | <b>\$ 11</b> | <b>\$ 46</b>          | <b>\$ 16,569</b>    | <b>\$ (120)</b> | <b>(1%)</b> |

**Sales and Revenues by Geographic Region**

| (Millions of dollars)                               | North America   |             | Latin America   |             | EAME            |           | Asia/Pacific    |             | External Sales and Revenues |                 | Inter-Segment |            | Total Sales and Revenues |             |
|---|-----------------|-------------|-----------------|-------------|-----------------|-----------|-----------------|-------------|-----------------------------|-----------------|---------------|------------|--------------------------|-------------|
|   | \$              | % Chg       | \$              | % Chg       | \$              | % Chg     | \$              | % Chg       | \$                          | % Chg           | \$            | % Chg      | \$                       | % Chg       |
| <b>Second Quarter 2025</b>                          |                 |             |                 |             |                 |           |                 |             |                             |                 |               |            |                          |             |
| Construction Industries                             | \$ 3,369        | (15%)       | \$ 540          | (20%)       | \$ 1,185        | 13%       | \$ 1,029        | 6%          | \$ 6,123                    | (8%)            | \$ 67         | 148%       | \$ 6,190                 | (7%)        |
| Resource Industries                                 | 1,111           | (8%)        | 541             | 3%          | 501             | 13%       | 851             | (10%)       | 3,004                       | (4%)            | 83            | (1%)       | 3,087                    | (4%)        |
| Energy & Transportation                             | 3,776           | 14%         | 493             | 12%         | 1,386           | (2%)      | 905             | (1%)        | 6,560                       | 8%              | 1,276         | 2%         | 7,836                    | 7%          |
| All Other Segment                                   | 13              | —%          | —               | —%          | 3               | (25%)     | 17              | 42%         | 33                          | 14%             | 71            | (10%)      | 104                      | (4%)        |
| Corporate Items and Eliminations                    | (33)            |             | (3)             |             | (3)             |           | (7)             |             | (46)                        |                 | (1,497)       |            | (1,543)                  |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> | <b>8,236</b>    | <b>(3%)</b> | <b>1,571</b>    | <b>(4%)</b> | <b>3,072</b>    | <b>6%</b> | <b>2,795</b>    | <b>(2%)</b> | <b>15,674</b>               | <b>(1%)</b>     | <b>—</b>      | <b>— %</b> | <b>15,674</b>            | <b>(1%)</b> |
| Financial Products Segment                          | 703             | 5%          | 105             | 4%          | 126             | 2%        | 108             | (3%)        | 1,042                       | <sup>1</sup> 4% | —             | — %        | 1,042                    | 4%          |
| Corporate Items and Eliminations                    | (88)            |             | (20)            |             | (18)            |           | (21)            |             | (147)                       |                 | —             |            | (147)                    |             |
| <b>Financial Products Revenues</b>                  | <b>615</b>      | <b>6%</b>   | <b>85</b>       | <b>6%</b>   | <b>108</b>      | <b>4%</b> | <b>87</b>       | <b>1%</b>   | <b>895</b>                  | <b>5%</b>       | <b>—</b>      | <b>— %</b> | <b>895</b>               | <b>5%</b>   |
| <b>Consolidated Sales and Revenues</b>              | <b>\$ 8,851</b> | <b>(2%)</b> | <b>\$ 1,656</b> | <b>(4%)</b> | <b>\$ 3,180</b> | <b>6%</b> | <b>\$ 2,882</b> | <b>(2%)</b> | <b>\$ 16,569</b>            | <b>(1%)</b>     | <b>\$ —</b>   | <b>— %</b> | <b>\$ 16,569</b>         | <b>(1%)</b> |
| <b>Second Quarter 2024</b>                          |                 |             |                 |             |                 |           |                 |             |                             |                 |               |            |                          |             |
| Construction Industries                             | \$ 3,957        |             | \$ 677          |             | \$ 1,047        |           | \$ 975          |             | \$ 6,656                    |                 | \$ 27         |            | \$ 6,683                 |             |
| Resource Industries                                 | 1,206           |             | 524             |             | 442             |           | 950             |             | 3,122                       |                 | 84            |            | 3,206                    |             |
| Energy & Transportation                             | 3,308           |             | 439             |             | 1,421           |           | 912             |             | 6,080                       |                 | 1,257         |            | 7,337                    |             |
| All Other Segment                                   | 13              |             | —               |             | 4               |           | 12              |             | 29                          |                 | 79            |            | 108                      |             |
| Corporate Items and Eliminations                    | (20)            |             | (1)             |             | (21)            |           | (5)             |             | (47)                        |                 | (1,447)       |            | (1,494)                  |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> | <b>8,464</b>    |             | <b>1,639</b>    |             | <b>2,893</b>    |           | <b>2,844</b>    |             | <b>15,840</b>               |                 | <b>—</b>      |            | <b>15,840</b>            |             |
| Financial Products Segment                          | 668             |             | 101             |             | 124             |           | 111             |             | 1,004                       | <sup>1</sup>    | —             |            | 1,004                    |             |
| Corporate Items and Eliminations                    | (89)            |             | (21)            |             | (20)            |           | (25)            |             | (155)                       |                 | —             |            | (155)                    |             |
| <b>Financial Products Revenues</b>                  | <b>579</b>      |             | <b>80</b>       |             | <b>104</b>      |           | <b>86</b>       |             | <b>849</b>                  |                 | <b>—</b>      |            | <b>849</b>               |             |
| <b>Consolidated Sales and Revenues</b>              | <b>\$ 9,043</b> |             | <b>\$ 1,719</b> |             | <b>\$ 2,997</b> |           | <b>\$ 2,930</b> |             | <b>\$ 16,689</b>            |                 | <b>\$ —</b>   |            | <b>\$ 16,689</b>         |             |

<sup>1</sup> Includes revenues from Machinery, Energy & Transportation of \$172 million and \$180 million in the second quarter of 2025 and 2024, respectively.

**CONSOLIDATED OPERATING PROFIT**



The chart above graphically illustrates reasons for the change in consolidated operating profit between the second quarter of 2024 (at left) and the second quarter of 2025 (at right). Caterpillar management utilizes these charts internally to visually communicate with the company's board of directors and employees. The bar titled Other includes *consolidating adjustments* and *Machinery, Energy & Transportation other operating (income) expenses*.

Operating profit for the second quarter of 2025 was \$2.860 billion, a decrease of \$622 million, or 18 percent, compared with \$3.482 billion in the second quarter of 2024. The decrease was mainly due to unfavorable manufacturing costs. Unfavorable manufacturing costs largely reflected the impacts of higher tariffs.

Operating profit margin was 17.3 percent for the second quarter of 2025, compared with 20.9 percent for the second quarter of 2024.

**Profit (Loss) by Segment**

| (Millions of dollars)                         | Second Quarter 2025 | Second Quarter 2024 | \$ Change       | % Change     |
|---|---------------------|---------------------|-----------------|--------------|
| Construction Industries                       | \$ 1,244            | \$ 1,741            | \$ (497)        | (29%)        |
| Resource Industries                           | 537                 | 718                 | (181)           | (25%)        |
| Energy & Transportation                       | 1,585               | 1,525               | 60              | 4%           |
| All Other Segment                             | (5)                 | 21                  | (26)            | (124%)       |
| Corporate Items and Eliminations              | (566)               | (344)               | (222)           |              |
| <b>Machinery, Energy &amp; Transportation</b> | <b>2,795</b>        | <b>3,661</b>        | <b>(866)</b>    | <b>(24%)</b> |
| Financial Products Segment                    | 248                 | 227                 | 21              | 9%           |
| Corporate Items and Eliminations              | (36)                | (243)               | 207             |              |
| Financial Products                            | 212                 | (16)                | 228             | 1,425%       |
| Consolidating Adjustments                     | (147)               | (163)               | 16              |              |
| <b>Consolidated Operating Profit</b>          | <b>\$ 2,860</b>     | <b>\$ 3,482</b>     | <b>\$ (622)</b> | <b>(18%)</b> |

### **Other Profit/Loss and Tax Items**

- Interest expense excluding Financial Products in the second quarter of 2025 was \$126 million, compared with \$137 million in the second quarter of 2024. The decrease was due to lower average debt outstanding and lower average borrowing rates.
- Other income (expense) in the second quarter of 2025 was income of \$84 million, compared with income of \$155 million in the second quarter of 2024. The change was primarily driven by unfavorable foreign currency impacts, partially offset by favorable impacts from total return swap contracts.
- The effective tax rate for the second quarter of 2025 was 23.0 percent compared to 23.9 percent for the second quarter of 2024. Excluding discrete items, the second-quarter 2025 estimated annual effective tax rate was 23.0 percent compared with 22.5 percent for the second quarter of 2024. The estimated annual effective tax rate in the second quarter of 2024 excluded the impact of second-quarter losses of \$228 million for the divestiture of two non-U.S. entities with no related tax benefit.

Please see a reconciliation of GAAP to non-GAAP financial measures on pages 67-69.

### **Construction Industries**

Construction Industries' total sales were \$6.190 billion in the second quarter of 2025, a decrease of \$493 million, or 7 percent, compared with \$6.683 billion in the second quarter of 2024. The decrease was primarily due to unfavorable price realization. Sales volume was also lower, primarily driven by the impact from changes in dealer inventories. Dealer inventory decreased during the second quarter of 2025, while remaining about flat during the second quarter of 2024.

- In North America, sales decreased due to unfavorable price realization and lower sales volume. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory decreased during the second quarter of 2025, compared with an increase during the second quarter of 2024.
- Sales decreased in Latin America primarily due to lower sales volume and unfavorable currency impacts primarily related to the Brazilian real. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory decreased during the second quarter of 2025, compared with an increase during the second quarter of 2024.
- In EAME, sales increased due to higher sales volume and favorable currency impacts primarily related to the euro, partially offset by unfavorable price realization. Higher sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased during the second quarter of 2025, compared with a decrease during the second quarter of 2024.
- Sales increased in Asia/Pacific due to higher sales volume, partially offset by unfavorable price realization. Higher sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased during the second quarter of 2025, compared with a decrease during the second quarter of 2024.

Construction Industries' segment profit was \$1.244 billion in the second quarter of 2025, a decrease of \$497 million, or 29 percent, compared with \$1.741 billion in the second quarter of 2024. The decrease was mainly due to unfavorable price realization. In addition, tariffs were also higher.

Construction Industries' segment profit as a percent of total sales was 20.1 percent in the second quarter of 2025, compared with 26.1 percent in the second quarter of 2024.

### **Resource Industries**

Resource Industries' total sales were \$3.087 billion in the second quarter of 2025, a decrease of \$119 million, or 4 percent, compared with \$3.206 billion in the second quarter of 2024. The decrease was primarily due to unfavorable price realization.

Resource Industries' segment profit was \$537 million in the second quarter of 2025, a decrease of \$181 million, or 25 percent, compared with \$718 million in the second quarter of 2024. The decrease was mainly due to unfavorable price realization of \$94 million, unfavorable manufacturing costs of \$44 million and the profit impact of lower sales volume of \$31 million, including an unfavorable mix of products. Unfavorable manufacturing costs largely reflected the impact of higher tariffs.

Resource Industries' segment profit as a percent of total sales was 17.4 percent in the second quarter of 2025, compared with 22.4 percent in the second quarter of 2024.

**Energy & Transportation**

**Sales by Application**

| (Millions of dollars) | Second Quarter<br>2025 | Second Quarter<br>2024 | \$<br>Change  | %<br>Change |
|-----------------------|------------------------|------------------------|---------------|-------------|
| Oil and Gas           | \$ 1,867               | \$ 1,829               | \$ 38         | 2%          |
| Power Generation      | 2,407                  | 1,885                  | 522           | 28%         |
| Industrial            | 1,060                  | 1,045                  | 15            | 1%          |
| Transportation        | 1,226                  | 1,321                  | (95)          | (7%)        |
| <b>External Sales</b> | <b>6,560</b>           | <b>6,080</b>           | <b>480</b>    | <b>8%</b>   |
| Inter-segment         | 1,276                  | 1,257                  | 19            | 2%          |
| <b>Total Sales</b>    | <b>\$ 7,836</b>        | <b>\$ 7,337</b>        | <b>\$ 499</b> | <b>7%</b>   |

Energy & Transportation’s total sales were \$7.836 billion in the second quarter of 2025, an increase of \$499 million, or 7 percent, compared with \$7.337 billion in the second quarter of 2024. The increase was due to higher sales volume of \$326 million and favorable price realization of \$139 million.

- Oil and Gas – Sales increased for turbines and turbine-related services. The increase was partially offset by lower sales of reciprocating engines, primarily engines used in gas compression applications.
- Power Generation – Sales increased in large reciprocating engines, primarily data center applications.
- Industrial – Sales increased in EAME, partially offset by decreased sales in North America and Latin America.
- Transportation – Sales decreased in marine. International locomotive deliveries were also lower.

Energy & Transportation’s segment profit was \$1.585 billion in the second quarter of 2025, an increase of \$60 million, or 4 percent, compared with \$1.525 billion in the second quarter of 2024. The increase was primarily due to favorable price realization of \$139 million and the profit impact of higher sales volume of \$63 million, partially offset by unfavorable manufacturing costs of \$154 million. Unfavorable manufacturing costs largely reflected the impact of higher tariffs.

Energy & Transportation’s segment profit as a percent of total sales was 20.2 percent in the second quarter of 2025, compared with 20.8 percent in the second quarter of 2024.

**Financial Products Segment**

Financial Products’ segment revenues were \$1.042 billion in the second quarter of 2025, an increase of \$38 million, or 4 percent, compared with \$1.004 billion in the second quarter of 2024. The increase was primarily due to a favorable impact from higher average *earning assets* of \$49 million driven by North America and higher revenues from Insurance Services of \$5 million, partially offset by an unfavorable impact from lower average financing rates of \$20 million mainly in North America.

Financial Products’ segment profit was \$248 million in the second quarter of 2025, an increase of \$21 million, or 9 percent, compared with \$227 million in the second quarter of 2024. The increase was mainly due to a favorable impact from equity securities of \$28 million and a favorable impact from higher average earning assets of \$20 million, partially offset by higher provision for credit losses at Cat Financial of \$13 million and an unfavorable impact from lower net yield on average earning assets of \$10 million.

At the end of the second quarter of 2025, past dues at Cat Financial were 1.62 percent, compared with 1.74 percent at the end of the second quarter of 2024. Write-offs, net of recoveries, were \$18 million for both the second quarter of 2025 and the second quarter of 2024. As of June 30, 2025, Cat Financial's allowance for credit losses totaled \$290 million, or 0.94 percent of finance receivables, compared with \$282 million, or 0.95 percent of finance receivables at March 31, 2025. The allowance for credit losses at year-end 2024 was \$267 million, or 0.91 percent of finance receivables.

**Corporate Items and Eliminations**

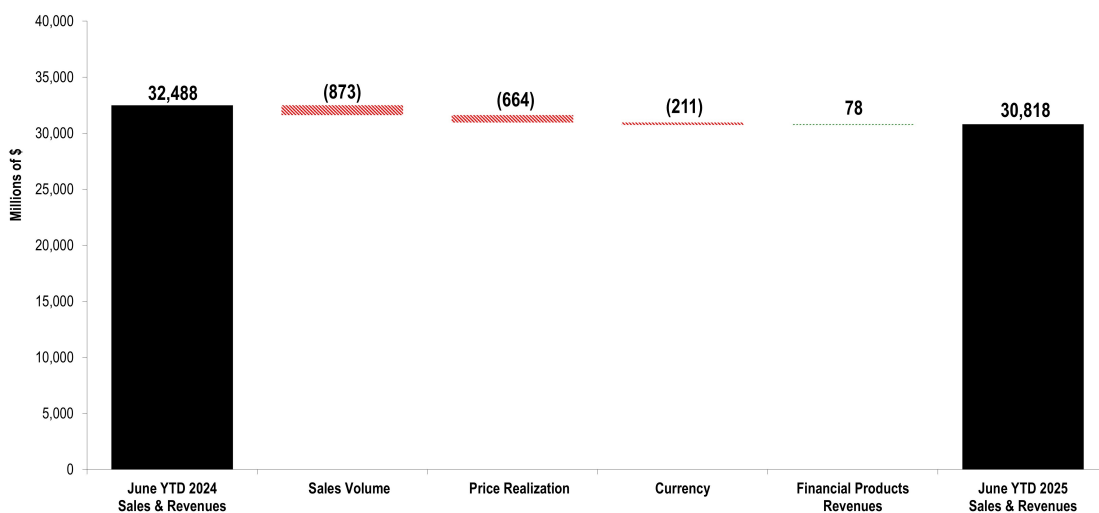
Expense for corporate items and eliminations was \$602 million in the second quarter of 2025, an increase of \$15 million from the second quarter of 2024. Lower restructuring costs, primarily due to the absence of the divestiture of two non-U.S. entities in 2024, and lower corporate costs, were more than offset by increased expenses due to timing differences, an unfavorable change in fair value adjustments related to deferred compensation plans and unfavorable impacts of segment reporting methodology differences.

**SIX MONTHS ENDED JUNE 30, 2025 COMPARED WITH SIX MONTHS ENDED JUNE 30, 2024**

**CONSOLIDATED SALES AND REVENUES**

**Consolidated Sales and Revenues Comparison**

June YTD 2025 vs. June YTD 2024



The chart above graphically illustrates reasons for the change in consolidated sales and revenues between the six months ended June 30, 2024 (at left) and the six months ended June 30, 2025 (at right). Caterpillar management utilizes these charts internally to visually communicate with the company's board of directors and employees.

Total sales and revenues were \$30.818 billion for the six months ended June 30, 2025, a decrease of \$1.670 billion, or 5 percent, compared with \$32.488 billion for the six months ended June 30, 2024. The decrease was primarily due to lower sales volume of \$873 million and unfavorable price realization of \$664 million. The decrease in sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased less during the six months ended June 30, 2025, than during the six months ended June 30, 2024.

In the three primary segments, sales were lower in Construction Industries and Resource Industries and higher in Energy & Transportation.

North America sales decreased 7 percent primarily due to lower sales volume and unfavorable price realization. The decrease in sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory was about flat during the six months ended June 30, 2025, compared with an increase during the six months ended June 30, 2024.

Sales decreased 3 percent in Latin America mainly due to unfavorable currency impacts primarily related to the Brazilian real.

EAME sales decreased 3 percent primarily due to unfavorable price realization.

Asia/Pacific sales decreased 7 percent due to lower sales volume, unfavorable price realization and unfavorable currency impacts primarily related to the Australian dollar. The decrease in sales volume was mainly due to lower sales of equipment to end users.

Dealer inventory increased about \$200 million during the six months ended June 30, 2025, compared with an increase of about \$1.2 billion during the six months ended June 30, 2024. Machine dealer inventory decreased \$300 million during the six months ended June 30, 2025, compared with an increase of \$700 million during the six months ended June 30, 2024. Dealers are independent, and the reasons for changes in their inventory levels vary, including their expectations of future demand and product delivery times. Dealers' demand expectations take into account seasonal changes, macroeconomic conditions, machine rentals and other factors. Delivery times can vary based on availability of product from Caterpillar factories and product distribution centers.

**Sales and Revenues by Segment**

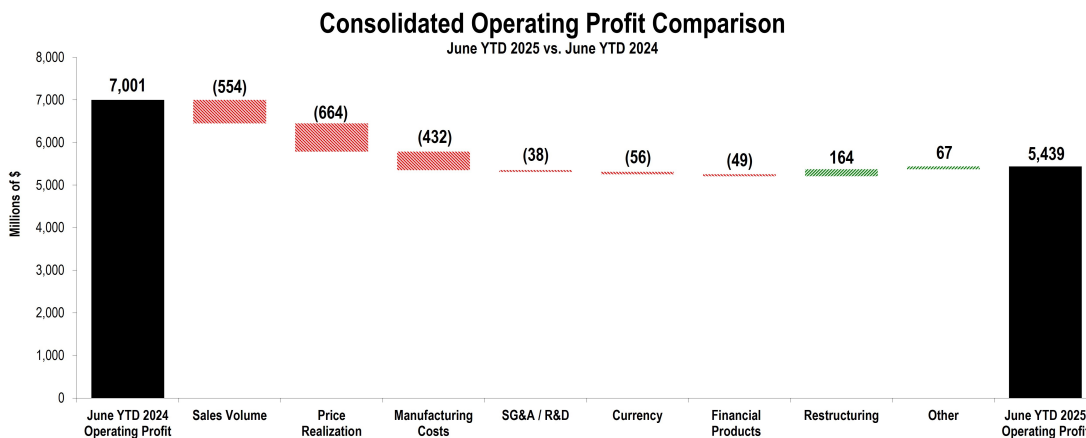
| (Millions of dollars)                               | Six Months Ended June 30, 2024 |               | Sales Volume |              | Price Realization |              | Currency  |              | Inter-Segment / Other |           | Six Months Ended June 30, 2025 |               | \$ Change |                | % Change |             |
|---|--------------------------------|---------------|--------------|--------------|-------------------|--------------|-----------|--------------|-----------------------|-----------|--------------------------------|---------------|-----------|----------------|----------|-------------|
|   | \$                             |               | \$           |              | \$                |              | \$        |              | \$                    |           | \$                             |               | \$        |                | \$       |             |
| Construction Industries                             | \$                             | 13,107        | \$           | (903)        | \$                | (814)        | \$        | (89)         | \$                    | 73        | \$                             | 11,374        | \$        | (1,733)        |          | (13%)       |
| Resource Industries                                 |                                | 6,399         |              | (192)        |                   | (144)        |           | (57)         |                       | (35)      |                                | 5,971         |           | (428)          |          | (7%)        |
| Energy & Transportation                             |                                | 14,018        |              | 151          |                   | 294          |           | (54)         |                       | (5)       |                                | 14,404        |           | 386            |          | 3%          |
| All Other Segment                                   |                                | 217           |              | 3            |                   | (1)          |           | (1)          |                       | (23)      |                                | 195           |           | (22)           |          | (10%)       |
| Corporate Items and Eliminations                    |                                | (2,941)       |              | 68           |                   | 1            |           | (10)         |                       | (10)      |                                | (2,892)       |           | 49             |          |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> |                                | <b>30,800</b> |              | <b>(873)</b> |                   | <b>(664)</b> |           | <b>(211)</b> |                       | <b>—</b>  |                                | <b>29,052</b> |           | <b>(1,748)</b> |          | <b>(6%)</b> |
| Financial Products Segment                          |                                | 1,995         |              | —            |                   | —            |           | —            |                       | 54        |                                | 2,049         |           | 54             |          | 3%          |
| Corporate Items and Eliminations                    |                                | (307)         |              | —            |                   | —            |           | —            |                       | 24        |                                | (283)         |           | 24             |          |             |
| <b>Financial Products Revenues</b>                  |                                | <b>1,688</b>  |              | <b>—</b>     |                   | <b>—</b>     |           | <b>—</b>     |                       | <b>78</b> |                                | <b>1,766</b>  |           | <b>78</b>      |          | <b>5%</b>   |
| <b>Consolidated Sales and Revenues</b>              | <b>\$</b>                      | <b>32,488</b> | <b>\$</b>    | <b>(873)</b> | <b>\$</b>         | <b>(664)</b> | <b>\$</b> | <b>(211)</b> | <b>\$</b>             | <b>78</b> | <b>\$</b>                      | <b>30,818</b> | <b>\$</b> | <b>(1,670)</b> |          | <b>(5%)</b> |

**Sales and Revenues by Geographic Region**

| (Millions of dollars)                               | North America |               | Latin America |           | EAME         |             | Asia/Pacific |              | External Sales and Revenues |           | Inter-Segment |             | Total Sales and Revenues |               |                 |           |          |           |           |               |             |
|---|---------------|---------------|---------------|-----------|--------------|-------------|--------------|--------------|-----------------------------|-----------|---------------|-------------|--------------------------|---------------|-----------------|-----------|----------|-----------|-----------|---------------|-------------|
|   | \$            | % Chg         | \$            | % Chg     | \$           | % Chg       | \$           | % Chg        | \$                          | % Chg     | \$            | % Chg       | \$                       | % Chg         |                 |           |          |           |           |               |             |
| <b>Six Months Ended June 30, 2025</b>               |               |               |               |           |              |             |              |              |                             |           |               |             |                          |               |                 |           |          |           |           |               |             |
| Construction Industries                             | \$            | 6,273         | (19%)         | \$        | 1,044        | (18%)       | \$           | 2,052        | —%                          | \$        | 1,898         | (4%)        | \$                       | 11,267        | (14%)           | \$        | 107      | 215%      | \$        | 11,374        | (13%)       |
| Resource Industries                                 |               | 2,195         | (11%)         |           | 1,102        | 10%         |              | 907          | —%                          |           | 1,621         | (12%)       |                          | 5,825         | (6%)            |           | 146      | (19%)     |           | 5,971         | (7%)        |
| Energy & Transportation                             |               | 6,918         | 11%           |           | 863          | 2%          |              | 2,516        | (7%)                        |           | 1,661         | (5%)        |                          | 11,958        | 3%              |           | 2,446    | —%        |           | 14,404        | 3%          |
| All Other Segment                                   |               | 30            | (3%)          |           | —            | 100%        |              | 5            | (38%)                       |           | 29            | 16%         |                          | 64            | 2%              |           | 131      | (15%)     |           | 195           | (10%)       |
| Corporate Items and Eliminations                    |               | (44)          |               |           | (3)          |             |              | (5)          |                             |           | (10)          |             |                          | (62)          |                 |           | (2,830)  |           |           | (2,892)       |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> |               | <b>15,372</b> | <b>(7%)</b>   |           | <b>3,006</b> | <b>(3%)</b> |              | <b>5,475</b> | <b>(3%)</b>                 |           | <b>5,199</b>  | <b>(7%)</b> |                          | <b>29,052</b> | <b>(6%)</b>     |           | <b>—</b> | <b>—%</b> |           | <b>29,052</b> | <b>(6%)</b> |
| Financial Products Segment                          |               | 1,385         | 4%            |           | 204          | 1%          |              | 248          | —%                          |           | 212           | (3%)        |                          | 2,049         | <sup>1</sup> 3% |           | —        | —%        |           | 2,049         | 3%          |
| Corporate Items and Eliminations                    |               | (168)         |               |           | (39)         |             |              | (37)         |                             |           | (39)          |             |                          | (283)         |                 |           | —        |           |           | (283)         |             |
| <b>Financial Products Revenues</b>                  |               | <b>1,217</b>  | <b>6%</b>     |           | <b>165</b>   | <b>1%</b>   |              | <b>211</b>   | <b>1%</b>                   |           | <b>173</b>    | <b>—%</b>   |                          | <b>1,766</b>  | <b>5%</b>       |           | <b>—</b> | <b>—%</b> |           | <b>1,766</b>  | <b>5%</b>   |
| <b>Consolidated Sales and Revenues</b>              | <b>\$</b>     | <b>16,589</b> | <b>(6%)</b>   | <b>\$</b> | <b>3,171</b> | <b>(3%)</b> | <b>\$</b>    | <b>5,686</b> | <b>(3%)</b>                 | <b>\$</b> | <b>5,372</b>  | <b>(6%)</b> | <b>\$</b>                | <b>30,818</b> | <b>(5%)</b>     | <b>\$</b> | <b>—</b> | <b>—%</b> | <b>\$</b> | <b>30,818</b> | <b>(5%)</b> |
| <b>Six Months Ended June 30, 2024</b>               |               |               |               |           |              |             |              |              |                             |           |               |             |                          |               |                 |           |          |           |           |               |             |
| Construction Industries                             | \$            | 7,790         |               | \$        | 1,272        |             | \$           | 2,043        |                             | \$        | 1,968         |             | \$                       | 13,073        |                 | \$        | 34       |           | \$        | 13,107        |             |
| Resource Industries                                 |               | 2,470         |               |           | 1,000        |             |              | 907          |                             |           | 1,841         |             |                          | 6,218         |                 |           | 181      |           |           | 6,399         |             |
| Energy & Transportation                             |               | 6,259         |               |           | 847          |             |              | 2,715        |                             |           | 1,746         |             |                          | 11,567        |                 |           | 2,451    |           |           | 14,018        |             |
| All Other Segment                                   |               | 31            |               |           | (1)          |             |              | 8            |                             |           | 25            |             |                          | 63            |                 |           | 154      |           |           | 217           |             |
| Corporate Items and Eliminations                    |               | (78)          |               |           | (3)          |             |              | (32)         |                             |           | (8)           |             |                          | (121)         |                 |           | (2,820)  |           |           | (2,941)       |             |
| <b>Machinery, Energy &amp; Transportation Sales</b> |               | <b>16,472</b> |               |           | <b>3,115</b> |             |              | <b>5,641</b> |                             |           | <b>5,572</b>  |             |                          | <b>30,800</b> |                 |           | <b>—</b> |           |           | <b>30,800</b> |             |
| Financial Products Segment                          |               | 1,327         |               |           | 202          |             |              | 247          |                             |           | 219           |             |                          | 1,995         | <sup>1</sup>    |           | —        |           |           | 1,995         |             |
| Corporate Items and Eliminations                    |               | (183)         |               |           | (39)         |             |              | (39)         |                             |           | (46)          |             |                          | (307)         |                 |           | —        |           |           | (307)         |             |
| <b>Financial Products Revenues</b>                  |               | <b>1,144</b>  |               |           | <b>163</b>   |             |              | <b>208</b>   |                             |           | <b>173</b>    |             |                          | <b>1,688</b>  |                 |           | <b>—</b> |           |           | <b>1,688</b>  |             |
| <b>Consolidated Sales and Revenues</b>              | <b>\$</b>     | <b>17,616</b> |               | <b>\$</b> | <b>3,278</b> |             | <b>\$</b>    | <b>5,849</b> |                             | <b>\$</b> | <b>5,745</b>  |             | <b>\$</b>                | <b>32,488</b> |                 | <b>\$</b> | <b>—</b> |           | <b>\$</b> | <b>32,488</b> |             |

<sup>1</sup> Includes revenues from Machinery, Energy & Transportation of \$335 million and \$357 million in the six months ended June 30, 2025 and 2024, respectively.

**CONSOLIDATED OPERATING PROFIT**



The chart above graphically illustrates reasons for the change in consolidated operating profit between the six months ended June 30, 2024 (at left) and the six months ended June 30, 2025 (at right). Caterpillar management utilizes these charts internally to visually communicate with the company’s board of directors and employees. The bar titled Other includes consolidating adjustments and Machinery, Energy & Transportation’s other operating (income) expenses.

Operating profit for the six months ended June 30, 2025, was \$5.439 billion, a decrease of \$1.562 billion, or 22 percent, compared with \$7.001 billion for the six months ended June 30, 2024. The decrease was primarily due to unfavorable price realization of \$664 million, the profit impact of lower sales volume of \$554 million and unfavorable manufacturing costs of \$432 million. Unfavorable manufacturing costs largely reflected the impact of higher tariffs.

Operating profit margin was 17.6 percent for the six months ended June 30, 2025, compared with 21.5 percent for the six months ended June 30, 2024.

**Profit (Loss) by Segment**

| (Millions of dollars)                         | Six Months Ended June 30,<br>2025 | Six Months Ended June 30,<br>2024 | \$<br>Change      | %<br>Change  |
|---|-----------------------------------|-----------------------------------|-------------------|--------------|
| Construction Industries                       | \$ 2,268                          | \$ 3,505                          | \$ (1,237)        | (35%)        |
| Resource Industries                           | 1,136                             | 1,448                             | (312)             | (22%)        |
| Energy & Transportation                       | 2,899                             | 2,826                             | 73                | 3%           |
| All Other Segment                             | (26)                              | 45                                | (71)              | (158%)       |
| Corporate Items and Eliminations              | (967)                             | (759)                             | (208)             |              |
| <b>Machinery, Energy &amp; Transportation</b> | <b>5,310</b>                      | <b>7,065</b>                      | <b>(1,755)</b>    | <b>(25%)</b> |
| Financial Products Segment                    | 463                               | 520                               | (57)              | (11%)        |
| Corporate Items and Eliminations              | (50)                              | (268)                             | 218               |              |
| <b>Financial Products</b>                     | <b>413</b>                        | <b>252</b>                        | <b>161</b>        | <b>64%</b>   |
| Consolidating Adjustments                     | (284)                             | (316)                             | 32                |              |
| <b>Consolidated Operating Profit</b>          | <b>\$ 5,439</b>                   | <b>\$ 7,001</b>                   | <b>\$ (1,562)</b> | <b>(22%)</b> |

### **Other Profit/Loss and Tax Items**

- Interest expense excluding Financial Products for the six months ended June 30, 2025, was \$242 million, compared with \$280 million for the six months ended June 30, 2024. The decrease was due to lower average debt outstanding and lower average borrowing rates.
- Other income (expense) for the six months ended June 30, 2025, was income of \$191 million, compared with income of \$311 million for the six months ended June 30, 2024. The change was primarily driven by unfavorable foreign currency impacts.
- The effective tax rate for the six months ended June 30, 2025 was 22.6 percent compared to 21.7 percent for the six months ended June 30, 2024. Excluding the discrete items discussed below, the estimated annual effective tax rate for the six months ended June 30, 2025 was 23.0 percent compared with 22.5 percent for the six months ended June 30, 2024.

A discrete tax benefit of \$18 million was recorded in the six months ended June 30, 2025, for the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense, compared with \$42 million for the six months ended June 30, 2024. In addition, the 2024 estimated annual effective tax rate excluded the impact of year-to-date losses of \$164 million for the divestitures of certain non-U.S. entities with a related tax benefit of \$54 million.

Please see a reconciliation of GAAP to non-GAAP financial measures on pages 67-69.

### **Construction Industries**

Construction Industries' total sales were \$11.374 billion for the six months ended June 30, 2025, a decrease of \$1.733 billion, or 13 percent, compared with \$13.107 billion for the six months ended June 30, 2024. The decrease was primarily due to lower sales volume of \$903 million and unfavorable price realization of \$814 million. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory decreased during the six months ended June 30, 2025, compared with an increase during the six months ended June 30, 2024.

- In North America, sales decreased due to lower sales volume and unfavorable price realization. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory decreased during the six months ended June 30, 2025, compared with an increase during the six months ended June 30, 2024.
- Sales decreased in Latin America mainly due to lower sales volume and unfavorable currency impacts primary related to the Brazilian real. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory decreased during the six months ended June 30, 2025, compared with an increase during the six months ended June 30, 2024.
- In EAME, sales were about flat. Higher sales volume was offset by unfavorable price realization. Higher sales volume was primarily due to higher sales of equipment to end users.
- Sales decreased in Asia/Pacific due to unfavorable price realization and unfavorable currency impacts primarily related to the Australian dollar, partially offset by higher sales volume. Higher sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased during the six months ended June 30, 2025, compared with a decrease during the six months ended June 30, 2024.

Construction Industries' profit was \$2.268 billion for the six months ended June 30, 2025, a decrease of \$1.237 billion, or 35 percent, compared with \$3.505 billion for the six months ended June 30, 2024. The decrease was mainly due to unfavorable price realization of \$814 million and the profit impact of lower sales volume of \$320 million.

Construction Industries' profit as a percent of total sales was 19.9 percent for the six months ended June 30, 2025, compared with 26.7 percent for the six months ended June 30, 2024.

### **Resource Industries**

Resource Industries' total sales were \$5.971 billion for the six months ended June 30, 2025, a decrease of \$428 million, or 7 percent, compared with \$6.399 billion for the six months ended June 30, 2024. The decrease was primarily due to lower sales volume of \$192 million and unfavorable price realization of \$144 million. The decrease in sales volume was mainly due to lower sales of equipment to end users.

Resource Industries' profit was \$1.136 billion for the six months ended June 30, 2025, a decrease of \$312 million, or 22 percent, compared with \$1.448 billion for the six months ended June 30, 2024. The decrease was mainly due to unfavorable price realization of \$144 million and the profit impact of lower sales volume of \$142 million.

Resource Industries' profit as a percent of total sales was 19.0 percent for the six months ended June 30, 2025, compared with 22.6 percent for the six months ended June 30, 2024.

**Energy & Transportation**

| Sales by Application<br>(Millions of dollars) | Six Months Ended June 30,<br>2025 | Six Months Ended June 30,<br>2024 | \$<br>Change  | %<br>Change |
|---|-----------------------------------|-----------------------------------|---------------|-------------|
| Oil and Gas                                   | \$ 3,125                          | \$ 3,397                          | \$ (272)      | (8%)        |
| Power Generation                              | 4,403                             | 3,503                             | 900           | 26%         |
| Industrial                                    | 2,027                             | 2,034                             | (7)           | —%          |
| Transportation                                | 2,403                             | 2,633                             | (230)         | (9%)        |
| <b>External Sales</b>                         | <b>11,958</b>                     | <b>11,567</b>                     | <b>391</b>    | <b>3%</b>   |
| Inter-Segment                                 | 2,446                             | 2,451                             | (5)           | —%          |
| <b>Total Sales</b>                            | <b>\$ 14,404</b>                  | <b>\$ 14,018</b>                  | <b>\$ 386</b> | <b>3%</b>   |

Energy & Transportation's total sales were \$14.404 billion for the six months ended June 30, 2025, an increase of \$386 million, or 3 percent, compared with \$14.018 billion for the six months ended June 30, 2024. The increase was primarily due to favorable price realization of \$294 million and higher sales volume of \$151 million.

- Oil and Gas – Sales decreased in reciprocating engines, primarily engines used in gas compression applications.
- Power Generation – Sales increased in large reciprocating engines, primarily data center applications.
- Industrial – Sales were about flat.
- Transportation – Sales decreased in marine. International locomotive deliveries were also lower.

Energy & Transportation's profit was \$2.899 billion for the six months ended June 30, 2025, an increase of \$73 million, or 3 percent, compared with \$2.826 billion for the six months ended June 30, 2024. The increase was mainly due to favorable price realization of \$294 million, partially offset by unfavorable manufacturing costs of \$194 million. Unfavorable manufacturing costs largely reflected increased period manufacturing costs.

Energy & Transportation's profit as a percent of total sales was 20.1 percent for the six months ended June 30, 2025, compared with 20.2 percent for the six months ended June 30, 2024.

**Financial Products Segment**

Financial Products' segment revenues were \$2.049 billion for the six months ended June 30, 2025, an increase of \$54 million, or 3 percent, compared with \$1.995 billion for the six months ended June 30, 2024. The increase was primarily due to a favorable impact from higher average earning assets driven by North America of \$77 million and higher revenues from Insurance Services of \$14 million, partially offset by an unfavorable impact from lower average financing rates of \$35 million mainly in North America.

Financial Products' segment profit was \$463 million for the six months ended June 30, 2025, a decrease of \$57 million, or 11 percent, compared with \$520 million for the six months ended June 30, 2024. The decrease was mainly due to higher provision for credit losses at Cat Financial of \$35 million, the absence of an insurance settlement of \$33 million in the first quarter of 2024 and an unfavorable impact from lower net yield on average earning assets of \$24 million, partially offset by a favorable impact from higher average earning assets of \$32 million.

**Corporate Items and Eliminations**

Expense for corporate items and eliminations was \$1.017 billion for the six months ended June 30, 2025, a decrease of \$10 million from the six months ended June 30, 2024, mainly driven by favorable *restructuring income/costs* and lower corporate costs, partially offset by increased expenses due to timing differences and unfavorable impacts of segment reporting methodology differences.

## **RESTRUCTURING COSTS**

In 2025, we expect to incur about \$300 million to \$350 million of restructuring costs. We expect that prior restructuring actions will result in an incremental benefit to operating costs, primarily Cost of goods sold and SG&A expenses, of about \$29 million in 2025 compared with 2024.

Additional information related to restructuring costs is included in Note 20 – "Restructuring income/costs" of Part I, Item 1 "Financial Statements."

## **GLOSSARY OF TERMS**

1. **Adjusted Operating Profit Margin** – Operating profit excluding restructuring income/costs as a percentage of sales and revenues.
2. **Adjusted Profit Per Share** – Profit per share excluding restructuring income/costs.
3. **All Other Segment** – Primarily includes activities such as: business strategy; product management and development; manufacturing and sourcing of wear and maintenance components primarily for Cat® products; parts distribution; integrated logistics solutions; distribution services responsible for dealer development and administration, including a wholly owned dealer in Japan; dealer portfolio management and ensuring the most efficient and effective distribution of machines, engines and parts; brand management and marketing strategy; and digital investments for new customer and dealer solutions that integrate data analytics with state-of-the-art digital technologies while transforming the buying experience.
4. **Consolidating Adjustments** – Elimination of transactions between Machinery, Energy & Transportation and Financial Products.
5. **Construction Industries** – A segment primarily responsible for supporting customers using machinery in infrastructure and building construction applications. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing and sales and product support. The product portfolio includes asphalt pavers; backhoe loaders; cold planers; compactors; compact track loaders; forestry machines; material handlers; motor graders; pipelayers; road reclaimers; skid steer loaders; telehandlers; track-type loaders; track-type tractors (small, medium); track excavators (mini, small, medium, large); wheel excavators; wheel loaders (compact, small, medium); and related parts and work tools.
6. **Corporate Items and Eliminations** – Includes corporate-level expenses, timing differences (as some expenses are reported in segment profit on a cash basis), methodology differences between segment and consolidated external reporting, certain restructuring costs and inter-segment eliminations.
7. **Currency** – With respect to sales and revenues, currency represents the translation impact on sales resulting from changes in foreign currency exchange rates versus the U.S. dollar. With respect to operating profit, currency represents the net translation impact on sales and operating costs resulting from changes in foreign currency exchange rates versus the U.S. dollar. Currency only includes the impact on sales and operating profit for the Machinery, Energy & Transportation line of business; currency impacts on Financial Products revenues and operating profit are included in the Financial Products portions of the respective analyses. With respect to other income/expense, currency represents the effects of forward and option contracts entered into by the company to reduce the risk of fluctuations in exchange rates (hedging) and the net effect of changes in foreign currency exchange rates on our foreign currency assets and liabilities for consolidated results (translation).
8. **Dealer Inventories** – Represents dealer machine and engine inventories, excluding aftermarket parts.
9. **EAME** – A geographic region including Europe, Africa, the Middle East and Eurasia.
10. **Earning Assets** – Assets consisting primarily of total finance receivables net of unearned income, plus equipment on operating leases net of accumulated depreciation at Cat Financial.

11. **Energy & Transportation** – A segment primarily responsible for supporting customers using reciprocating engines, turbines, diesel-electric locomotives and related services across industries serving Oil and Gas, Power Generation, Industrial and Transportation applications, including marine- and rail-related businesses as well as product support of on-highway engines. Responsibilities include business strategy, product design, product management, development and testing, manufacturing, marketing and sales and product support. The product and services portfolio includes turbines, centrifugal gas compressors, and turbine-related services; reciprocating engine-powered generator sets; integrated systems and solutions used in the electric power generation industry; reciprocating engines, drivetrain and integrated systems and solutions for the marine and oil and gas industries; reciprocating engines, drivetrain and integrated systems and solutions supplied to the industrial industry as well as Caterpillar machines; electrified powertrain and zero-emission power sources and service solutions development; and diesel-electric and hybrid locomotives and components and other rail-related products and services, including remanufacturing and leasing. Responsibilities also include the remanufacturing of Caterpillar reciprocating engines and components and remanufacturing services for other companies.
12. **Financial Products** – The company defines Financial Products as our finance and insurance subsidiaries, primarily Caterpillar Financial Services Corporation (Cat Financial) and Caterpillar Insurance Holdings Inc. (Insurance Services). Financial Products' information relates to the financing to customers and dealers for the purchase and lease of Caterpillar and other equipment.
13. **Financial Products Segment** – Provides financing alternatives to customers and dealers around the world for Caterpillar products and services, as well as financing for power generation facilities that, in most cases, incorporate Caterpillar products. Financing plans include operating and finance leases, revolving charge accounts, installment sale contracts, repair/rebuild financing, working capital loans and wholesale financing plans. The segment also provides insurance and risk management products and services that help customers and dealers manage their business risk. Insurance and risk management products offered include physical damage insurance, inventory protection plans, extended service coverage and maintenance plans for machines and engines, and dealer property and casualty insurance. The various forms of financing, insurance and risk management products offered to customers and dealers help support the purchase and lease of Caterpillar equipment. The segment also earns revenues from Machinery, Energy & Transportation, but the related costs are not allocated to operating segments. Financial Products' segment profit is determined on a pretax basis and includes other income/expense items.
14. **Latin America** – A geographic region including Central and South American countries and Mexico.
15. **Machinery, Energy & Transportation (ME&T)** – The company defines ME&T as Caterpillar Inc. and its subsidiaries, excluding Financial Products. ME&T's information relates to the design, manufacturing and marketing of its products.
16. **Machinery, Energy & Transportation Other Operating (Income) Expenses** – Comprised primarily of gains/losses on disposal of long-lived assets, gains/losses on divestitures and legal settlements and accruals.
17. **Manufacturing Costs** – Manufacturing costs exclude the impacts of currency and represent the volume-adjusted change for variable costs and the absolute dollar change for period manufacturing costs. Variable manufacturing costs are defined as having a direct relationship with the volume of production. This includes material costs, direct labor and other costs that vary directly with production volume, such as freight, power to operate machines and supplies that are consumed in the manufacturing process. Period manufacturing costs support production but are defined as generally not having a direct relationship to short-term changes in volume. Examples include machinery and equipment repair, depreciation on manufacturing assets, facility support, procurement, factory scheduling, manufacturing planning and operations management.
18. **Mark-to-market gains/losses** – Represents the net gain or loss of actual results differing from the company's assumptions and the effects of changing assumptions for our defined benefit pension and OPEB plans. These gains and losses are immediately recognized through earnings upon the annual remeasurement in the fourth quarter, or on an interim basis as triggering events warrant remeasurement.
19. **Pension and Other Postemployment Benefits (OPEB)** – The company's defined-benefit pension and postretirement benefit plans.
20. **Price Realization** – The impact of net price changes excluding currency and new product introductions. Price realization includes geographic mix of sales, which is the impact of changes in the relative weighting of sales prices between geographic regions.

21. **Resource Industries** – A segment primarily responsible for supporting customers using machinery in mining, heavy construction and quarry and aggregates. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing and sales and product support. The product portfolio includes large track-type tractors; large mining trucks; hard rock vehicles; electric rope shovels; draglines; hydraulic shovels; rotary drills; large wheel loaders; off-highway trucks; articulated trucks; wheel tractor scrapers; wheel dozers; landfill compactors; soil compactors; wide-body trucks; select work tools; machinery components; electronics and control systems and related parts. In addition to equipment, Resource Industries also develops and sells technology products and services to provide customers fleet management, equipment management analytics, autonomous machine capabilities, safety services and mining performance solutions. Resource Industries also manages areas that provide services to other parts of the company, including strategic procurement, lean center of excellence, integrated manufacturing, research and development for hydraulic systems, automation, electronics and software for Caterpillar machines and engines.
22. **Restructuring income/costs** – May include costs for employee separation, long-lived asset impairments, contract terminations and (gains)/losses on divestitures. These costs are included in Other operating (income) expenses except for defined-benefit plan curtailment losses and special termination benefits, which are included in Other income (expense). Restructuring costs also include other exit-related costs, which may consist of accelerated depreciation, inventory write-downs, building demolition, equipment relocation and project management costs and LIFO inventory decrement benefits from inventory liquidations at closed facilities, all of which are primarily included in Cost of goods sold.
23. **Sales Volume** – With respect to sales and revenues, sales volume represents the impact of changes in the quantities sold for Machinery, Energy & Transportation as well as the incremental sales impact of new product introductions, including emissions-related product updates. With respect to operating profit, sales volume represents the impact of changes in the quantities sold for Machinery, Energy & Transportation combined with product mix as well as the net operating profit impact of new product introductions, including emissions-related product updates. Product mix represents the net operating profit impact of changes in the relative weighting of Machinery, Energy & Transportation sales with respect to total sales. The impact of sales volume on segment profit includes inter-segment sales.
24. **Services** – Machinery, Energy & Transportation services revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products revenues, discontinued products and captive dealer services.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Sources of funds**

We generate significant capital resources from operating activities, which are the primary source of funding for our ME&T operations. Funding for these businesses is also available from commercial paper and long-term debt issuances. Financial Products' operations are funded primarily from commercial paper, term debt issuances and collections from its existing portfolio. On a consolidated basis, we had positive operating cash flow in the first six months of 2025 and ended the second quarter with \$5.442 billion of cash, a decrease of \$1.447 billion from year-end 2024. In addition, ME&T invests in available-for-sale debt securities and bank time deposits that are considered highly liquid and are available for current operations. These ME&T securities were \$1.221 billion as of June 30, 2025 and are included in Prepaid expenses and other current assets and Other assets in the Consolidated Statement of Financial Position. We intend to maintain a strong cash and liquidity position.

Consolidated operating cash flow for the first six months of 2025 was \$4.411 billion, down \$662 million compared to the same period a year ago. The decrease was primarily due to lower profit before taxes adjusted for non-cash items partially offset by changes in working capital. Within working capital, changes in accounts payable and customer advances favorably impacted cash flow, partially offset by changes in inventories.

Total debt as of June 30, 2025 was \$40.748 billion, an increase of \$2.339 billion from year-end 2024. Debt related to ME&T increased \$2.103 billion in the first six months of 2025 primarily due to the issuance of new debt in the second quarter of 2025. ME&T issued \$1.700 billion of ten-year bonds at 5.2 percent and \$300 million of thirty-year bonds at 5.5 percent. The proceeds from the offering will be used for general corporate purposes, which may include the repayment of existing indebtedness. Debt related to Financial Products increased \$1.265 billion, of which \$1.000 billion is related to intercompany borrowings with ME&T.

As of June 30, 2025, we had three global credit facilities with a syndicate of banks totaling \$10.500 billion (Credit Facility) available in the aggregate to both Caterpillar and Cat Financial for general liquidity purposes. Based on management's allocation decision, which can be revised from time to time, the portion of the Credit Facility available to ME&T as of June 30, 2025 was \$2.750 billion. Information on our Credit Facility is as follows:

- The 364-day facility of \$3.150 billion (of which \$825 million is available to ME&T) expires in August 2025.
- The three-year facility, as amended in August 2024, of \$2.730 billion (of which \$715 million is available to ME&T) expires in August 2027.
- The five-year facility, as amended in August 2024, of \$4.620 billion (of which \$1.210 billion is available to ME&T) expires in August 2029.

At June 30, 2025, Caterpillar's consolidated net worth was \$18.726 billion, which was above the \$9.000 billion required under the Credit Facility. The consolidated net worth is defined in the Credit Facility as Caterpillar's consolidated shareholders' equity including preferred stock but excluding the pension and other postretirement benefits balance within Accumulated other comprehensive income (loss).

At June 30, 2025, Cat Financial's covenant interest coverage ratio was 1.51 to 1. This was above the 1.15 to 1 minimum ratio calculated as (1) profit excluding income taxes, interest expense and net gain (loss) from interest rate derivatives to (2) interest expense calculated at the end of each fiscal quarter for the prior four consecutive fiscal quarter period, required by the Credit Facility.

In addition, at June 30, 2025, Cat Financial's six-month covenant leverage ratio was 7.18 to 1. This was below the maximum ratio of debt to net worth of 10 to 1, calculated (1) on a monthly basis as the average of the leverage ratios determined on the last day of each of the six preceding calendar months and (2) at each December 31, required by the Credit Facility.

In the event Caterpillar or Cat Financial does not meet one or more of their respective financial covenants under the Credit Facility in the future (and are unable to obtain a consent or waiver), the syndicate of banks may terminate the commitments allocated to the party that does not meet its covenants. Additionally, in such event, certain of Cat Financial's other lenders under other loan agreements where similar financial covenants or cross default provisions are applicable may, at their election, choose to pursue remedies under those loan agreements, including accelerating the repayment of outstanding borrowings. At June 30, 2025, there were no borrowings under the Credit Facility.

The aforementioned financial covenants are being reported as calculated under the Credit Facility and not pursuant to U.S. GAAP. Please refer to the credit agreements governing the Credit Facility filed as an exhibit to our periodic reports for further information related to the calculation thereof. For risks related to our indebtedness and compliance with these covenants, please refer to the risk factor "Restrictive covenants in our debt agreements could limit our financial and operating flexibility" set forth in Part I, Item 1A of our most recent annual report on Form 10-K.

Our total credit commitments and available credit as of June 30, 2025 were:

| (Millions of dollars)              | June 30, 2025 |  |                       |
|------------------------------------|---------------|--|-----------------------|
|                                    | Consolidated  | Machinery,<br>Energy &<br>Transportation | Financial<br>Products |
| Credit lines available:            |               |  |                       |
| Global credit facilities           | \$ 10,500     | \$ 2,750                                 | \$ 7,750              |
| Other external                     | 4,084         | 617                                      | 3,467                 |
| Total credit lines available       | 14,584        | 3,367                                    | 11,217                |
| Less: Commercial paper outstanding | (3,985)       | —  | (3,985)               |
| Less: Utilized credit              | (800)         | —  | (800)                 |
| Available credit                   | \$ 9,799      | \$ 3,367                                 | \$ 6,432              |

The other external consolidated credit lines with banks as of June 30, 2025 totaled \$4.084 billion. These committed and uncommitted credit lines, which may be eligible for renewal at various future dates or have no specified expiration date, are used primarily by our subsidiaries for local funding requirements. Caterpillar or Cat Financial may guarantee subsidiary borrowings under these lines.

We receive debt ratings from the major credit rating agencies. Fitch maintains a "high-A" debt rating, while Moody's and S&P maintain a "mid-A" debt rating. A downgrade of our credit ratings by any of the major credit rating agencies could result in increased borrowing costs and could make access to certain credit markets more difficult. In the event economic conditions deteriorate such that access to debt markets becomes unavailable, ME&T's operations would rely on cash flow from operations, use of existing cash balances, borrowings from Cat Financial and access to our committed credit facilities. Our Financial Products' operations would rely on cash flow from its existing portfolio, existing cash balances, access to our committed credit facilities and other credit line facilities of Cat Financial, and borrowings from Caterpillar. In addition, we maintain a support agreement with Cat Financial, which requires Caterpillar to remain the sole owner of Cat Financial and may, under certain circumstances, require Caterpillar to make payments to Cat Financial should Cat Financial fail to maintain certain financial ratios.

We facilitate voluntary supplier finance programs (the "Programs") through participating financial institutions. We account for the payments made under the Programs, the same as other accounts payable, as a reduction to our cash flows from operations. We do not believe that changes in the availability of the programs will have a significant impact on our liquidity. Additional information related to the programs is included in Note 21 – "Supplier finance programs" of Part I, Item 1 "Financial Statements."

### **Machinery, Energy & Transportation**

Net cash provided by operating activities was \$3.862 billion in the first six months of 2025, compared with net cash provided of \$4.573 billion for the same period in 2024. The decrease was primarily due to lower profit before taxes, adjusted for non-cash items, partially offset by lower working capital requirements. Within working capital, changes in customer advances and accounts payable favorably impacted cash flow but were partially offset by changes in inventories.

Net cash used by investing activities in the first six months of 2025 was \$1.530 billion, compared with net cash provided of \$1.381 billion in the first six months of 2024. The change was primarily due to lower proceeds from maturities and sale of securities, primarily due to time deposit maturities in 2024; increased activity related to intercompany lending with Financial Products; and an increase in capital expenditures.

Net cash used for financing activities during the first six months of 2025 was \$4.050 billion, compared with net cash used of \$8.573 billion in the same period of 2024. The change was primarily due to higher proceeds from debt issued, lower payments to purchase common stock and lower payments on debt in the first six months of 2025 compared to the same period in 2024.

While our short-term priorities for the use of cash may vary from time to time as business needs and conditions dictate, our long-term cash deployment strategy is focused on the following priorities. Our top priority is to maintain a strong financial position in support of a mid-A rating. Next, we intend to fund operational requirements and commitments. Then, we intend to fund priorities that profitably grow the company and return capital to shareholders through dividend growth and share repurchases. Additional information on cash deployment is as follows:

**Strong financial position** – Our top priority is to maintain a strong financial position in support of a mid-A rating. We track a diverse group of financial metrics that focus on liquidity, leverage, cash flow and margins which align with our cash deployment actions and the various methodologies used by the major credit rating agencies.

**Operational excellence and commitments** – Capital expenditures were \$1.287 billion during the first six months of 2025, compared to \$841 million for the same period in 2024. We expect ME&T's capital expenditures in 2025 to be about \$2.5 billion. We made \$276 million of contributions to our pension and other postretirement benefit plans during the first six months of 2025. We currently anticipate full-year 2025 contributions of approximately \$354 million. In comparison, we made \$172 million of contributions to our pension and other postretirement benefit plans during the first six months of 2024.

**Fund strategic growth initiatives and return capital to shareholders** – We intend to utilize our liquidity and debt capacity to fund targeted investments that drive long-term profitable growth focused in the areas of expanded offerings, services and sustainability, including acquisitions.

As part of our capital allocation strategy, ME&T free cash flow is a liquidity measure we use to determine the cash generated and available for financing activities including debt repayments, dividends and share repurchases. We define ME&T free cash flow as cash from ME&T operations less capital expenditures, excluding discretionary pension and other postretirement benefit plan contributions. A goal of our capital allocation strategy is to return substantially all ME&T free cash flow to shareholders over time in the form of dividends and share repurchases, while maintaining our mid-A rating.

Each quarter, our Board of Directors reviews the company's dividend for the applicable quarter. The Board evaluates the financial condition of the company and considers corporate cash flow, the company's liquidity needs, the economic outlook, and the health and stability of global credit markets to determine whether to maintain or change the quarterly dividend. In June 2025, the Board of Directors approved a seven percent increase in the quarterly dividend to \$1.51 per share, and we continue to expect our strong financial position to support the dividend. Dividends paid totaled \$1.336 billion in the first six months of 2025.

Our share repurchase plans are subject to the company's cash deployment priorities and are evaluated on an ongoing basis considering the financial condition of the company, corporate cash flow, the company's liquidity needs, the economic outlook, and the health and stability of global credit markets. The timing and amount of future repurchases may vary depending on market conditions and investing priorities. In May 2022, the Board approved a share repurchase authorization (the 2022 Authorization) of up to \$15.0 billion of Caterpillar common stock effective August 1, 2022, with no expiration. In June 2024, the Board approved an additional share repurchase authorization (the 2024 Authorization) of up to \$20.0 billion of Caterpillar common stock, effective June 12, 2024, with no expiration. In the first six months of 2025, we repurchased \$4.488 billion of Caterpillar common stock. As of June 30, 2025, the 2022 Authorization was fully utilized and \$15.640 billion remained available under the 2024 Authorization. Our basic shares outstanding as of June 30, 2025 were approximately 468 million.

## **Financial Products**

Net cash provided by operating activities was \$597 million in the first six months of 2025, compared with \$715 million for the same period in 2024. Net cash used for investing activities was \$990 million in the first six months of 2025, compared with \$1.351 billion for the same period in 2024. The change was primarily due to portfolio related activity and the 2024 divestiture of a non-U.S. subsidiary. Net cash provided by financing activities was \$670 million in the first six months of 2025, compared with \$635 million for the same period in 2024. The change was primarily due to increased intercompany borrowings from ME&T, partially offset by decreased external borrowings.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

For a discussion of recent accounting pronouncements, see Note 2 – “New accounting guidance” of Part I, Item 1 “Financial Statements.”

## **CRITICAL ACCOUNTING ESTIMATES**

For a discussion of the company's critical accounting estimates, see Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2024 Annual Report on Form 10-K. There have been no significant changes to our critical accounting estimates since our 2024 Annual Report on Form 10-K.

## **OTHER MATTERS**

Information related to legal proceedings appears in Note 14 – “Environmental and legal matters” of Part I, Item 1 “Financial Statements.”

## **Order Backlog**

At the end of the second quarter of 2025, the dollar amount of backlog believed to be firm was approximately \$37.5 billion, about \$2.5 billion higher than the first quarter of 2025. The order backlog increased across the primary segments, with the largest increase in Energy & Transportation. Of the total backlog at June 30, 2025, approximately \$10.3 billion was not expected to be filled in the following twelve months.

**NON-GAAP FINANCIAL MEASURES**

We provide the following definitions for the non-GAAP financial measures used in this report. These non-GAAP financial measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management does not intend these items to be considered in isolation or as a substitute for the related GAAP measures.

We believe it is important to separately quantify the profit impact of two significant items in order for the company's results to be meaningful to our readers. These items consist of (i) other restructuring income/costs and (ii) restructuring income/costs related to the divestitures of certain non-U.S. entities in 2024. We do not consider these items indicative of earnings from ongoing business activities and believe the non-GAAP measure provides investors with useful perspective on underlying business results and trends and aids with assessing the company's period-over-period results.

Reconciliations of adjusted results to the most directly comparable GAAP measures are as follows:

| (Dollars in millions except per share data)                              | Operating Profit | Operating Profit Margin | Profit Before Taxes | Provision (Benefit) for Income Taxes | Profit          | Profit per Share |
|--|------------------|-------------------------|---------------------|--------------------------------------|-----------------|------------------|
| <b>Three Months Ended June 30, 2025 - U.S. GAAP</b>                      | <b>\$ 2,860</b>  | <b>17.3 %</b>           | <b>\$ 2,818</b>     | <b>\$ 646</b>                        | <b>\$ 2,179</b> | <b>\$ 4.62</b>   |
| Other restructuring (income) costs                                       | 56               | 0.3 %                   | 56                  | 12                                   | 47              | 0.10             |
| <b>Three Months Ended June 30, 2025 - Adjusted</b>                       | <b>\$ 2,916</b>  | <b>17.6 %</b>           | <b>\$ 2,874</b>     | <b>\$ 658</b>                        | <b>\$ 2,226</b> | <b>\$ 4.72</b>   |
| <b>Three Months Ended June 30, 2024 - U.S. GAAP</b>                      | <b>\$ 3,482</b>  | <b>20.9 %</b>           | <b>\$ 3,500</b>     | <b>\$ 836</b>                        | <b>\$ 2,681</b> | <b>\$ 5.48</b>   |
| Restructuring costs - divestiture of two non-U.S. entities               | 228              | 1.3 %                   | 228                 | —                                    | 228             | 0.47             |
| Other restructuring (income) costs                                       | 30               | 0.2 %                   | 30                  | 6                                    | 24              | 0.04             |
| <b>Three Months Ended June 30, 2024 - Adjusted</b>                       | <b>\$ 3,740</b>  | <b>22.4 %</b>           | <b>\$ 3,758</b>     | <b>\$ 842</b>                        | <b>\$ 2,933</b> | <b>\$ 5.99</b>   |
| <b>Six Months Ended June 30, 2025 - U.S. GAAP</b>                        | <b>\$ 5,439</b>  | <b>17.6 %</b>           | <b>\$ 5,388</b>     | <b>\$ 1,220</b>                      | <b>\$ 4,182</b> | <b>\$ 8.82</b>   |
| Other restructuring (income) costs                                       | 88               | 0.3 %                   | 89                  | 20                                   | 72              | 0.15             |
| <b>Six Months Ended June 30, 2025 - Adjusted</b>                         | <b>\$ 5,527</b>  | <b>17.9 %</b>           | <b>\$ 5,477</b>     | <b>\$ 1,240</b>                      | <b>\$ 4,254</b> | <b>\$ 8.97</b>   |
| <b>Six Months Ended June 30, 2024 - U.S. GAAP</b>                        | <b>\$ 7,001</b>  | <b>21.5 %</b>           | <b>\$ 7,032</b>     | <b>\$ 1,524</b>                      | <b>\$ 5,537</b> | <b>\$ 11.23</b>  |
| Restructuring (income) costs - divestitures of certain non-U.S. entities | 164              | 0.5 %                   | 164                 | 54                                   | 110             | 0.22             |
| Other restructuring (income) costs                                       | 88               | 0.3 %                   | 88                  | 20                                   | 68              | 0.14             |
| <b>Six Months Ended June 30, 2024 - Adjusted</b>                         | <b>\$ 7,253</b>  | <b>22.3 %</b>           | <b>\$ 7,284</b>     | <b>\$ 1,598</b>                      | <b>\$ 5,715</b> | <b>\$ 11.59</b>  |

We believe it is important to separately disclose our annual effective tax rate, excluding discrete items for our results to be meaningful to our readers. The annual effective tax rate is discussed using non-GAAP financial measures that exclude the effects of amounts associated with discrete items recorded fully in the quarter they occur. These items consist of (i) the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense and (ii) restructuring income/costs related to the divestitures of certain non-U.S. entities in 2024. We believe the non-GAAP measures will provide investors with useful perspective on underlying business results and trends and aids with assessing the company's period-over-period results.

A reconciliation of our effective tax rate to annual effective tax rate, excluding discrete items is below:

| (Millions of dollars)  | Profit Before<br>Taxes | Provision<br>(Benefit) for<br>Income Taxes | Effective Tax Rate |
|--|------------------------|--|--------------------|
| <b>Three Months Ended June 30, 2025 - U.S. GAAP</b>                      | <b>\$ 2,818</b>        | <b>\$ 646</b>                              | <b>23.0 %</b>      |
| Excess stock-based compensation  | —                      | 1  |                    |
| Annual effective tax rate, excluding discrete items                      | 2,818                  | 647  | 23.0 %             |
| Excess stock-based compensation  | —                      | (1)  |                    |
| Other restructuring (income) costs                                       | 56                     | 12   |                    |
| Three Months Ended June 30, 2025 - Adjusted                              | <u>\$ 2,874</u>        | <u>\$ 658</u>                              |                    |
| <b>Three Months Ended June 30, 2024 - U.S. GAAP</b>                      | <b>\$ 3,500</b>        | <b>\$ 836</b>                              | <b>23.9 %</b>      |
| Restructuring costs - divestiture of two non-U.S. entities               | 228                    | —  |                    |
| Excess stock-based compensation  | —                      | 4  |                    |
| Annual effective tax rate, excluding discrete items                      | 3,728                  | 840  | 22.5 %             |
| Excess stock-based compensation  | —                      | (4)  |                    |
| Other restructuring (income) costs                                       | 30                     | 6  |                    |
| Three Months Ended June 30, 2024 - Adjusted                              | <u>\$ 3,758</u>        | <u>\$ 842</u>                              |                    |
| <b>Six Months Ended June 30, 2025 - U.S. GAAP</b>                        | <b>\$ 5,388</b>        | <b>\$ 1,220</b>                            | <b>22.6 %</b>      |
| Excess stock-based compensation  | —                      | 18   |                    |
| Annual effective tax rate, excluding discrete items                      | 5,388                  | 1,238                                      | 23.0 %             |
| Excess stock-based compensation  | —                      | (18)                                       |                    |
| Other restructuring (income) costs                                       | 89                     | 20   |                    |
| Six Months Ended June 30, 2025 - Adjusted                                | <u>\$ 5,477</u>        | <u>\$ 1,240</u>                            |                    |
| <b>Six Months Ended June 30, 2024 - U.S. GAAP</b>                        | <b>\$ 7,032</b>        | <b>\$ 1,524</b>                            | <b>21.7 %</b>      |
| Restructuring (income) costs - divestitures of certain non-U.S. entities | 164                    | 54   |                    |
| Excess stock-based compensation  | —                      | 42   |                    |
| Annual effective tax rate, excluding discrete items                      | 7,196                  | 1,620                                      | 22.5 %             |
| Excess stock-based compensation  | —                      | (42)                                       |                    |
| Other restructuring (income) costs                                       | 88                     | 20   |                    |
| Six Months Ended June 30, 2024 - Adjusted                                | <u>\$ 7,284</u>        | <u>\$ 1,598</u>                            |                    |

In addition, we provide a calculation of ME&T free cash flow as we believe it is an important measure for investors to determine the cash generation available for financing activities including debt repayments, dividends and share repurchases.

Reconciliations of ME&T free cash flow to the most directly comparable GAAP measure, net cash provided by operating activities are as follows:

| (Millions of dollars)                                       | Six Months Ended June 30, |          |
|---|---------------------------|----------|
|   | 2025                      | 2024     |
| ME&T net cash provided by operating activities <sup>1</sup> | \$ 3,862                  | \$ 4,573 |
| ME&T capital expenditures                                   | (1,287)                   | (841)    |
| ME&T free cash flow   | \$ 2,575                  | \$ 3,732 |

<sup>1</sup> See reconciliation of ME&T net cash provided by operating activities to consolidated net cash provided by operating activities on pages 76-77.

#### Supplemental Consolidating Data

We are providing supplemental consolidating data for the purpose of additional analysis. The data has been grouped as follows:

**Consolidated** – Caterpillar Inc. and its subsidiaries.

**Machinery, Energy & Transportation** – We define ME&T as it is presented in the supplemental data as Caterpillar Inc. and its subsidiaries, excluding Financial Products. ME&T's information relates to the design, manufacturing and marketing of our products.

**Financial Products** – We define Financial Products as it is presented in the supplemental data as our finance and insurance subsidiaries, primarily Caterpillar Financial Services Corporation (Cat Financial) and Caterpillar Insurance Holdings Inc. (Insurance Services). Financial Products' information relates to the financing to customers and dealers for the purchase and lease of Caterpillar and other equipment.

**Consolidating Adjustments** – Eliminations of transactions between ME&T and Financial Products.

The nature of the ME&T and Financial Products businesses is different, especially with regard to the financial position and cash flow items. Caterpillar management utilizes this presentation internally to highlight these differences. We believe this presentation will assist readers in understanding our business.

Pages 70-77 reconcile ME&T and Financial Products to Caterpillar Inc. consolidated financial information.

**Caterpillar Inc.**  
**Supplemental Data for Results of Operations**  
**For the Three Months Ended June 30, 2025**  
**(Unaudited)**  
**(Millions of dollars)**

|  | <b>Supplemental Consolidating Data</b> |   |                               |                                      |
|--|--|---|-------------------------------|--------------------------------------|
|  | <b>Consolidated</b>                    | <b>Machinery,<br/>Energy &amp;<br/>Transportation</b> | <b>Financial<br/>Products</b> | <b>Consolidating<br/>Adjustments</b> |
| <b>Sales and revenues:</b>                                     |  |   |                               |                                      |
| Sales of Machinery, Energy & Transportation                    | \$ 15,674                              | \$ 15,674   | \$ —                          | \$ —                                 |
| Revenues of Financial Products                                 | 895                                    | —   | 1,081                         | (186) <sup>1</sup>                   |
| Total sales and revenues                                       | <u>16,569</u>                          | <u>15,674</u>   | <u>1,081</u>                  | <u>(186)</u>                         |
| <b>Operating costs:</b>  |  |   |                               |                                      |
| Cost of goods sold   | 10,807                                 | 10,809  | —                             | (2) <sup>2</sup>                     |
| Selling, general and administrative expenses                   | 1,694                                  | 1,497   | 209                           | (12) <sup>2</sup>                    |
| Research and development expenses                              | 551                                    | 551   | —                             | —                                    |
| Interest expense of Financial Products                         | 336                                    | —   | 342                           | (6) <sup>2</sup>                     |
| Other operating (income) expenses                              | 321                                    | 22  | 318                           | (19) <sup>2</sup>                    |
| Total operating costs  | <u>13,709</u>                          | <u>12,879</u>   | <u>869</u>                    | <u>(39)</u>                          |
| <b>Operating profit</b>  | <b>2,860</b>                           | <b>2,795</b>  | <b>212</b>                    | <b>(147)</b>                         |
| Interest expense excluding Financial Products                  | 126                                    | 130   | —                             | (4) <sup>3</sup>                     |
| Other income (expense)   | 84                                     | (101)   | 42                            | 143 <sup>4</sup>                     |
| <b>Consolidated profit before taxes</b>                        | <b>2,818</b>                           | <b>2,564</b>  | <b>254</b>                    | <b>—</b>                             |
| Provision (benefit) for income taxes                           | 646                                    | 585   | 61                            | —                                    |
| Profit of consolidated companies                               | <u>2,172</u>                           | <u>1,979</u>  | <u>193</u>                    | <u>—</u>                             |
| Equity in profit (loss) of unconsolidated affiliated companies | 7                                      | 7   | —                             | —                                    |
| <b>Profit of consolidated and affiliated companies</b>         | <b>2,179</b>                           | <b>1,986</b>  | <b>193</b>                    | <b>—</b>                             |
| Less: Profit (loss) attributable to noncontrolling interests   | —                                      | (1)   | 1                             | —                                    |
| <b>Profit<sup>5</sup></b>                                      | <b><u>\$ 2,179</u></b>                 | <b><u>\$ 1,987</u></b>                                | <b><u>\$ 192</u></b>          | <b><u>\$ —</u></b>                   |

<sup>1</sup> Elimination of Financial Products' revenues earned from ME&T.

<sup>2</sup> Elimination of net expenses recorded between ME&T and Financial Products.

<sup>3</sup> Elimination of interest expense recorded between Financial Products and ME&T.

<sup>4</sup> Elimination of discount recorded by ME&T on receivables sold to Financial Products and of interest earned between ME&T and Financial Products as well as dividends paid by Financial Products to ME&T.

<sup>5</sup> Profit attributable to common shareholders.

**Caterpillar Inc.**  
**Supplemental Data for Results of Operations**  
**For the Six Months Ended June 30, 2025**  
**(Unaudited)**  
**(Millions of dollars)**

|  | Supplemental Consolidating Data |                                    |                    |                           |
|--|---------------------------------|------------------------------------|--------------------|---------------------------|
|  | Consolidated                    | Machinery, Energy & Transportation | Financial Products | Consolidating Adjustments |
| <b>Sales and revenues:</b>                                     |                                 |                                    |                    |                           |
| Sales of Machinery, Energy & Transportation                    | \$ 29,052                       | \$ 29,052                          | \$ —               | \$ —                      |
| Revenues of Financial Products                                 | 1,766                           | —                                  | 2,129              | (363) <sup>1</sup>        |
| <b>Total sales and revenues</b>                                | <b>30,818</b>                   | <b>29,052</b>                      | <b>2,129</b>       | <b>(363)</b>              |
| <b>Operating costs:</b>  |                                 |                                    |                    |                           |
| Cost of goods sold   | 19,772                          | 19,776                             | —                  | (4) <sup>2</sup>          |
| Selling, general and administrative expenses                   | 3,287                           | 2,905                              | 405                | (23) <sup>2</sup>         |
| Research and development expenses                              | 1,031                           | 1,031                              | —                  | —                         |
| Interest expense of Financial Products                         | 662                             | —                                  | 668                | (6) <sup>2</sup>          |
| Other operating (income) expenses                              | 627                             | 30                                 | 643                | (46) <sup>2</sup>         |
| <b>Total operating costs</b>                                   | <b>25,379</b>                   | <b>23,742</b>                      | <b>1,716</b>       | <b>(79)</b>               |
| <b>Operating profit</b>  | <b>5,439</b>                    | <b>5,310</b>                       | <b>413</b>         | <b>(284)</b>              |
| Interest expense excluding Financial Products                  | 242                             | 249                                | —                  | (7) <sup>3</sup>          |
| Other income (expense)   | 191                             | (146)                              | 60                 | 277 <sup>4</sup>          |
| <b>Consolidated profit before taxes</b>                        | <b>5,388</b>                    | <b>4,915</b>                       | <b>473</b>         | <b>—</b>                  |
| Provision (benefit) for income taxes                           | 1,220                           | 1,105                              | 115                | —                         |
| <b>Profit of consolidated companies</b>                        | <b>4,168</b>                    | <b>3,810</b>                       | <b>358</b>         | <b>—</b>                  |
| Equity in profit (loss) of unconsolidated affiliated companies | 14                              | 14                                 | —                  | —                         |
| <b>Profit of consolidated and affiliated companies</b>         | <b>4,182</b>                    | <b>3,824</b>                       | <b>358</b>         | <b>—</b>                  |
| Less: Profit (loss) attributable to noncontrolling interests   | —                               | (1)                                | 1                  | —                         |
| <b>Profit<sup>5</sup></b>                                      | <b>\$ 4,182</b>                 | <b>\$ 3,825</b>                    | <b>\$ 357</b>      | <b>\$ —</b>               |

<sup>1</sup> Elimination of Financial Products' revenues earned from ME&T.

<sup>2</sup> Elimination of net expenses recorded between ME&T and Financial Products.

<sup>3</sup> Elimination of interest expense recorded between Financial Products and ME&T.

<sup>4</sup> Elimination of discount recorded by ME&T on receivables sold to Financial Products and of interest earned between ME&T and Financial Products as well as dividends paid by Financial Products to ME&T.

<sup>5</sup> Profit attributable to common shareholders.

**Caterpillar Inc.**  
**Supplemental Data for Results of Operations**  
**For the Three Months Ended June 30, 2024**  
**(Unaudited)**  
**(Millions of dollars)**

|  | Supplemental Consolidating Data |  |                       |                              |
|--|---------------------------------|--|-----------------------|------------------------------|
|  | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Sales and revenues:</b>                                     |                                 |  |                       |                              |
| Sales of Machinery, Energy & Transportation                    | \$ 15,840                       | \$ 15,840                                | \$ —                  | \$ —                         |
| Revenues of Financial Products                                 | 849                             | —  | 1,043                 | (194) <sup>1</sup>           |
| Total sales and revenues                                       | 16,689                          | 15,840                                   | 1,043                 | (194)                        |
| <b>Operating costs:</b>  |                                 |  |                       |                              |
| Cost of goods sold   | 10,150                          | 10,152                                   | —                     | (2) <sup>2</sup>             |
| Selling, general and administrative expenses                   | 1,652                           | 1,449                                    | 185                   | 18 <sup>2</sup>              |
| Research and development expenses                              | 535                             | 535                                      | —                     | —                            |
| Interest expense of Financial Products                         | 314                             | —  | 314                   | —                            |
| Other operating (income) expenses                              | 556                             | 43                                       | 560                   | (47) <sup>2</sup>            |
| Total operating costs  | 13,207                          | 12,179                                   | 1,059                 | (31)                         |
| <b>Operating profit</b>  | <b>3,482</b>                    | <b>3,661</b>                             | <b>(16)</b>           | <b>(163)</b>                 |
| Interest expense excluding Financial Products                  | 137                             | 137                                      | —                     | —                            |
| Other income (expense)   | 155                             | (21)                                     | 13                    | 163 <sup>3</sup>             |
| <b>Consolidated profit before taxes</b>                        | <b>3,500</b>                    | <b>3,503</b>                             | <b>(3)</b>            | <b>—</b>                     |
| Provision (benefit) for income taxes                           | 836                             | 786                                      | 50                    | —                            |
| Profit of consolidated companies                               | 2,664                           | 2,717                                    | (53)                  | —                            |
| Equity in profit (loss) of unconsolidated affiliated companies | 17                              | 17                                       | —                     | —                            |
| <b>Profit of consolidated and affiliated companies</b>         | <b>2,681</b>                    | <b>2,734</b>                             | <b>(53)</b>           | <b>—</b>                     |
| Less: Profit (loss) attributable to noncontrolling interests   | —                               | —  | —                     | —                            |
| <b>Profit<sup>4</sup></b>                                      | <b>\$ 2,681</b>                 | <b>\$ 2,734</b>                          | <b>\$ (53)</b>        | <b>\$ —</b>                  |

<sup>1</sup> Elimination of Financial Products' revenues earned from ME&T.

<sup>2</sup> Elimination of net expenses recorded by ME&T paid to Financial Products.

<sup>3</sup> Elimination of discount recorded by ME&T on receivables sold to Financial Products and of interest earned between ME&T and Financial Products as well as dividends paid by Financial Products to ME&T.

<sup>4</sup> Profit attributable to common shareholders.

**Caterpillar Inc.**  
**Supplemental Data for Results of Operations**  
**For the Six Months Ended June 30, 2024**  
**(Unaudited)**  
**(Millions of dollars)**

|  | Supplemental Consolidating Data |  |                       |                              |
|--|---------------------------------|--|-----------------------|------------------------------|
|  | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Sales and revenues:</b>                                     |                                 |  |                       |                              |
| Sales of Machinery, Energy & Transportation                    | \$ 30,800                       | \$ 30,800                                | \$ —                  | \$ —                         |
| Revenues of Financial Products                                 | 1,688                           | —  | 2,072                 | (384) <sup>1</sup>           |
| Total sales and revenues                                       | 32,488                          | 30,800                                   | 2,072                 | (384)                        |
| <b>Operating costs:</b>  |                                 |  |                       |                              |
| Cost of goods sold   | 19,812                          | 19,816                                   | —                     | (4) <sup>2</sup>             |
| Selling, general and administrative expenses                   | 3,229                           | 2,862                                    | 363                   | 4 <sup>2</sup>               |
| Research and development expenses                              | 1,055                           | 1,055                                    | —                     | —                            |
| Interest expense of Financial Products                         | 612                             | —  | 612                   | —                            |
| Other operating (income) expenses                              | 779                             | 2  | 845                   | (68) <sup>2</sup>            |
| Total operating costs  | 25,487                          | 23,735                                   | 1,820                 | (68)                         |
| <b>Operating profit</b>  | <b>7,001</b>                    | <b>7,065</b>                             | <b>252</b>            | <b>(316)</b>                 |
| Interest expense excluding Financial Products                  | 280                             | 280                                      | —                     | —                            |
| Other income (expense)   | 311                             | (41)                                     | 36                    | 316 <sup>3</sup>             |
| <b>Consolidated profit before taxes</b>                        | <b>7,032</b>                    | <b>6,744</b>                             | <b>288</b>            | <b>—</b>                     |
| Provision (benefit) for income taxes                           | 1,524                           | 1,401                                    | 123                   | —                            |
| Profit of consolidated companies                               | 5,508                           | 5,343                                    | 165                   | —                            |
| Equity in profit (loss) of unconsolidated affiliated companies | 27                              | 27                                       | —                     | —                            |
| <b>Profit of consolidated and affiliated companies</b>         | <b>5,535</b>                    | <b>5,370</b>                             | <b>165</b>            | <b>—</b>                     |
| Less: Profit (loss) attributable to noncontrolling interests   | (2)                             | (3)                                      | 1                     | —                            |
| <b>Profit <sup>4</sup></b>                                     | <b>\$ 5,537</b>                 | <b>\$ 5,373</b>                          | <b>\$ 164</b>         | <b>\$ —</b>                  |

<sup>1</sup> Elimination of Financial Products' revenues earned from ME&T.

<sup>2</sup> Elimination of net expenses recorded between ME&T and Financial Products.

<sup>3</sup> Elimination of discount recorded by ME&T on receivables sold to Financial Products and of interest earned between ME&T and Financial Products as well as dividends paid by Financial Products to ME&T.

<sup>4</sup> Profit attributable to common shareholders.

**Caterpillar Inc.**  
**Supplemental Data for Financial Position**  
**At June 30, 2025**  
**(Unaudited)**  
**(Millions of dollars)**

|   | Supplemental Consolidating Data |  |                       |                              |
|---|---------------------------------|--|-----------------------|------------------------------|
|   | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Assets</b>                                     |                                 |  |                       |                              |
| Current assets:                                   |                                 |  |                       |                              |
| Cash and cash equivalents                         | \$ 5,442                        | \$ 4,428                                 | \$ 1,014              | \$ —                         |
| Receivables – trade and other                     | 9,704                           | 3,605                                    | 527                   | 5,572 <sup>1,2</sup>         |
| Receivables – finance                             | 10,147                          | —  | 15,946                | (5,799) <sup>2</sup>         |
| Prepaid expenses and other current assets         | 2,867                           | 2,680                                    | 401                   | (214) <sup>3</sup>           |
| Inventories                                       | 18,595                          | 18,595                                   | —                     | —                            |
| <b>Total current assets</b>                       | <b>46,755</b>                   | <b>29,308</b>                            | <b>17,888</b>         | <b>(441)</b>                 |
| Property, plant and equipment – net               | 13,896                          | 10,035                                   | 3,861                 | —                            |
| Long-term receivables – trade and other           | 1,607                           | 1,619                                    | 308                   | (320) <sup>1,2</sup>         |
| Long-term receivables – finance                   | 13,835                          | —  | 14,708                | (873) <sup>2</sup>           |
| Noncurrent deferred and refundable income taxes   | 3,427                           | 3,680                                    | 131                   | (384) <sup>4</sup>           |
| Intangible assets                                 | 321                             | 321                                      | —                     | —                            |
| Goodwill  | 5,331                           | 5,331                                    | —                     | —                            |
| Other assets                                      | 5,153                           | 3,747                                    | 2,420                 | (1,014) <sup>5</sup>         |
| <b>Total assets</b>                               | <b>\$ 90,325</b>                | <b>\$ 54,041</b>                         | <b>\$ 39,316</b>      | <b>\$ (3,032)</b>            |
| <b>Liabilities</b>                                |                                 |  |                       |                              |
| Current liabilities:                              |                                 |  |                       |                              |
| Short-term borrowings                             | \$ 4,485                        | \$ —                                     | \$ 4,485              | \$ —                         |
| Accounts payable                                  | 8,563                           | 8,515                                    | 294                   | (246) <sup>6,7</sup>         |
| Accrued expenses                                  | 5,207                           | 4,374                                    | 833                   | —                            |
| Accrued wages, salaries and employee benefits     | 1,618                           | 1,580                                    | 38                    | —                            |
| Customer advances                                 | 3,412                           | 3,387                                    | 3                     | 22 <sup>7</sup>              |
| Dividends payable                                 | 707                             | 707                                      | —                     | —                            |
| Other current liabilities                         | 2,627                           | 2,091                                    | 768                   | (232) <sup>4,5,8</sup>       |
| Long-term debt due within one year                | 8,315                           | 30                                       | 8,285                 | —                            |
| <b>Total current liabilities</b>                  | <b>34,934</b>                   | <b>20,684</b>                            | <b>14,706</b>         | <b>(456)</b>                 |
| Long-term debt due after one year                 | 27,948                          | 10,850                                   | 18,294                | (1,196) <sup>7,9</sup>       |
| Liability for postemployment benefits             | 3,611                           | 3,611                                    | —                     | —                            |
| Other liabilities                                 | 5,169                           | 4,199                                    | 1,376                 | (406) <sup>4,5</sup>         |
| <b>Total liabilities</b>                          | <b>71,662</b>                   | <b>39,344</b>                            | <b>34,376</b>         | <b>(2,058)</b>               |
| <b>Commitments and contingencies</b>              |                                 |  |                       |                              |
| <b>Shareholders' equity</b>                       |                                 |  |                       |                              |
| Common stock                                      | 6,143                           | 6,143                                    | 905                   | (905) <sup>10</sup>          |
| Treasury stock                                    | (47,958)                        | (47,958)                                 | —                     | —                            |
| Profit employed in the business                   | 62,160                          | 57,238                                   | 4,912                 | 10 <sup>10</sup>             |
| Accumulated other comprehensive income (loss)     | (1,684)                         | (731)                                    | (953)                 | —                            |
| Noncontrolling interests                          | 2                               | 5  | 76                    | (79) <sup>10</sup>           |
| <b>Total shareholders' equity</b>                 | <b>18,663</b>                   | <b>14,697</b>                            | <b>4,940</b>          | <b>(974)</b>                 |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 90,325</b>                | <b>\$ 54,041</b>                         | <b>\$ 39,316</b>      | <b>\$ (3,032)</b>            |

<sup>1</sup> Elimination of receivables between ME&T and Financial Products.

<sup>2</sup> Reclassification of ME&T's trade receivables purchased by Financial Products and Financial Products' wholesale inventory receivables.

<sup>3</sup> Elimination of ME&T's insurance premiums that are prepaid to Financial Products.

<sup>4</sup> Reclassification reflecting required netting of deferred tax assets/liabilities by taxing jurisdiction.

<sup>5</sup> Elimination of other intercompany assets and liabilities between ME&T and Financial Products.

<sup>6</sup> Elimination of payables between ME&T and Financial Products.

<sup>7</sup> Reclassification of Financial Products' payables to customer advances.

<sup>8</sup> Elimination of prepaid insurance in Financial Products' other liabilities.

<sup>9</sup> Elimination of debt between ME&T and Financial Products.

<sup>10</sup> Eliminations associated with ME&T's investments in Financial Products' subsidiaries.

**Caterpillar Inc.**  
**Supplemental Data for Financial Position**  
**At December 31, 2024**  
**(Unaudited)**  
**(Millions of dollars)**

|   | Supplemental Consolidating Data |  |                       |                              |
|---|---------------------------------|--|-----------------------|------------------------------|
|   | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Assets</b>                                     |                                 |  |                       |                              |
| Current assets:                                   |                                 |  |                       |                              |
| Cash and cash equivalents                         | \$ 6,889                        | \$ 6,165                                 | \$ 724                | \$ —                         |
| Receivables – trade and other                     | 9,282                           | 3,463                                    | 688                   | 5,131 <sup>1,2</sup>         |
| Receivables – finance                             | 9,565                           | —  | 14,957                | (5,392) <sup>2</sup>         |
| Prepaid expenses and other current assets         | 3,119                           | 2,872                                    | 401                   | (154) <sup>3</sup>           |
| Inventories                                       | 16,827                          | 16,827                                   | —                     | —                            |
| <b>Total current assets</b>                       | <b>45,682</b>                   | <b>29,327</b>                            | <b>16,770</b>         | <b>(415)</b>                 |
| Property, plant and equipment – net               | 13,361                          | 9,531                                    | 3,830                 | —                            |
| Long-term receivables – trade and other           | 1,225                           | 500                                      | 86                    | 639 <sup>1,2</sup>           |
| Long-term receivables – finance                   | 13,242                          | —  | 14,048                | (806) <sup>2</sup>           |
| Noncurrent deferred and refundable income taxes   | 3,312                           | 3,594                                    | 118                   | (400) <sup>4</sup>           |
| Intangible assets                                 | 399                             | 399                                      | —                     | —                            |
| Goodwill  | 5,241                           | 5,241                                    | —                     | —                            |
| Other assets                                      | 5,302                           | 4,050                                    | 2,277                 | (1,025) <sup>5</sup>         |
| <b>Total assets</b>                               | <b>\$ 87,764</b>                | <b>\$ 52,642</b>                         | <b>\$ 37,129</b>      | <b>\$ (2,007)</b>            |
| <b>Liabilities</b>                                |                                 |  |                       |                              |
| Current liabilities:                              |                                 |  |                       |                              |
| Short-term borrowings                             | \$ 4,393                        | \$ —                                     | \$ 4,393              | \$ —                         |
| Accounts payable                                  | 7,675                           | 7,619                                    | 331                   | (275) <sup>6,7</sup>         |
| Accrued expenses                                  | 5,243                           | 4,589                                    | 654                   | —                            |
| Accrued wages, salaries and employee benefits     | 2,391                           | 2,335                                    | 56                    | —                            |
| Customer advances                                 | 2,322                           | 2,305                                    | 3                     | 14 <sup>7</sup>              |
| Dividends payable                                 | 674                             | 674                                      | —                     | —                            |
| Other current liabilities                         | 2,909                           | 2,388                                    | 696                   | (175) <sup>4,8</sup>         |
| Long-term debt due within one year                | 6,665                           | 46                                       | 6,619                 | —                            |
| <b>Total current liabilities</b>                  | <b>32,272</b>                   | <b>19,956</b>                            | <b>12,752</b>         | <b>(436)</b>                 |
| Long-term debt due after one year                 | 27,351                          | 8,731                                    | 18,787                | (167) <sup>9</sup>           |
| Liability for postemployment benefits             | 3,757                           | 3,757                                    | —                     | —                            |
| Other liabilities                                 | 4,890                           | 3,977                                    | 1,344                 | (431) <sup>4</sup>           |
| <b>Total liabilities</b>                          | <b>68,270</b>                   | <b>36,421</b>                            | <b>32,883</b>         | <b>(1,034)</b>               |
| <b>Commitments and contingencies</b>              |                                 |  |                       |                              |
| <b>Shareholders' equity</b>                       |                                 |  |                       |                              |
| Common stock                                      | 6,941                           | 6,941                                    | 905                   | (905) <sup>10</sup>          |
| Treasury stock                                    | (44,331)                        | (44,331)                                 | —                     | —                            |
| Profit employed in the business                   | 59,352                          | 54,787                                   | 4,555                 | 10 <sup>10</sup>             |
| Accumulated other comprehensive income (loss)     | (2,471)                         | (1,182)                                  | (1,289)               | —                            |
| Noncontrolling interests                          | 3                               | 6  | 75                    | (78) <sup>10</sup>           |
| <b>Total shareholders' equity</b>                 | <b>19,494</b>                   | <b>16,221</b>                            | <b>4,246</b>          | <b>(973)</b>                 |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 87,764</b>                | <b>\$ 52,642</b>                         | <b>\$ 37,129</b>      | <b>\$ (2,007)</b>            |

<sup>1</sup> Elimination of receivables between ME&T and Financial Products.

<sup>2</sup> Reclassification of ME&T's trade receivables purchased by Financial Products and Financial Products' wholesale inventory receivables.

<sup>3</sup> Elimination of ME&T's insurance premiums that are prepaid to Financial Products.

<sup>4</sup> Reclassification reflecting required netting of deferred tax assets/liabilities by taxing jurisdiction.

<sup>5</sup> Elimination of other intercompany assets between ME&T and Financial Products.

<sup>6</sup> Elimination of payables between ME&T and Financial Products.

<sup>7</sup> Reclassification of Financial Products' payables to customer advances.

<sup>8</sup> Elimination of prepaid insurance in Financial Products' other liabilities.

<sup>9</sup> Elimination of debt between ME&T and Financial Products.

<sup>10</sup> Eliminations associated with ME&T's investments in Financial Products' subsidiaries.

**Caterpillar Inc.**  
**Supplemental Data for Cash Flow**  
**For the Six Months Ended June 30, 2025**  
**(Unaudited)**  
**(Millions of dollars)**

|   | Supplemental Consolidating Data |  |                       |                              |
|---|---------------------------------|--|-----------------------|------------------------------|
|   | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Cash flow from operating activities:</b>   |                                 |  |                       |                              |
| Profit of consolidated and affiliated companies   | \$ 4,182                        | \$ 3,824                                 | \$ 358                | \$ —                         |
| Adjustments to reconcile profit to net cash provided by operating activities:           |                                 |  |                       |                              |
| Depreciation and amortization   | 1,094                           | 716                                      | 378                   | —                            |
| Provision (benefit) for deferred income taxes   | (110)                           | (88)                                     | (22)                  | —                            |
| Other   | 398                             | 357                                      | (286)                 | 327 <sup>1</sup>             |
| Changes in assets and liabilities, net of acquisitions and divestitures:                |                                 |  |                       |                              |
| Receivables – trade and other   | (319)                           | 90                                       | 5                     | (414) <sup>1,2</sup>         |
| Inventories   | (1,639)                         | (1,639)                                  | —                     | —                            |
| Accounts payable  | 973                             | 930                                      | 6                     | 37 <sup>1</sup>              |
| Accrued expenses  | (12)                            | (64)                                     | 52                    | —                            |
| Accrued wages, salaries and employee benefits   | (805)                           | (786)                                    | (19)                  | —                            |
| Customer advances   | 1,276                           | 1,276                                    | —                     | —                            |
| Other assets – net  | (90)                            | (133)                                    | (3)                   | 46 <sup>1</sup>              |
| Other liabilities – net   | (537)                           | (621)                                    | 128                   | (44) <sup>1</sup>            |
| Net cash provided by (used for) operating activities                                    | <u>4,411</u>                    | <u>3,862</u>                             | <u>597</u>            | <u>(48)</u>                  |
| <b>Cash flow from investing activities:</b>   |                                 |  |                       |                              |
| Capital expenditures – excluding equipment leased to others                             | (1,265)                         | (1,273)                                  | (22)                  | 30 <sup>1</sup>              |
| Expenditures for equipment leased to others   | (608)                           | (14)                                     | (597)                 | 3 <sup>1</sup>               |
| Proceeds from disposals of leased assets and property, plant and equipment              | 365                             | 36                                       | 362                   | (33) <sup>1</sup>            |
| Additions to finance receivables  | (7,064)                         | —  | (8,084)               | 1,020 <sup>2</sup>           |
| Collections of finance receivables  | 6,399                           | —  | 7,278                 | (879) <sup>2</sup>           |
| Net intercompany purchased receivables  | —                               | —  | 93                    | (93) <sup>2</sup>            |
| Proceeds from sale of finance receivables   | 18                              | —  | 18                    | —                            |
| Additions to intercompany receivables (original maturities greater than three months)   | —                               | (1,000)                                  | —                     | 1,000 <sup>3</sup>           |
| Collections of intercompany receivables (original maturities greater than three months) | —                               | —  | 35                    | (35) <sup>3</sup>            |
| Investments and acquisitions (net of cash acquired)                                     | (21)                            | (21)                                     | —                     | —                            |
| Proceeds from sale of businesses and investments (net of cash sold)                     | 12                              | 12                                       | —                     | —                            |
| Proceeds from maturities and sale of securities   | 1,328                           | 1,026                                    | 302                   | —                            |
| Investments in securities   | (618)                           | (278)                                    | (340)                 | —                            |
| Other – net   | (53)                            | (18)                                     | (35)                  | —                            |
| Net cash provided by (used for) investing activities                                    | <u>(1,507)</u>                  | <u>(1,530)</u>                           | <u>(990)</u>          | <u>1,013</u>                 |
| <b>Cash flow from financing activities:</b>   |                                 |  |                       |                              |
| Dividends paid  | (1,336)                         | (1,336)                                  | —                     | —                            |
| Common stock issued, including treasury shares reissued                                 | (59)                            | (59)                                     | —                     | —                            |
| Payments to purchase common stock   | (4,488)                         | (4,488)                                  | —                     | —                            |
| Excise tax paid on purchases of common stock  | (73)                            | (73)                                     | —                     | —                            |
| Proceeds from intercompany borrowings (original maturities greater than three months)   | —                               | —  | 1,000                 | (1,000) <sup>3</sup>         |
| Payments on intercompany borrowings (original maturities greater than three months)     | —                               | (35)                                     | —                     | 35 <sup>3</sup>              |
| Proceeds from debt issued (original maturities greater than three months)               | 5,707                           | 1,976                                    | 3,731                 | —                            |
| Payments on debt (original maturities greater than three months)                        | (4,168)                         | (35)                                     | (4,133)               | —                            |
| Short-term borrowings – net (original maturities three months or less)                  | 72                              | —  | 72                    | —                            |
| Net cash provided by (used for) financing activities                                    | <u>(4,345)</u>                  | <u>(4,050)</u>                           | <u>670</u>            | <u>(965)</u>                 |
| Effect of exchange rate changes on cash   | (7)                             | (21)                                     | 14                    | —                            |
| <b>Increase (decrease) in cash, cash equivalents and restricted cash</b>                | <u>(1,448)</u>                  | <u>(1,739)</u>                           | <u>291</u>            | <u>—</u>                     |
| Cash, cash equivalents and restricted cash at beginning of period                       | 6,896                           | 6,170                                    | 726                   | —                            |
| Cash, cash equivalents and restricted cash at end of period                             | <u>\$ 5,448</u>                 | <u>\$ 4,431</u>                          | <u>\$ 1,017</u>       | <u>\$ —</u>                  |

<sup>1</sup> Elimination of non-cash adjustments and changes in assets and liabilities related to consolidated reporting.

<sup>2</sup> Reclassification of Financial Products' cash flow activity from investing to operating for receivables that arose from the sale of inventory.

<sup>3</sup> Elimination of proceeds and payments to/from ME&T and Financial Products.

**Caterpillar Inc.**  
**Supplemental Data for Cash Flow**  
**For the Six Months Ended June 30, 2024**  
**(Unaudited)**  
**(Millions of dollars)**

|   | Supplemental Consolidating Data |  |                       |                              |
|---|---------------------------------|--|-----------------------|------------------------------|
|   | Consolidated                    | Machinery,<br>Energy &<br>Transportation | Financial<br>Products | Consolidating<br>Adjustments |
| <b>Cash flow from operating activities:</b>                                   |                                 |  |                       |                              |
| Profit of consolidated and affiliated companies                               | \$ 5,535                        | \$ 5,370                                 | \$ 165                | \$ —                         |
| Adjustments to reconcile profit to net cash provided by operating activities: |                                 |  |                       |                              |
| Depreciation and amortization   | 1,055                           | 662                                      | 393                   | —                            |
| Provision (benefit) for deferred income taxes                                 | (133)                           | (81)                                     | (52)                  | —                            |
| (Gain) loss on divestiture  | 164                             | (46)                                     | 210                   | —                            |
| Other   | 105                             | 104                                      | (280)                 | 281 <sup>1</sup>             |
| Changes in assets and liabilities, net of acquisitions and divestitures:      |                                 |  |                       |                              |
| Receivables – trade and other   | (245)                           | 195                                      | 96                    | (536) <sup>1,2</sup>         |
| Inventories   | (643)                           | (638)                                    | —                     | (5) <sup>1</sup>             |
| Accounts payable  | (21)                            | 6  | (58)                  | 31 <sup>1</sup>              |
| Accrued expenses  | 69                              | (41)                                     | 110                   | —                            |
| Accrued wages, salaries and employee benefits                                 | (1,056)                         | (1,035)                                  | (21)                  | —                            |
| Customer advances   | 341                             | 341                                      | —                     | —                            |
| Other assets – net  | 20                              | (108)                                    | 5                     | 123 <sup>1</sup>             |
| Other liabilities – net   | (118)                           | (156)                                    | 147                   | (109) <sup>1</sup>           |
| Net cash provided by (used for) operating activities                          | <u>5,073</u>                    | <u>4,573</u>                             | <u>715</u>            | <u>(215)</u>                 |
| <b>Cash flow from investing activities:</b>                                   |                                 |  |                       |                              |
| Capital expenditures – excluding equipment leased to others                   | (841)                           | (831)                                    | (13)                  | 3 <sup>1</sup>               |
| Expenditures for equipment leased to others                                   | (614)                           | (10)                                     | (612)                 | 8 <sup>1</sup>               |
| Proceeds from disposals of leased assets and property, plant and equipment    | 342                             | 13                                       | 335                   | (6) <sup>1</sup>             |
| Additions to finance receivables  | (7,446)                         | —  | (7,951)               | 505 <sup>2</sup>             |
| Collections of finance receivables  | 6,743                           | —  | 7,176                 | (433) <sup>2</sup>           |
| Net intercompany purchased receivables  | —                               | —  | (138)                 | 138 <sup>2</sup>             |
| Proceeds from sale of finance receivables                                     | 37                              | —  | 37                    | —                            |
| Net intercompany borrowings   | —                               | —  | 9                     | (9) <sup>3</sup>             |
| Investments and acquisitions (net of cash acquired)                           | (32)                            | (32)                                     | —                     | —                            |
| Proceeds from sale of businesses and investments (net of cash sold)           | (61)                            | 92                                       | (153)                 | —                            |
| Proceeds from maturities and sale of securities                               | 2,574                           | 2,402                                    | 172                   | —                            |
| Investments in securities   | (523)                           | (300)                                    | (223)                 | —                            |
| Other – net   | 57                              | 47                                       | 10                    | —                            |
| Net cash provided by (used for) investing activities                          | <u>236</u>                      | <u>1,381</u>                             | <u>(1,351)</u>        | <u>206</u>                   |
| <b>Cash flow from financing activities:</b>                                   |                                 |  |                       |                              |
| Dividends paid  | (1,283)                         | (1,283)                                  | —                     | —                            |
| Common stock issued, including treasury shares reissued                       | 8                               | 8  | —                     | —                            |
| Payments to purchase common stock   | (6,275)                         | (6,275)                                  | —                     | —                            |
| Net intercompany borrowings   | —                               | (9)                                      | —                     | 9 <sup>3</sup>               |
| Proceeds from debt issued (original maturities greater than three months)     | 4,151                           | —  | 4,151                 | —                            |
| Payments on debt (original maturities greater than three months)              | (5,217)                         | (1,014)                                  | (4,203)               | —                            |
| Short-term borrowings – net (original maturities three months or less)        | 687                             | —  | 687                   | —                            |
| Net cash provided by (used for) financing activities                          | <u>(7,929)</u>                  | <u>(8,573)</u>                           | <u>635</u>            | <u>9</u>                     |
| Effect of exchange rate changes on cash                                       | (17)                            | (7)                                      | (10)                  | —                            |
| <b>Increase (decrease) in cash, cash equivalents and restricted cash</b>      | <u>(2,637)</u>                  | <u>(2,626)</u>                           | <u>(11)</u>           | <u>—</u>                     |
| Cash, cash equivalents and restricted cash at beginning of period             | 6,985                           | 6,111                                    | 874                   | —                            |
| Cash, cash equivalents and restricted cash at end of period                   | <u>\$ 4,348</u>                 | <u>\$ 3,485</u>                          | <u>\$ 863</u>         | <u>\$ —</u>                  |

<sup>1</sup> Elimination of non-cash adjustments and changes in assets and liabilities related to consolidated reporting.

<sup>2</sup> Reclassification of Financial Products' cash flow activity from investing to operating for receivables that arose from the sale of inventory.

<sup>3</sup> Elimination of net proceeds and payments to/from ME&T and Financial Products.

## **Forward-looking Statements**

Certain statements in this Form 10-Q 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 under the section entitled “Part I - Item 1A. Risk Factors” of Caterpillar’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as such factors may be updated from time to time in Caterpillar’s periodic filings with the Securities and Exchange Commission.

### ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

The information required by this Item is incorporated by reference from Note 5 – “Derivative financial instruments and risk management” included in Part I, Item 1 and Management’s Discussion and Analysis included in Part I, Item 2 of this Form 10-Q.

### ***Item 4. Controls and Procedures***

#### ***Evaluation of disclosure controls and procedures***

An evaluation was performed under the supervision and with the participation of the company’s management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the company’s disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this quarterly report. Based on that evaluation, the CEO and CFO concluded that the company’s disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

#### ***Changes in internal control over financial reporting***

During the second quarter of 2025, there has been no change in the company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting.

**PART II. OTHER INFORMATION****Item 1. Legal Proceedings**

The information required by this Item is incorporated by reference from Note 14 – “Environmental and legal matters” included in Part I, Item 1 of this Form 10-Q.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors we previously disclosed in our Annual Report on [Form 10-K](#) for the year ended December 31, 2024.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds****Issuer Purchases of Equity Securities**

| Period           | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value of Shares that May Yet be Purchased under the Program (in billions) <sup>1</sup> |
|------------------|----------------------------------|------------------------------|--|---|
| April 1-30, 2025 | 1,790,132                        | \$ 295.04                    | 1,790,132  | \$ 15.940   |
| May 1-31, 2025   | 543,069                          | \$ 331.42                    | 543,069  | \$ 15.760   |
| June 1-30, 2025  | 332,974                          | \$ 360.36                    | 332,974  | \$ 15.640   |
| <b>Total</b>     | <b>2,666,175</b>                 | <b>\$ 310.61</b>             | <b>2,666,175</b>   |   |

<sup>1</sup> In May 2022, the Board approved a share repurchase authorization (the 2022 Authorization) of up to \$15.0 billion of Caterpillar common stock effective August 1, 2022, with no expiration. In June 2024, the Board approved an additional share repurchase authorization (the 2024 Authorization) of up to \$20.0 billion of Caterpillar common stock, effective June 12, 2024, with no expiration. As of March 31, 2025, the 2022 Authorization was fully utilized and as of June 30, 2025, approximately \$15.6 billion remained available under the 2024 Authorization.

**Non-U.S. Employee Stock Purchase Plans**

As of June 30, 2025, we had 38 employee stock purchase plans (the “EIP Plans”) that are administered outside the United States for our non-U.S. employees, which had approximately 17,000 active participants in the aggregate. During the second quarter of 2025, approximately 58,000 shares of Caterpillar common stock were purchased by the EIP Plans pursuant to the terms of such plans.

**Item 5. Other Information**

On May 27, 2025, D. James Umpleby III, Executive Chairman of the Board of Directors of the Company, entered into a Rule 10b5-1 sales plan intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The sales plan will be in effect until the earlier of (1) April 30, 2026 and (2) the date on which an aggregate of 51,500 shares of our common stock have been sold under the plan.

**Item 6. Exhibits**

|         |   |
|---------|---|
| 4.1     | <a href="#">Form of 5.200% Senior Note due 2035 (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 15, 2025)</a>                                     |
| 4.2     | <a href="#">Form of 5.500% Senior Note due 2055 (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K filed May 15, 2025)</a>                                     |
| 10.1    | <a href="#">First Amended and Restated Aircraft Time Sharing Agreement, dated as of April 28, 2025.</a>   |
| 10.2    | <a href="#">Aircraft Time Sharing Agreement, dated as of May 7, 2025.</a>   |
| 31.1    | <a href="#">Certification of Chief Executive Officer of Caterpillar Inc., as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 31.2    | <a href="#">Certification of Chief Financial Officer of Caterpillar Inc., as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 32      | <a href="#">Certification of Chief Executive Officer of Caterpillar Inc. and Chief Financial Officer of Caterpillar Inc., as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)                               |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document  |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document  |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document   |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document  |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document   |
| 104     | Cover Page Interactive File (embedded within the Inline XBRL document and included in Exhibit 101)  |

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CATERPILLAR INC.**

|                |   |   |
|----------------|---|---|
| August 6, 2025 | <hr/> <i>/s/ Joseph E. Creed</i><br>Joseph E. Creed           | Chief Executive Officer                     |
| August 6, 2025 | <hr/> <i>/s/ Andrew R.J. Bonfield</i><br>Andrew R.J. Bonfield | Chief Financial Officer                     |
| August 6, 2025 | <hr/> <i>/s/ Derek Owens</i><br>Derek Owens                   | Chief Legal Officer and General Counsel     |
| August 6, 2025 | <hr/> <i>/s/ William E. Schaupp</i><br>William E. Schaupp     | Vice President and Chief Accounting Officer |

## FIRST AMENDED AND RESTATED AIRCRAFT TIME SHARING AGREEMENT

This First Amended and Restated Aircraft Time Sharing Agreement (the "Agreement") is made and entered into as of this 28th day of April 2025, by and between Caterpillar Inc., a Delaware corporation ("Company"), and D. James Umpleby, III, an individual ("Executive"), who together are sometimes also referred to herein individually as a "Party" or collectively as the "Parties."

## WITNESSETH:

**WHEREAS**, Company possesses the aircraft set forth in Exhibit A of this Agreement at the time of any flight conducted hereunder (the "Aircraft");

**WHEREAS**, Company desires to lease from time-to-time the Aircraft to Executive for Executive's use on a time sharing basis in accordance with Section 91.501 of the FAA's Federal Aviation Regulations, 14 C.F.R. Parts 1-199 as amended (the "FARs");

**WHEREAS**, Company has operational control of the Aircraft and employs (or contracts for the services of) fully qualified flight crews to operate the Aircraft on such basis;

**WHEREAS**, Company and Executive previously entered into an Aircraft Time Sharing Agreement on January 10, 2017; and

**WHEREAS**, Company and Executive desire to amend and restate such agreement as provided herein.

**NOW THEREFORE**, in consideration of the mutual covenants herein set forth, the Parties agree as follows:

**Section 1. *Provision of Aircraft.*** Company agrees to lease the Aircraft to Executive on a time sharing basis in accordance with the provisions of Sections 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FARs and solely at Company's discretion, including, without limitation, Company's determination of Aircraft availability according to Section 5 hereof, terminating on the earlier of (1) the first anniversary hereof; (2) the date the Parties elect to terminate this Agreement as hereinafter provided; or (3) a final determination that there has been a total loss of all of the Aircraft (the "Term"); provided, however, that unless earlier terminated this Agreement shall be extended automatically on a year to year basis following the first (1<sup>st</sup>) anniversary hereof. Either Party shall have the right and option to cancel this Agreement at any time upon ten (10) days' prior written notice to the other Party for any reason or for no reason and this Agreement shall automatically terminate on the date that Executive ceases to be employed by Company or any of its affiliated companies, whether as a result of resignation, retirement, death or other termination; provided, however, that the Term shall be extended to permit the Executive or Executive's invitees to complete any previously scheduled return flight for which the initial flight was begun during the Term.

**Section 2. *Reimbursement of Expenses.*** Company is not required to seek reimbursement of expenses for a flight conducted under this Agreement. To the extent Company does seek reimbursement of expenses for a flight conducted under this Agreement, such reimbursement shall be subject to the provisions of this Section. For each flight conducted under this Agreement, for which the Company seeks reimbursement, Company may charge Executive an amount not to exceed the sum of the expenses of

operating such flight that is permitted by FAR 91.501(d), *i.e.* an amount not to exceed the sum of the expenses set forth in subparagraphs (a)-(j) below for each such flight:

Caterpillar: Confidential Green

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- (a) Fuel, oil, lubricants, and other additives;
- (b) Travel expenses of the crew, including food, lodging, and ground transportation;
- (c) Hangar and tie-down costs away from the Program Aircraft's base of operation;
- (d) Insurance obtained for the specific flight;
- (e) Landing fees, airport taxes, and similar assessments;
- (f) Customs, foreign permit, and similar fees directly related to the flight;
- (g) In-flight food and beverages;
- (h) Passenger ground transportation;
- (i) Flight planning and weather contract services; and
- (j) An additional charge equal to one hundred percent (100%) of the expenses listed in subparagraph (a) above.

**Section 3. *Invoicing and Payment.*** All payments to be made to Company by Executive hereunder (regardless of the manner in which such payments are calculated pursuant to Section 2 above) shall be limited to the categories of costs identified in Items (a) through (j) of Section 2 above. Company will pay all expenses related to the operations of the Aircraft hereunder (including all those listed in clauses (a) through (i) of Section 2 above) in the ordinary course of Company's business. If the Company seeks reimbursement pursuant to Section 2, Company shall provide to Executive an invoice in written or electronic form, for the appropriate amount to be charged as specified in Section 2 above for each flight Executive and his/her guests have taken under this Agreement (plus domestic or international air transportation excise taxes, as applicable, imposed on Executive and his guests by the Internal Revenue Code for collection by Company) (the "Time Sharing Invoice"). Company shall issue the Time Sharing Invoice within forty five (45) days after the completion of Company's fiscal year. Executive shall pay Company the full amount of such Time Sharing Invoice within thirty (30) days of the date of that invoice, or alternatively, Company may elect to withhold the full amount of such Time Sharing Invoice from Executive's paycheck.

**Section 4. *Flight Requests.*** Executive will provide Company with flight requests and proposed flight schedules as far in advance as possible, and in any case at least two (2) business days in advance of Executive's desired departure (unless Company agrees to a shorter notice in a particular case in Company's sole discretion), and Company shall in turn coordinate said flight requests. Flight requests shall be in a form, whether oral or written, mutually convenient to and agreed upon by the Parties. In addition to proposed schedules and departure times, Executive shall provide at least the following information for each proposed flight reasonably in advance of the desired departure time as required by Company or its flight crew:

- (a) departure point;
- (b) destination;
- (c) date and time of flight;
- (d) number and identity of anticipated passengers;
- (e) nature and extent of luggage and/or cargo to be carried;
- (f) date and time of return flight, if any; and
- (g) any other information concerning the proposed flight that may be pertinent to or required by Company or its flight crew.

**Section 5. Aircraft Scheduling.** As between Company and Executive, Company shall have final authority and discretion over all scheduling of the Aircraft, and Company shall, at no time, be under any obligation to provide the Aircraft to Executive for a particular flight or series of flights.

**Section 6. Aircraft Maintenance.** As between Company and Executive, Company shall be solely responsible for securing scheduled and unscheduled maintenance, preventive maintenance, and required or otherwise necessary inspections of the Aircraft, and shall take such requirements into account in scheduling the Aircraft. Performance of maintenance, preventive maintenance or inspection shall not be delayed or postponed for the purpose of scheduling the Aircraft unless, in the sole discretion of Company and the pilot-in-command, such maintenance or inspection can safely be conducted later in compliance with applicable laws, regulations and requirements.

**Section 7. Flight Crew.** Company shall employ, pay for and provide a qualified flight crew for all flight operations under this Agreement.

**Section 8. Operational Authority and Control.** Company shall be responsible for the physical and technical operation of the Aircraft and the safe performance of all flights, and shall retain full authority and control, including exclusive Operational Control (as defined below), and possession of the Aircraft at all times at which the Aircraft is being operated on behalf of Executive pursuant to this Agreement. "Operational Control" (as defined in FAR 1.1 and Federal Aviation Administration's interpretation thereof) includes, but is not limited to, possession, command, and, except for the independent obligations of the pilots under the FARs, exclusive control over:

- (a) the pilots;
- (b) determinations of whether any particular flight may be safely operated;
- (c) assignment of pilots to particular flights;
- (d) initiation and termination of all flights;
- (e) directions to pilots to conduct flights; and
- (f) dispatch or release of flights.

In accordance with the applicable provisions of the FARs, the qualified flight crew provided by Company will exercise all required and/or appropriate duties and responsibilities in regard to the safety of each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning the preparation of the Aircraft for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made, and all other matters relating to operation of the Aircraft. Executive specifically agrees that the flight crew shall have final and complete authority to delay or cancel any flight for any reason or condition which in the sole judgment of the pilot-in-command could compromise the safety of the flight, and to take any other action which in the sole judgment of the pilot-in-command is necessitated by considerations of safety. No such action of the pilot-in-command shall create or support any liability to Executive or any other person for loss, injury, damage or delay. The Parties further agree that Company shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason or no reason including, without limitation, circumstances when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, civil commotion, strikes or labor disputes, weather conditions, acts of God, or other circumstances within or beyond Company's reasonable control.

**Section 9. Tax Indemnity; FET.** Executive agrees to pay when due and assume liability for, and indemnify and hold harmless Company concerning all claims of any kind whatsoever asserted by any

person in the nature of, taxes which are incurred by Executive (or his guests) through his/her (or their) use of the Aircraft under this Agreement. Company agrees to collect and remit for the benefit of Executive any "federal excise tax" or "FET" imposed under IRC §4261, as amended or superseded, resulting from Executive's (or his guests') use of the Aircraft under this Agreement; provided, however, that such agreement shall in no way relieve Executive of his/her duty to indemnify Company for any and all taxes as described in the sentence immediately above.

**Section 10. Insurance and Indemnification.** (a) Company will maintain or cause to be maintained in full force and effect throughout the term of this Agreement aircraft hull and third-party liability insurance in respect of each Aircraft, naming Executive as an additional insured.

(b) Company shall use reasonable efforts to procure such additional insurance coverage as Executive may request, naming Executive as an additional insured; provided, that the cost of such additional insurance shall be borne by Executive pursuant to Section 2(d) hereof.

(c) Notwithstanding the obligations set forth in subparagraphs (a) and (b) of this Section 10, Company shall indemnify Executive and hold him harmless against all liabilities, obligations, losses, damages, penalties, and actions (including without limitation reasonable attorneys' fees and expenses) of any nature which may be imposed on, incurred by, or asserted against Executive caused by or arising out of any flight operated under this Agreement. The provisions of this subsection shall survive the termination of this Agreement.

(d) Company's liability under Section 10(c) shall be limited to the proceeds of the third-party liability insurance referenced in Section 10(a) with respect to any claims that Executive may have under this Agreement, except in the event of gross negligence or willful misconduct by Company.

(e) In no event shall Company be liable to Executive or its employees, agents, guests, or invitees (and the lawful successors and assigns thereof) for any indirect, consequential, special or incidental damages and/or punitive damages of any kind or nature, under any circumstances or for any reason, including and not limited to any delay or failure to furnish the Aircraft, or caused by the performance of non-performance by Company of this Agreement.

(f) Executive agrees to indemnify, defend, and hold Company harmless from any claims, suits, liabilities, losses, costs or expenses for injury to persons, or damage to property in any way arising out of its misrepresentations, negligence, misconduct, or breach of this Agreement.

**Section 11. Base of Operations.** The base of operations of the Aircraft shall be at Perot Field Fort Worth Alliance Airport ("AFW").

**Section 12. Warranties.** Executive warrants that:

**Section 12.1. No Commercial Use.** Executive will use the Aircraft under this Agreement for, and only for, his own account, including the carriage of his guests, and will not use the Aircraft for purposes of providing transportation of passengers or cargo in air commerce for compensation or hire as a commercial Company or air carrier.

**Section 12.2. No Liens.** Executive will not permit any lien, security interest or other charge or encumbrance to attach against the Aircraft as a result of his action or inaction, and shall not convey, mortgage, assign, lease or in any way alienate the Aircraft or Company's rights hereunder.

**Section 12.3. *Laws.*** During the term of this Agreement, Executive will abide by and conform to all laws, orders, rules, and regulations as shall from time to time be in effect relating in any way to the operation or use of the Aircraft under this Agreement or otherwise.

**Section 13. Notices and Communications.** All notices and other communications under this Agreement shall be in writing (except as permitted in Section 4) and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by personal delivery, by Email (address below) (with a simultaneous confirmation copy sent by first class mail properly addressed), or by a reputable overnight courier service, addressed as follows:

If to Company:

Caterpillar Inc.  
5205 N. O'Connor Blvd  
Irving, TX 75039  
Email: [catsharedservices@cat.com](mailto:catsharedservices@cat.com)  
Telephone: (972) 891-7700

If to Executive:

D. James Umpleby, III  
c/o Caterpillar Inc.  
5205 N. O'Connor Blvd  
Irving, TX 75039  
Email: [catsharedservices@cat.com](mailto:catsharedservices@cat.com)  
Telephone: (972) 891-7700

or to such other person or address as either Party may from time to time designate in writing to the other Party.

**Section 14. Further Acts.** Company and Executive shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary (i) to carry out the intent and purpose of this Agreement, and (ii) to establish, maintain and protect the respective rights and remedies of the Parties.

**Section 15. Successors and Assigns.** Neither this Agreement nor any Party's interest herein shall be assignable to any other party. This Agreement shall inure to the benefit of and be binding upon the Parties, their heirs, representatives and successors.

**Section 16. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. This State of Texas choice of law provision shall not be relevant, admissible or otherwise cited by either party in connection with any dispute over venue, forum, and/or jurisdiction for any action, lawsuit or proceeding involving the parties.

**Section 17. Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected or impaired. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any prohibition or unenforceability in any particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 18. *Headings; Counterparts.*** The headings herein are inserted only for convenience and shall not affect the interpretation of this Agreement. This Agreement may be executed in any number of counterparts, and each counterpart shall for all purposes be deemed to be an original, all of which together shall constitute one and the same agreement. Any signed document transmitted electronically shall be treated in all manner and respects as an original document. The signature of any party sent electronically shall be considered as an original signature.

**Section 19. *Entire Agreement; Amendment or Modification.*** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, supersedes and replaces any previous agreement between the parties hereto concerning the subject matter hereof, and is not intended to confer upon any person or entity any rights or remedies hereunder which are not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by the Parties hereto.

**Section 20. *No Waiver.*** No failure on the part of either party to this Agreement to exercise any power, right, privilege, or remedy hereunder, and no delay on the part of either party in exercising any power, right, privilege, or remedy, shall operate as a waiver thereof; and no single or partial exercise of any such power, right, privilege, or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege, or remedy.

**Section 21. *Waiver of Jury Trial.*** The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section 22. *Exclusive Jurisdiction; Venue.*** The Parties understand and agree that the federal and/or state courts located in the State of Texas shall have exclusive jurisdiction with regard to any litigation relating to this Agreement and that venue shall be proper only in the State of Texas and any federal court whose judicial district encompasses the State of Texas, and that any objection to this jurisdiction or venue is specifically waived.

**Section 23. *TRUTH IN LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS:***

**(a) COMPANY CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED WITHIN THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS, EXCEPT TO THE EXTENT THE AIRCRAFT IS LESS THAN 12 MONTHS OLD, AND THAT ALL APPLICABLE REQUIREMENTS FOR THE AIRCRAFT'S MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET AND ARE VALID FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.**

**(b) COMPANY AGREES, CERTIFIES AND ACKNOWLEDGES THAT WHENEVER THE AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, COMPANY SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE COMPANY OF THE AIRCRAFT, AND THAT COMPANY UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH THE APPLICABLE FEDERAL AVIATION REGULATIONS.**

**(c) THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS AND PERTINENT FEDERAL AVIATION REGULATIONS BEARING ON OPERATIONAL CONTROL CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT**

**OFFICE. COMPANY FURTHER CERTIFIES THAT IT WILL SEND, OR CAUSE TO BE SENT, A TRUE COPY OF THIS AGREEMENT TO: FEDERAL AVIATION ADMINISTRATION, AIRCRAFT REGISTRATION BRANCH, ATTN. TECHNICAL SECTION (AVN-450), P.O. BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS AFTER ITS EXECUTION, AS REQUIRED BY SECTION 91.23(c)(1) OF THE FEDERAL AVIATION REGULATIONS.**

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed on the day and year first above written. The persons signing below warrant their authority to sign.

**COMPANY:**

By:/s/ Derek Owens

Derek Owens, Chief Legal Officer & General Counsel

**EXECUTIVE:**

By:/s/ D. James Umpleby, III

D. James Umpleby, III, Individually

**EXHIBIT A**

| <b><u>Aircraft Registration No.</u></b> | <b><u>Type of Aircraft</u></b> | <b><u>Manufacturer's Serial Number</u></b> |
|---|--------------------------------|--|
| N385CT<br>BD-100-1A10<br><br>)          | Bombardier CL604               | 5592                                       |
| N657CT<br>BD-100-1A10<br><br>)          | Bombardier CL604               | 5665                                       |
| N797CT<br>BD-100-1A10<br><br>)          | Bombardier BD700               | 9435                                       |
| N175CT                                  | Gulfstream G500                | 72141                                      |



## AIRCRAFT TIME SHARING AGREEMENT

This Aircraft Time Sharing Agreement (the "Agreement") is made and entered into as of this 7th day of May 2025, by and between Caterpillar Inc., a Delaware corporation ("Company"), and Joseph E. Creed, an individual ("Executive"), who together are sometimes also referred to herein individually as a "Party" or collectively as the "Parties."

## WITNESSETH:

**WHEREAS**, Company possesses the aircraft set forth in Exhibit A of this Agreement at the time of any flight conducted hereunder (the "Aircraft");

**WHEREAS**, Company desires to lease from time-to-time the Aircraft to Executive for Executive's use on a time sharing basis in accordance with Section 91.501 of the FAA's Federal Aviation Regulations, 14 C.F.R. Parts 1-199 as amended (the "FARs");

**WHEREAS**, Company has operational control of the Aircraft and employs (or contracts for the services of) fully qualified flight crews to operate the Aircraft on such basis; and

**WHEREAS**, subject to the terms and conditions herein, Executive desires to lease Company's Aircraft with flight crew supplied by Company on a time sharing basis.

**NOW THEREFORE**, in consideration of the mutual covenants herein set forth, the Parties agree as follows:

**Section 1. Provision of Aircraft.** Company agrees to lease the Aircraft to Executive on a time sharing basis in accordance with the provisions of Sections 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FARs and solely at Company's discretion, including, without limitation, Company's determination of Aircraft availability according to Section 5 hereof, terminating on the earlier of (1) the first anniversary hereof; (2) the date the Parties elect to terminate this Agreement as hereinafter provided; or (3) a final determination that there has been a total loss of all of the Aircraft (the "Term"); provided, however, that unless earlier terminated this Agreement shall be extended automatically on a year to year basis following the first (1<sup>st</sup>) anniversary hereof. Either Party shall have the right and option to cancel this Agreement at any time upon ten (10) days' prior written notice to the other Party for any reason or for no reason and this Agreement shall automatically terminate on the date that Executive ceases to be employed by Company or any of its affiliated companies, whether as a result of resignation, retirement, death or other termination; provided, however, that the Term shall be extended to permit the Executive or Executive's invitees to complete any previously scheduled return flight for which the initial flight was begun during the Term.

**Section 2. Reimbursement of Expenses.** Company is not required to seek reimbursement of expenses for a flight conducted under this Agreement. To the extent Company does seek reimbursement of expenses for a flight conducted under this Agreement, such reimbursement shall be subject to the provisions of this Section. For each flight conducted under this Agreement, for which the Company seeks reimbursement, Company may charge Executive an amount not to exceed the sum of the expenses of operating such flight that is permitted by FAR 91.501(d), *i.e.* an amount not to exceed the sum of the expenses set forth in subparagraphs (a)-(j) below for each such flight:

- (a) Fuel, oil, lubricants, and other additives;
- (b) Travel expenses of the crew, including food, lodging, and ground transportation;
- (c) Hangar and tie-down costs away from the Program Aircraft's base of operation;
- (d) Insurance obtained for the specific flight;
- (e) Landing fees, airport taxes, and similar assessments;
- (f) Customs, foreign permit, and similar fees directly related to the flight;
- (g) In-flight food and beverages;
- (h) Passenger ground transportation;
- (i) Flight planning and weather contract services; and
- (j) An additional charge equal to one hundred percent (100%) of the expenses listed in subparagraph (a) above.

**Section 3. *Invoicing and Payment.*** All payments to be made to Company by Executive hereunder (regardless of the manner in which such payments are calculated pursuant to Section 2 above) shall be limited to the categories of costs identified in Items (a) through (j) of Section 2 above. Company will pay all expenses related to the operations of the Aircraft hereunder (including all those listed in clauses (a) through (i) of Section 2 above) in the ordinary course of Company's business. If the Company seeks reimbursement pursuant to Section 2, Company shall provide to Executive an invoice in written or electronic form, for the appropriate amount to be charged as specified in Section 2 above for each flight Executive and his/her guests have taken under this Agreement (plus domestic or international air transportation excise taxes, as applicable, imposed on Executive and his guests by the Internal Revenue Code for collection by Company) (the "Time Sharing Invoice"). Company shall issue the Time Sharing Invoice within forty five (45) days after the completion of Company's fiscal year. Executive shall pay Company the full amount of such Time Sharing Invoice within thirty (30) days of the date of that invoice, or alternatively, Company may elect to withhold the full amount of such Time Sharing Invoice from Executive's paycheck.

**Section 4. *Flight Requests.*** Executive will provide Company with flight requests and proposed flight schedules as far in advance as possible, and in any case at least two (2) business days in advance of Executive's desired departure (unless Company agrees to a shorter notice in a particular case in Company's sole discretion), and Company shall in turn coordinate said flight requests. Flight requests shall be in a form, whether oral or written, mutually convenient to and agreed upon by the Parties. In addition to proposed schedules and departure times, Executive shall provide at least the following information for each proposed flight reasonably in advance of the desired departure time as required by Company or its flight crew:

- (a) departure point;
- (b) destination;
- (c) date and time of flight;
- (d) number and identity of anticipated passengers;
- (e) nature and extent of luggage and/or cargo to be carried;
- (f) date and time of return flight, if any; and
- (g) any other information concerning the proposed flight that may be pertinent to or required by Company or its flight crew.

**Section 5. Aircraft Scheduling.** As between Company and Executive, Company shall have final authority and discretion over all scheduling of the Aircraft, and Company shall, at no time, be under any obligation to provide the Aircraft to Executive for a particular flight or series of flights.

**Section 6. Aircraft Maintenance.** As between Company and Executive, Company shall be solely responsible for securing scheduled and unscheduled maintenance, preventive maintenance, and required or otherwise necessary inspections of the Aircraft, and shall take such requirements into account in scheduling the Aircraft. Performance of maintenance, preventive maintenance or inspection shall not be delayed or postponed for the purpose of scheduling the Aircraft unless, in the sole discretion of Company and the pilot-in-command, such maintenance or inspection can safely be conducted later in compliance with applicable laws, regulations and requirements.

**Section 7. Flight Crew.** Company shall employ, pay for and provide a qualified flight crew for all flight operations under this Agreement.

**Section 8. Operational Authority and Control.** Company shall be responsible for the physical and technical operation of the Aircraft and the safe performance of all flights, and shall retain full authority and control, including exclusive Operational Control (as defined below), and possession of the Aircraft at all times at which the Aircraft is being operated on behalf of Executive pursuant to this Agreement. "Operational Control" (as defined in FAR 1.1 and Federal Aviation Administration's interpretation thereof) includes, but is not limited to, possession, command, and, except for the independent obligations of the pilots under the FARs, exclusive control over:

- (a) the pilots;
- (b) determinations of whether any particular flight may be safely operated;
- (c) assignment of pilots to particular flights;
- (d) initiation and termination of all flights;
- (e) directions to pilots to conduct flights; and
- (f) dispatch or release of flights.

In accordance with the applicable provisions of the FARs, the qualified flight crew provided by Company will exercise all required and/or appropriate duties and responsibilities in regard to the safety of each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning the preparation of the Aircraft for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made, and all other matters relating to operation of the Aircraft. Executive specifically agrees that the flight crew shall have final and complete authority to delay or cancel any flight for any reason or condition which in the sole judgment of the pilot-in-command could compromise the safety of the flight, and to take any other action which in the sole judgment of the pilot-in-command is necessitated by considerations of safety. No such action of the pilot-in-command shall create or support any liability to Executive or any other person for loss, injury, damage or delay. The Parties further agree that Company shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason or no reason including, without limitation, circumstances when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, civil commotion, strikes or labor disputes, weather conditions, acts of God, or other circumstances within or beyond Company's reasonable control.

**Section 9. Tax Indemnity; FET.** Executive agrees to pay when due and assume liability for, and indemnify and hold harmless Company concerning all claims of any kind whatsoever asserted by any

person in the nature of, taxes which are incurred by Executive (or his guests) through his/her (or their) use of the Aircraft under this Agreement. Company agrees to collect and remit for the benefit of Executive any "federal excise tax" or "FET" imposed under IRC §4261, as amended or superseded, resulting from Executive's (or his guests') use of the Aircraft under this Agreement; provided, however, that such agreement shall in no way relieve Executive of his/her duty to indemnify Company for any and all taxes as described in the sentence immediately above.

**Section 10. Insurance and Indemnification.** (a) Company will maintain or cause to be maintained in full force and effect throughout the term of this Agreement aircraft hull and third-party liability insurance in respect of each Aircraft, naming Executive as an additional insured.

(b) Company shall use reasonable efforts to procure such additional insurance coverage as Executive may request, naming Executive as an additional insured; provided, that the cost of such additional insurance shall be borne by Executive pursuant to Section 2(d) hereof.

(c) Notwithstanding the obligations set forth in subparagraphs (a) and (b) of this Section 10, Company shall indemnify Executive and hold him harmless against all liabilities, obligations, losses, damages, penalties, and actions (including without limitation reasonable attorneys' fees and expenses) of any nature which may be imposed on, incurred by, or asserted against Executive caused by or arising out of any flight operated under this Agreement. The provisions of this subsection shall survive the termination of this Agreement.

(d) Company's liability under Section 10(c) shall be limited to the proceeds of the third-party liability insurance referenced in Section 10(a) with respect to any claims that Executive may have under this Agreement, except in the event of gross negligence or willful misconduct by Company.

(e) In no event shall Company be liable to Executive or its employees, agents, guests, or invitees (and the lawful successors and assigns thereof) for any indirect, consequential, special or incidental damages and/or punitive damages of any kind or nature, under any circumstances or for any reason, including and not limited to any delay or failure to furnish the Aircraft, or caused by the performance of non-performance by Company of this Agreement.

(f) Executive agrees to indemnify, defend, and hold Company harmless from any claims, suits, liabilities, losses, costs or expenses for injury to persons, or damage to property in any way arising out of its misrepresentations, negligence, misconduct, or breach of this Agreement.

**Section 11. Base of Operations.** The base of operations of the Aircraft shall be at Perot Field Fort Worth Alliance Airport ("AFW").

**Section 12. Warranties.** Executive warrants that:

**Section 12.1. No Commercial Use.** Executive will use the Aircraft under this Agreement for, and only for, his own account, including the carriage of his guests, and will not use the Aircraft for purposes of providing transportation of passengers or cargo in air commerce for compensation or hire as a commercial Company or air carrier.

**Section 12.2. No Liens.** Executive will not permit any lien, security interest or other charge or encumbrance to attach against the Aircraft as a result of his action or inaction, and shall not convey, mortgage, assign, lease or in any way alienate the Aircraft or Company's rights hereunder.

**Section 12.3. Laws.** During the term of this Agreement, Executive will abide by and conform to all laws, orders, rules, and regulations as shall from time to time be in effect relating in any way to the operation or use of the Aircraft under this Agreement or otherwise.

**Section 13. Notices and Communications.** All notices and other communications under this Agreement shall be in writing (except as permitted in Section 4) and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by personal delivery, by Email (address below) (with a simultaneous confirmation copy sent by first class mail properly addressed), or by a reputable overnight courier service, addressed as follows:

If to Company:

Caterpillar Inc.  
5205 N. O'Connor Blvd.  
Irving, TX 75039  
Email: catshareservices@cat.com  
Telephone: (972)891-7700

If to Executive:

Joseph E. Creed  
c/o Caterpillar Inc.  
5205 N. O'Connor Blvd.  
Irving, TX 75039  
Email: catshareservices@cat.com  
Telephone: (972)891-7700

or to such other person or address as either Party may from time to time designate in writing to the other Party.

**Section 14. Further Acts.** Company and Executive shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary (i) to carry out the intent and purpose of this Agreement, and (ii) to establish, maintain and protect the respective rights and remedies of the Parties.

**Section 15. Successors and Assigns.** Neither this Agreement nor any Party's interest herein shall be assignable to any other party. This Agreement shall inure to the benefit of and be binding upon the Parties, their heirs, representatives and successors.

**Section 16. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. This State of Texas choice of law provision shall not be relevant, admissible or otherwise cited by either party in connection with any dispute over venue, forum, and/or jurisdiction for any action, lawsuit or proceeding involving the parties.

**Section 17. Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected or impaired. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any prohibition or unenforceability in any particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 18. *Headings; Counterparts.*** The headings herein are inserted only for convenience and shall not affect the interpretation of this Agreement. This Agreement may be executed in any number of counterparts, and each counterpart shall for all purposes be deemed to be an original, all of which together shall constitute one and the same agreement. Any signed document transmitted electronically shall be treated in all manner and respects as an original document. The signature of any party sent electronically shall be considered as an original signature.

**Section 19. *Entire Agreement; Amendment or Modification.*** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, supersedes and replaces any previous agreement between the parties hereto concerning the subject matter hereof, and is not intended to confer upon any person or entity any rights or remedies hereunder which are not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by the Parties hereto.

**Section 20. *No Waiver.*** No failure on the part of either party to this Agreement to exercise any power, right, privilege, or remedy hereunder, and no delay on the part of either party in exercising any power, right, privilege, or remedy, shall operate as a waiver thereof; and no single or partial exercise of any such power, right, privilege, or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege, or remedy.

**Section 21. *Waiver of Jury Trial.*** The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section 22. *Exclusive Jurisdiction; Venue.*** The Parties understand and agree that the federal and/or state courts located in the State of Texas shall have exclusive jurisdiction with regard to any litigation relating to this Agreement and that venue shall be proper only in the State of Texas and any federal court whose judicial district encompasses the State of Texas, and that any objection to this jurisdiction or venue is specifically waived.

**Section 23. *TRUTH IN LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS:***

**(a) COMPANY CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED WITHIN THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS, EXCEPT TO THE EXTENT THE AIRCRAFT IS LESS THAN 12 MONTHS OLD, AND THAT ALL APPLICABLE REQUIREMENTS FOR THE AIRCRAFT'S MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET AND ARE VALID FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.**

**(b) COMPANY AGREES, CERTIFIES AND ACKNOWLEDGES THAT WHENEVER THE AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, COMPANY SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE COMPANY OF THE AIRCRAFT, AND THAT COMPANY UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH THE APPLICABLE FEDERAL AVIATION REGULATIONS.**

**(c) THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS AND PERTINENT FEDERAL AVIATION REGULATIONS BEARING ON OPERATIONAL CONTROL CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT**

**OFFICE. COMPANY FURTHER CERTIFIES THAT IT WILL SEND, OR CAUSE TO BE SENT, A TRUE COPY OF THIS AGREEMENT TO: FEDERAL AVIATION ADMINISTRATION, AIRCRAFT REGISTRATION BRANCH, ATTN. TECHNICAL SECTION (AVN-450), P.O. BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS AFTER ITS EXECUTION, AS REQUIRED BY SECTION 91.23(c)(1) OF THE FEDERAL AVIATION REGULATIONS.**

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed on the day and year first above written. The persons signing below warrant their authority to sign.

**COMPANY:**

By: /s/ Derek Owens

Derek Owens, Chief Legal Officer & General Counsel

**EXECUTIVE:**

By: /s/ Joseph E. Creed

Joseph E. Creed, Individually

**EXHIBIT A**

| <b><u>Aircraft Registration No.</u></b> | <b><u>Type of Aircraft</u></b> | <b><u>Manufacturer's Serial Number</u></b> |
|---|--------------------------------|--|
| N385CT<br>BD-100-1A10<br><br>)          | Bombardier CL604               | 5592                                       |
| N657CT<br>BD-100-1A10<br><br>)          | Bombardier CL604               | 5665                                       |
| N797CT<br>BD-100-1A10<br><br>)          | Bombardier BD700               | 9435                                       |
| N175CT                                  | Gulfstream G500                | 72141                                      |



## SECTION 302 CERTIFICATION

I, Joseph E. Creed, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Caterpillar Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2025

/s/ Joseph E. Creed

Joseph E. Creed

Chief Executive Officer



