

FINANCIAL REVIEW

FOURTH QUARTER AND FULL YEAR 2025

JANUARY 29, 2026

CATERPILLAR®

FORWARD-LOOKING STATEMENTS

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

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

A reconciliation of non-GAAP financial information can be found in our press release describing fourth-quarter 2025 financial results which is available on our website at www.caterpillar.com/earnings.

FINANCIAL RESULTS

Fourth Quarter 2025 and Full Year 2025

	4Q 2025	FULL YEAR 2025
Sales & Revenues	\$19.1B	\$67.6B
Operating Profit	\$2.7B	\$11.2B
<i>Adjusted Operating Profit¹</i>	<i>\$3.0B</i>	<i>\$11.6B</i>
Profit Per Share	\$5.12	\$18.81
<i>Adjusted Profit Per Share²</i>	<i>\$5.16</i>	<i>\$19.06</i>
MP&E Operating Cash Flow	\$4.5B	\$12.3B
<i>MP&E Free Cash Flow³</i>	<i>\$3.7B</i>	<i>\$9.5B</i>

4Q AND FULL YEAR 2025 SALES & REVENUES
ALL-TIME RECORDS

4Q 2025 ADJUSTED OPERATING PROFIT MARGIN¹
AND ADJUSTED PROFIT PER SHARE²
BETTER THAN ANTICIPATED

FULL YEAR 2025 ROBUST MP&E FREE CASH FLOW³
DEPLOYED \$7.9B TO SHAREHOLDERS

RECORD BACKLOG LEVEL
\$51B, UP 71% YEAR OVER YEAR

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

² Fourth-quarter 2025 adjusted profit per share excluded restructuring costs of \$0.52 per share and mark-to-market gains on remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.48 per share. Fourth-quarter 2024 adjusted profit per share excluded a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share, mark-to-market gains for remeasurement of pension and OPEB plans of \$0.23 per share and restructuring costs of \$0.05 per share. Full-year 2025 adjusted profit per share excluded restructuring costs of \$0.73 per share and mark-to-market gains on remeasurement of pension and OPEB plans of \$0.48 per share. Full-year 2024 adjusted profit per share excluded restructuring costs of \$0.54 per share, a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share and mark-to-market gains for remeasurement of pension and OPEB plans of \$0.23 per share.

³ Machinery, Power & Energy (MP&E) free cash flow represents MP&E operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of MP&E net cash provided by operating activities to MP&E free cash flow is included in the appendix.

INVESTOR DAY TARGETS¹

ENTERPRISE	2025 ACTUALS	2030 TARGETS ¹
Sales & Revenues	4%	5-7% CAGR ² Through 2030
Adjusted Operating Profit Margin ³	17.2% Within the Target Range	15-19% to 21-25% at \$60B to \$100B
Services Revenues ⁴	\$24B	\$30B
MP&E Free Cash Flow ⁵	\$9.5B	\$6B to \$15B
Shareholder Return	84%	Substantially all MP&E FCF ⁵ over time
Dividend Increases	7%	High single-digit percent

¹ Targets based on Caterpillar's 2025 Investor Day. Targets are 2030 absolute numbers, or where an increase, vs. the year-end 2024 baseline.

² CAGR target assumes stable economic conditions.

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

⁴ MP&E 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.

⁵ MP&E free cash flow represents MP&E operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of MP&E net cash provided by operating activities to MP&E free cash flow is included in the appendix.

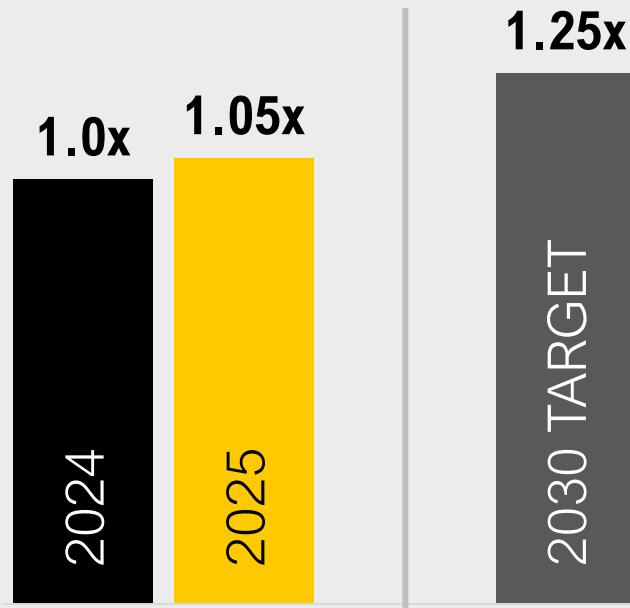
SEGMENT HIGHLIGHTS

Investor Day Targets for Strategic Initiatives

CONSTRUCTION INDUSTRIES

SALES TO USERS¹

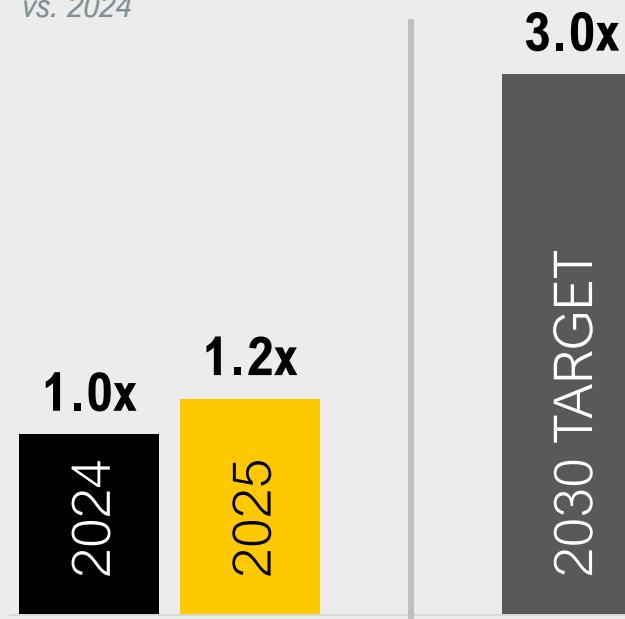
vs. 2024



RESOURCE INDUSTRIES

AUTONOMOUS HAUL TRUCKS IN OPERATION

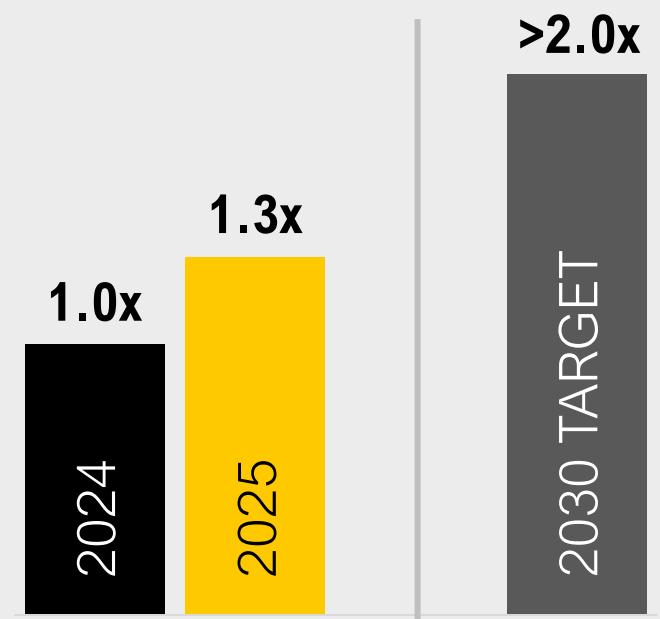
vs. 2024



POWER & ENERGY

POWER GENERATION SALES

vs. 2024



¹ Reported in price neutral dollars and based on unit sales as reported primarily by dealers, compared to 2024.

FULL YEAR 2026 OUTLOOK

SALES & REVENUES
**AROUND TOP END
OF CAGR TARGET¹**

ADJUSTED OPERATING
PROFIT MARGIN²
**NEAR BOTTOM OF
TARGET RANGE¹**

MP&E FREE CASH FLOW³
**SLIGHTLY LOWER
THAN 2025**

¹ Target ranges were given at Caterpillar's 2025 Investor Day. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues, sales & revenues CAGR target of 5-7% and an MP&E free cash flow target range of \$6B to \$15B annually. CAGR target assumes stable economic conditions.

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

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

STRATEGY UPDATE

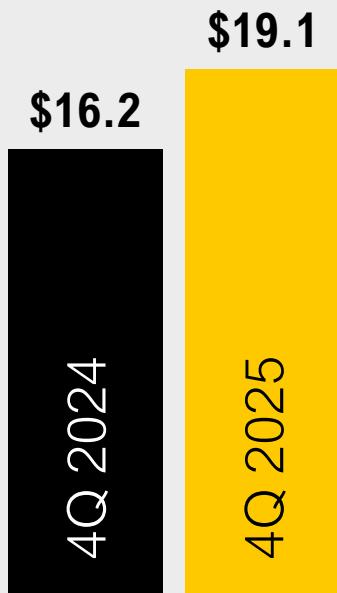


FINANCIAL RESULTS SUMMARY

Fourth Quarter 2025 vs. Fourth Quarter 2024

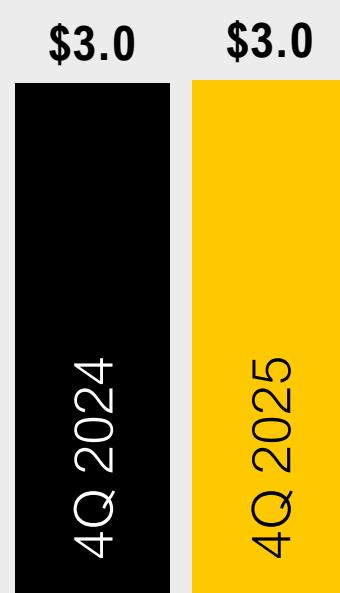
SALES & REVENUES

USD in billions



ADJUSTED OPERATING PROFIT¹

USD in billions



MP&E FREE CASH FLOW²

USD in billions

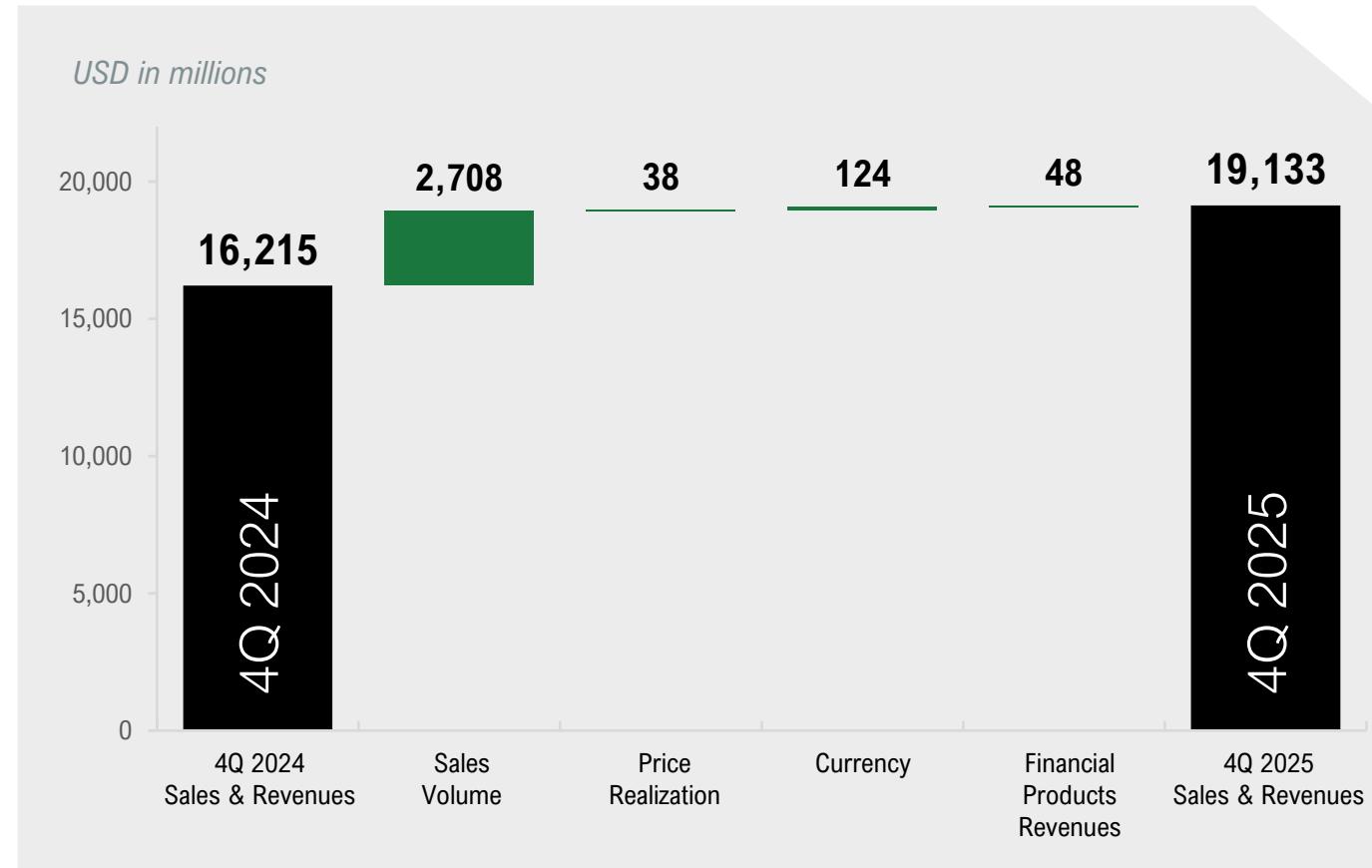


¹ Adjusted operating profit is a non-GAAP measure and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

² MP&E free cash flow represents MP&E operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of MP&E net cash provided by operating activities to MP&E free cash flow is included in the appendix.

CONSOLIDATED SALES & REVENUES

Fourth Quarter 2025 vs. Fourth Quarter 2024

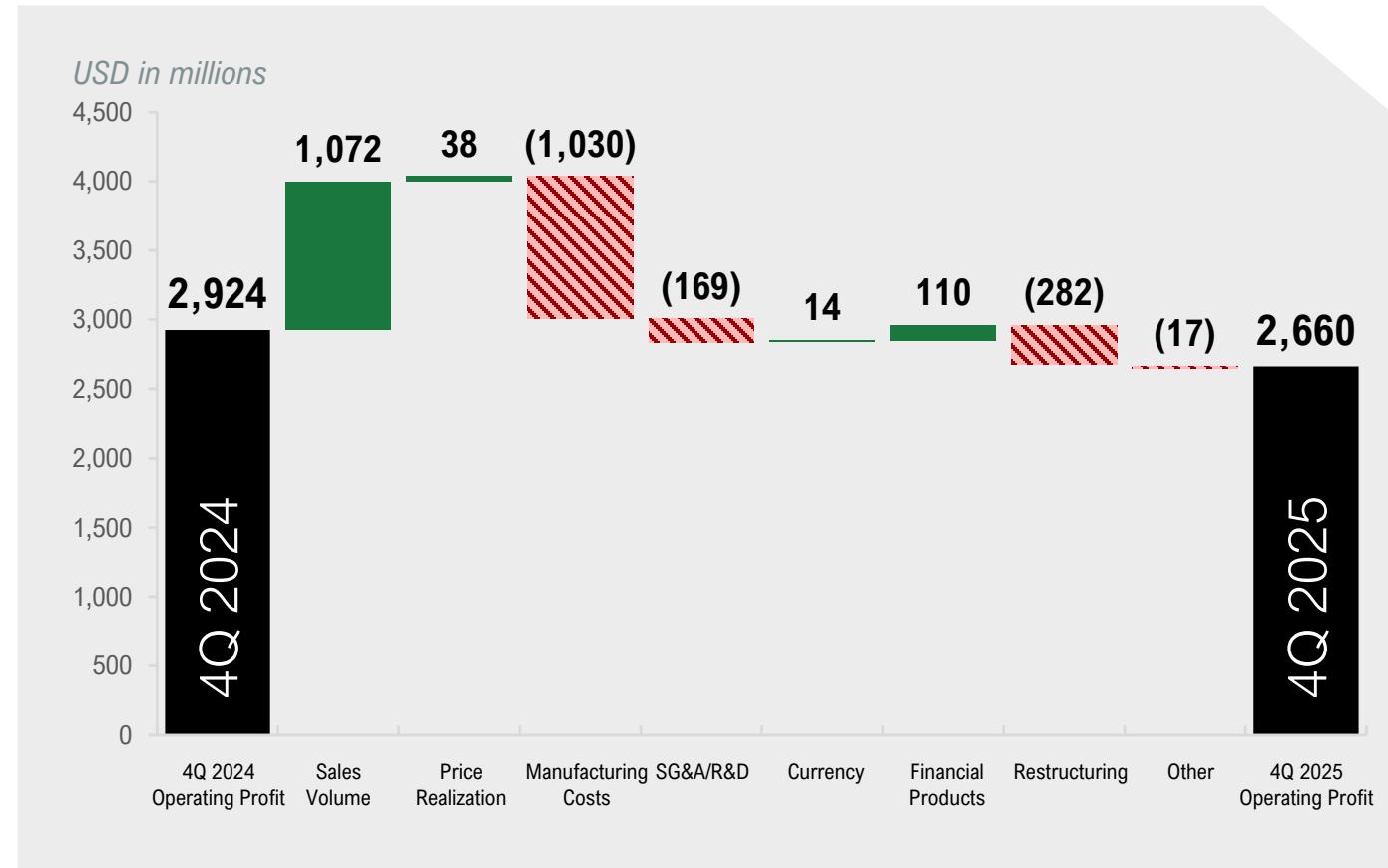


SALES & REVENUES INCREASED \$2.918B OR 18%

- Higher sales volume
 - Higher sales of equipment to end users
 - Favorable impact from changes in dealer inventories

CONSOLIDATED OPERATING PROFIT

Fourth Quarter 2025 vs. Fourth Quarter 2024



OPERATING PROFIT DECREASED \$264M OR 9%

- Unfavorable manufacturing costs
 - Largely reflected impact of higher tariffs
- Higher restructuring costs
- Favorable impact of higher sales volume

Operating Profit Margin 13.9%

Adjusted Operating Profit Margin¹ 15.6%

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

PROFIT PER SHARE

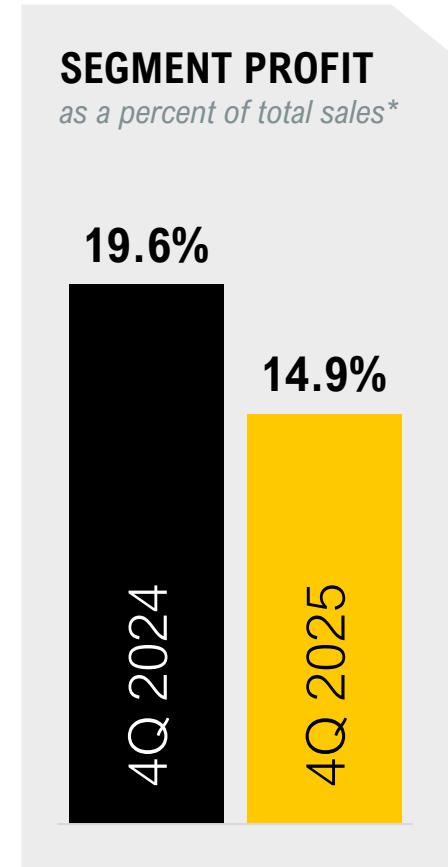
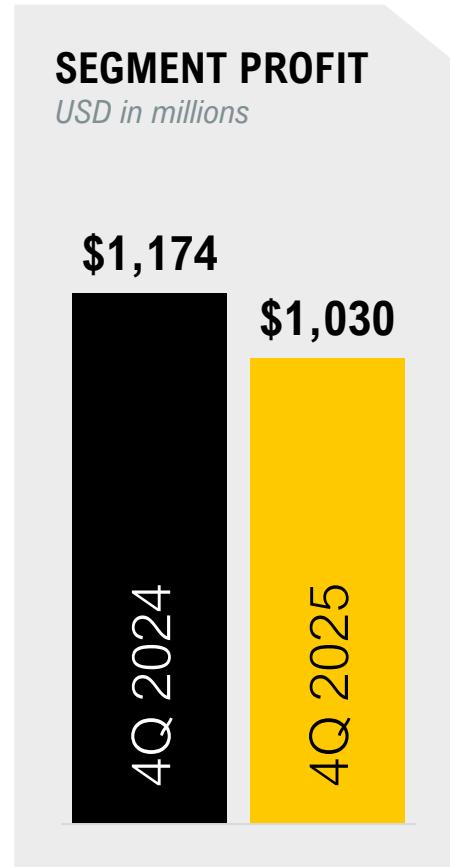
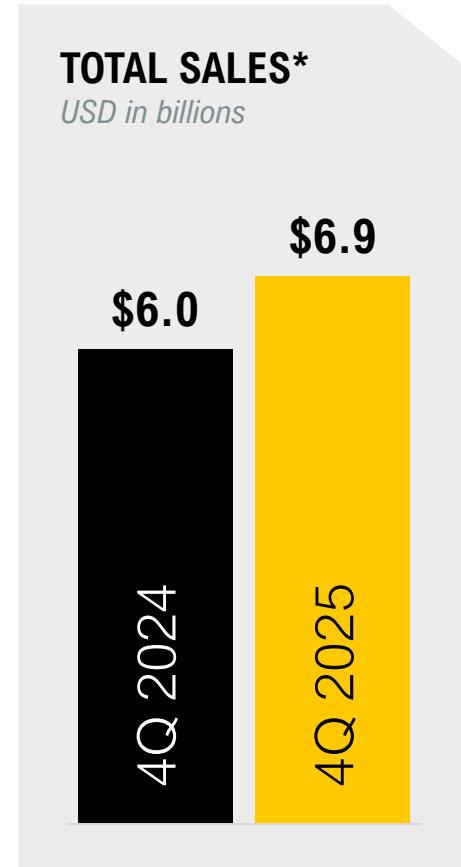
Fourth Quarter 2025 vs. Fourth Quarter 2024



¹ Fourth-quarter 2025 adjusted profit per share excluded restructuring costs of \$0.52 per share and mark-to-market gains on remeasurement of pension and OPEB plans of \$0.48 per share. Fourth-quarter 2024 adjusted profit per share excluded a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share, mark-to-market gains for remeasurement of pension and OPEB plans of \$0.23 per share and restructuring costs of \$0.05 per share.

CONSTRUCTION INDUSTRIES

Fourth Quarter 2025 vs. Fourth Quarter 2024



TOTAL SALES INCREASED \$923M OR 15%

- Higher sales volume
 - Higher sales of equipment to end users
 - Favorable impact from changes in dealer inventories
 - Dealer inventory decreased less during 4Q 2025 than during 4Q 2024

SEGMENT PROFIT DECREASED \$144M OR 12%

- Unfavorable manufacturing costs
 - Largely reflected impact of higher tariffs
- Unfavorable price realization
- Favorable impact of higher sales volume

*Includes inter-segment sales.



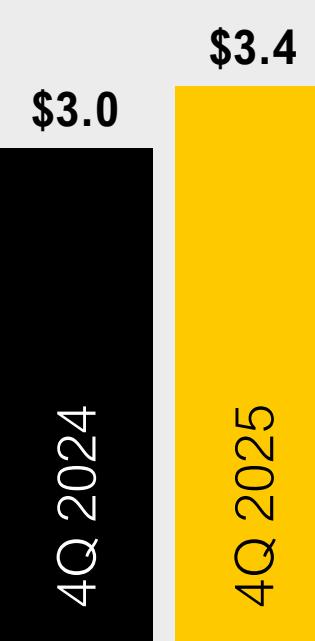
RESOURCE INDUSTRIES

Fourth Quarter 2025 vs. Fourth Quarter 2024



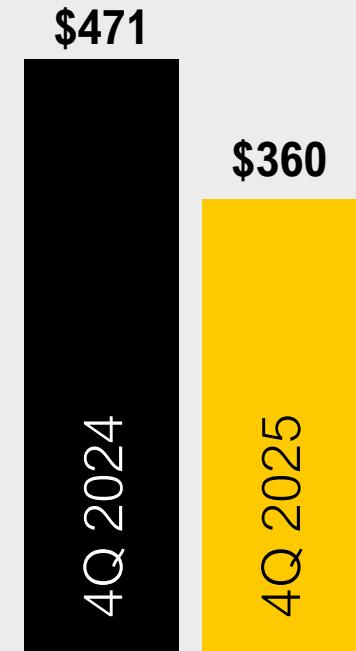
TOTAL SALES*

USD in billions



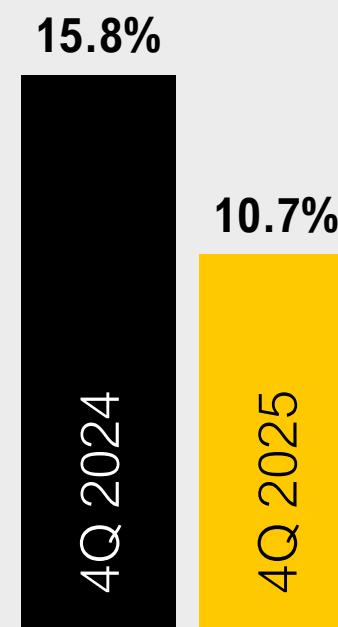
SEGMENT PROFIT

USD in millions



SEGMENT PROFIT

as a percent of total sales*



TOTAL SALES INCREASED \$373M OR 13%

- Higher sales volume
 - Favorable impact from changes in dealer inventories
 - Dealer inventory increased during 4Q 2025, compared with a decrease in 4Q 2024
- Unfavorable price realization

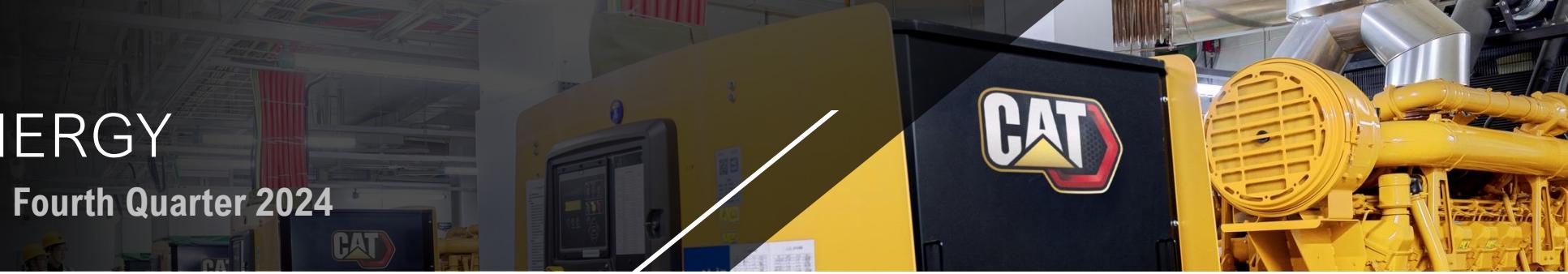
SEGMENT PROFIT DECREASED \$111M OR 24%

- Unfavorable manufacturing costs
 - Largely reflected impact of higher tariffs
- Unfavorable price realization
- Favorable impact of higher sales volume

*Includes inter-segment sales.

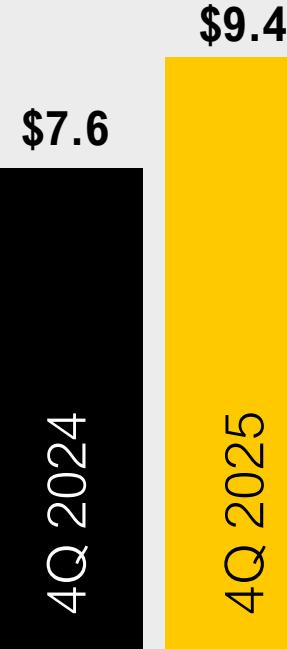
POWER & ENERGY

Fourth Quarter 2025 vs. Fourth Quarter 2024



TOTAL SALES*

USD in billions



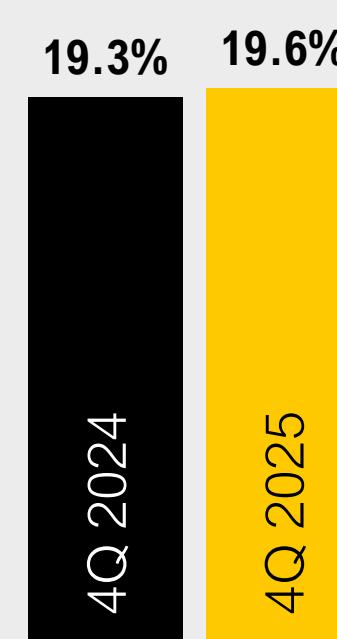
SEGMENT PROFIT

USD in millions



SEGMENT PROFIT

as a percent of total sales*



TOTAL SALES INCREASED \$1.751B OR 23%

- Higher sales volume
- Favorable price realization

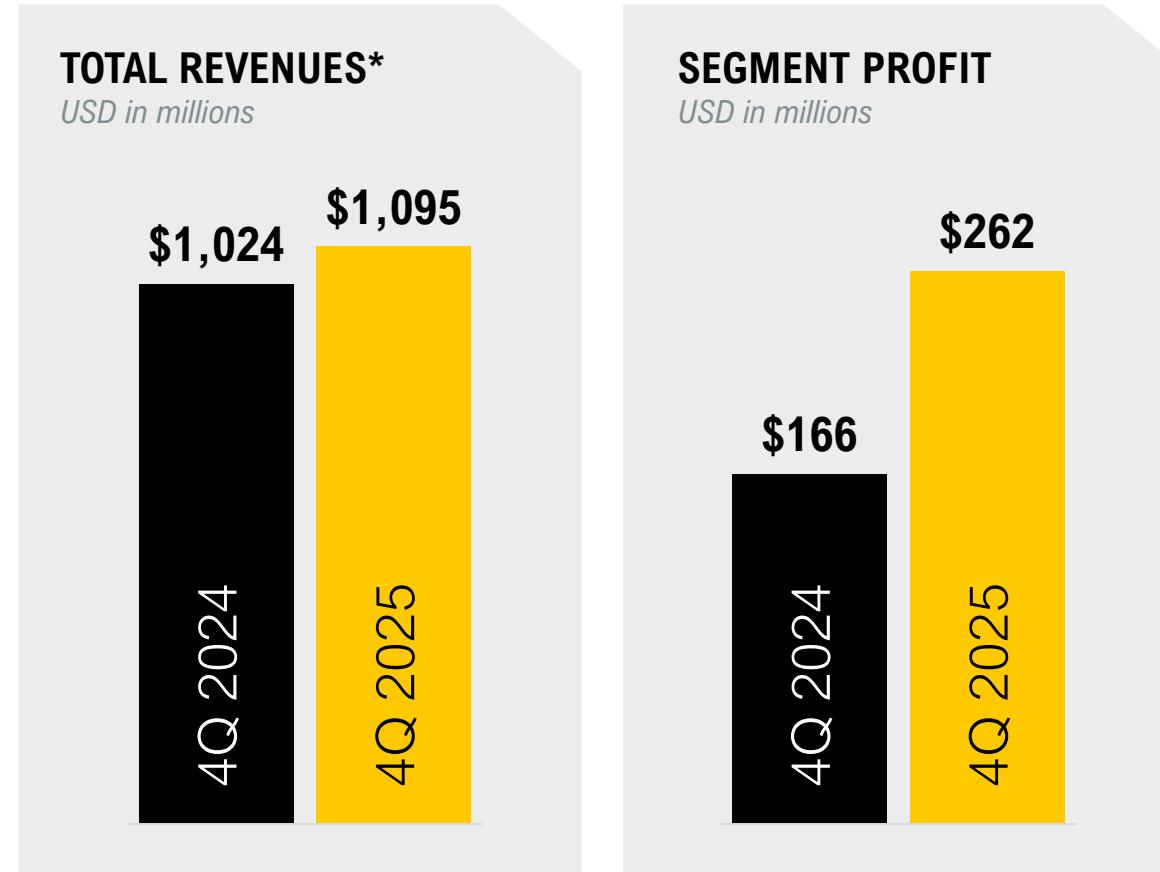
SEGMENT PROFIT INCREASED \$364M OR 25%

- Favorable impact of higher sales volume
- Favorable price realization
- Unfavorable manufacturing costs
- Primarily reflected impact of higher tariffs

*Includes inter-segment sales.

FINANCIAL PRODUCTS

Fourth Quarter 2025 vs. Fourth Quarter 2024



*Includes inter-segment revenues.

MP&E FREE CASH FLOW¹ AND CAPITAL DEPLOYMENT

\$9.5B

**MP&E FREE CASH FLOW¹
FULL YEAR 2025**

Slightly higher than 2024 despite an \$800M increase in CapEx.

\$7.9B

**DEPLOYED TO
SHAREHOLDERS IN 2025**

Continue to expect to return substantially all MP&E Free Cash Flow¹ to shareholders over time.

\$10.0B

**ENTERPRISE
CASH BALANCE**

Held additional \$1.2B in slightly longer-dated liquid marketable securities.

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

EXPECTATIONS AS WE LOOK AHEAD

Full Year 2026

- 2026 full-year sales and revenues growth as compared to 2025, around the top end of our 5 to 7 percent CAGR target¹
- 2026 full-year services revenues² to grow as compared to 2025
- 2026 incremental tariff³ cost of around \$2.6B
- Excluding the impact of incremental tariff³ costs, 2026 full-year adjusted operating profit margin⁴ in the top half of the annual target range¹
- Including the impact of incremental tariff³ costs, 2026 full-year adjusted operating profit margin⁴ near the bottom of the annual target range¹
- 2026 full-year MP&E free cash flow⁵ slightly lower as compared to 2025

¹Target ranges were given at Caterpillar's 2025 Investor Day. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues, sales & revenues CAGR target of 5-7% and an MP&E free cash flow target range of \$6B to \$15B annually. CAGR target assumes stable economic conditions.

²MP&E 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.

³Incremental tariffs announced in 2025 and expected to be in place by January 29, 2026.

⁴Adjusted operating profit margin is a non-GAAP measure and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

⁵MP&E free cash flow represents MP&E operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of MP&E net cash provided by operating activities to MP&E free cash flow is included in the appendix.

EXPECTATIONS AS WE LOOK AHEAD

First Quarter 2026

- 1Q 2026 sales and revenues stronger as compared to 1Q 2025
- 1Q 2026 machine dealer inventory¹ increase aligned with the 1Q seasonable pattern, as compared to flattish levels in 1Q 2025
- 1Q 2026 incremental tariff² costs at a level similar to 4Q 2025, or around \$800M
- Excluding the impact of incremental tariff² costs, higher 1Q 2026 adjusted operating profit margin³ as compared to 1Q 2025
- Including the impact of incremental tariff² costs, lower 1Q 2026 adjusted operating profit margin³ as compared to 1Q 2025

¹ Dealers are independent businesses and control their own inventory.

² Incremental tariffs announced in 2025 and expected to be in place by January 29, 2026.

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

FULL YEAR 2025 KEY TAKEAWAYS

Continue to Execute Our Strategy for Long-Term Profitable Growth

DELIVERED
**RECORD SALES &
REVENUES**

MAINTAINED ADJUSTED
OPERATING PROFIT MARGIN¹
**WITHIN
TARGET RANGE²**

THIRD CONSECUTIVE YEAR
GENERATING
**OVER \$9B MP&E
FREE CASH FLOW³**

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

² Target range based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues.

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

Q & A

APPENDIX

KEY TAKEAWAYS

Fourth Quarter 2025 vs. Fourth Quarter 2024

\$19.1B
▲ +18%

SALES &
REVENUES

\$2.7B
▼ (9%)

OPERATING
PROFIT

\$5.12
▼ (11%)

PROFIT
PER SHARE

\$3.0B
▲ +1%

ADJUSTED
OPERATING PROFIT¹

\$5.16
ABOUT FLAT

ADJUSTED PROFIT
PER SHARE²

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

² Fourth-quarter 2025 adjusted profit per share excluded restructuring costs of \$0.52 per share and mark-to-market gains on remeasurement of pension and OPEB plans of \$0.48 per share. Fourth-quarter 2024 adjusted profit per share excluded a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share, mark-to-market gains for remeasurement of pension and OPEB plans of \$0.23 per share and restructuring costs of \$0.05 per share.

KEY TAKEAWAYS

Full Year 2025 vs. Full Year 2024

\$67.6B
▲ +4%

SALES &
REVENUES

\$11.2B
▼ (15%)

OPERATING
PROFIT

\$18.81
▼ (15%)

PROFIT
PER SHARE

\$11.6B
▼ (14%)

ADJUSTED
OPERATING PROFIT¹

\$19.06
▼ (13%)

ADJUSTED PROFIT
PER SHARE²

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

² Full-year 2025 adjusted profit per share excluded restructuring costs of \$0.73 per share and mark-to-market gains on remeasurement of pension and OPEB plans of \$0.48 per share. Full-year 2024 adjusted profit per share excluded restructuring costs of \$0.54 per share, a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share and mark-to-market gains for remeasurement of pension and OPEB plans of \$0.23 per share.

RETAIL STATISTICS

Fourth Quarter 2025 vs. Fourth Quarter 2024

CONSTRUCTION INDUSTRIES

TOTAL ▲ +11%

North America +18%

Latin America +6%

Europe, Africa, Middle East (1%)

Asia Pacific (2%)

RESOURCE INDUSTRIES

TOTAL ▼ (7%)

North America +2%

Latin America +34%

Europe, Africa, Middle East (21%)

Asia Pacific (23%)

POWER & ENERGY

TOTAL ▲ +37%

Power Generation +44%

Oil & Gas +36%

Industrial +12%

Transportation +22%

Note: Machines retail sales reported in price neutral dollars and based on unit sales as reported primarily by dealers, compared to 2024. Power & Energy retail sales reported in dollars based on reporting from dealers and direct sales, compared to 2024.

INVESTOR DAY TARGETS¹

SEGMENTS	2025 ACTUALS	2030 TARGETS ¹
Construction Industries Sales to Users	1.05x	1.25x
Autonomous Trucks	1.2x	3x
Power Generation Sales	1.3x	>2.0x
Connected & Reporting Assets	>1.6M	2M
Condition Monitoring PSEs ²	1.5x	2x
eCommerce Sales Per Business Day	+4%	+50%
Tech-Enabled Machines	191K	500K

¹ Targets based on Caterpillar's 2025 Investor Day. Targets are 2030 absolute numbers, or where an increase, vs. the year-end 2024 baseline. ² PSEs represents closed won condition monitored prioritized service events.

CATERPILLAR EARNINGS RELEASE CALL SCHEDULE

1Q 2026

APRIL 30, 2026

Thursday, 8:30 a.m. Eastern

2Q 2026

AUGUST 4, 2026

Tuesday, 8:30 a.m. Eastern

3Q 2026

OCTOBER 29, 2026

Thursday, 8:30 a.m. Eastern

DEALER INVENTORY¹ CHANGES

USD in billions	Increase vs. (Decrease)											
	2024					2025					YoY	YoY
	1Q	2Q	3Q	4Q	Full Year ²	1Q	2Q	3Q	4Q	Full Year ²	Impact to 4Q Sales ³	Impact to FY Sales ³
Dealer Inventory¹ of Machines	\$1.1	(\$0.4)	\$0.1	(\$1.6)	(\$0.7)	\$0.0	(\$0.4)	\$0.3	(\$0.5)	(\$0.5)	\$1.1	\$0.2
Total Dealer Inventory¹	\$1.4	(\$0.2)	\$0.4	(\$1.3)	\$0.4	\$0.1	\$0.1	\$0.6	(\$0.0)	\$0.9	\$1.3	\$0.5

¹ Dealers are independent businesses and control their own inventory.

² Quarterly dealer inventory changes will not equal full-year dealer inventory changes due to the impact of rolling price updates in the dealer inventory reporting, which reflect a trailing 12-month price impact. Previously reported dealer inventory figures are not retroactively updated for price.

³ Amounts may not add due to rounding.

ORDER BACKLOG

ORDER BACKLOG

\$51.2B

4Q 2025

RECORD LEVEL

INCREASED

\$11.3B

4Q 2025

vs. 3Q 2025

INCREASED

\$21.2B

4Q 2025

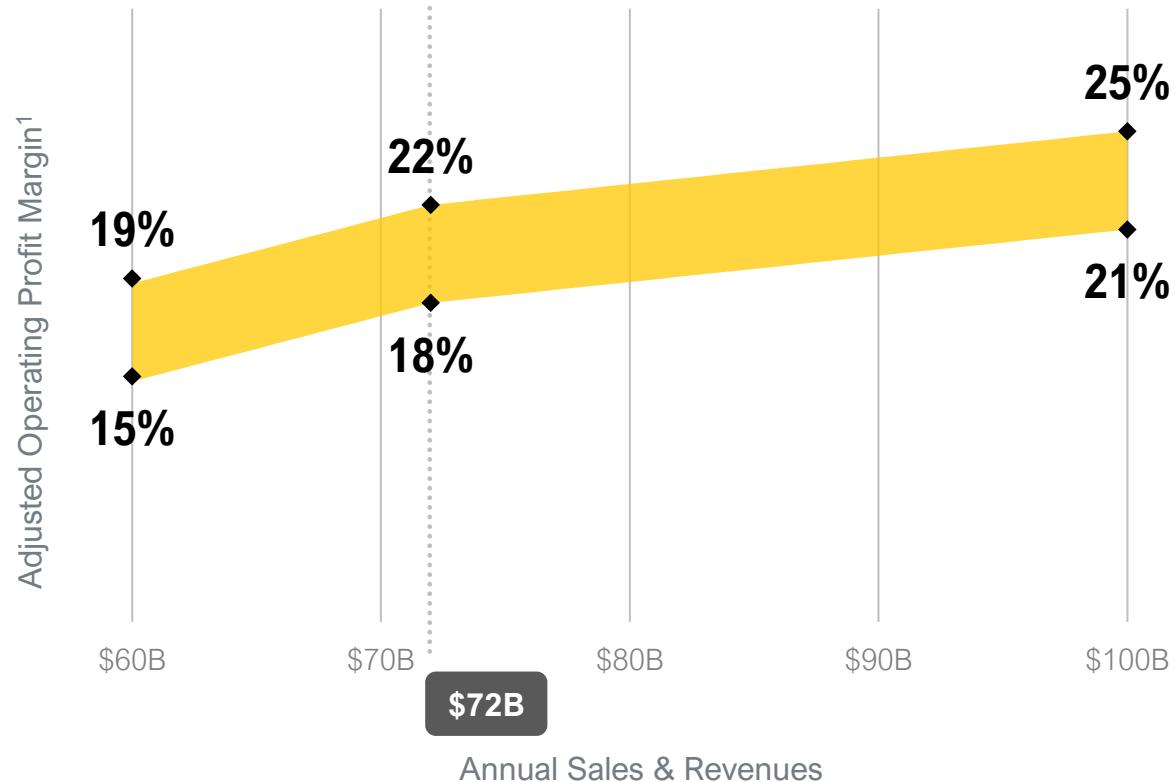
vs. 4Q 2024

ADDITIONAL EXPECTATIONS AS WE LOOK AHEAD

Full Year 2026

- Restructuring costs of roughly \$300M to \$350M in 2026
- Capital expenditures around \$3.5B in 2026
- 2026 global annual effective tax rate of 23.0%, excluding discrete items

ADJUSTED OPERATING PROFIT MARGIN¹ TARGET RANGE

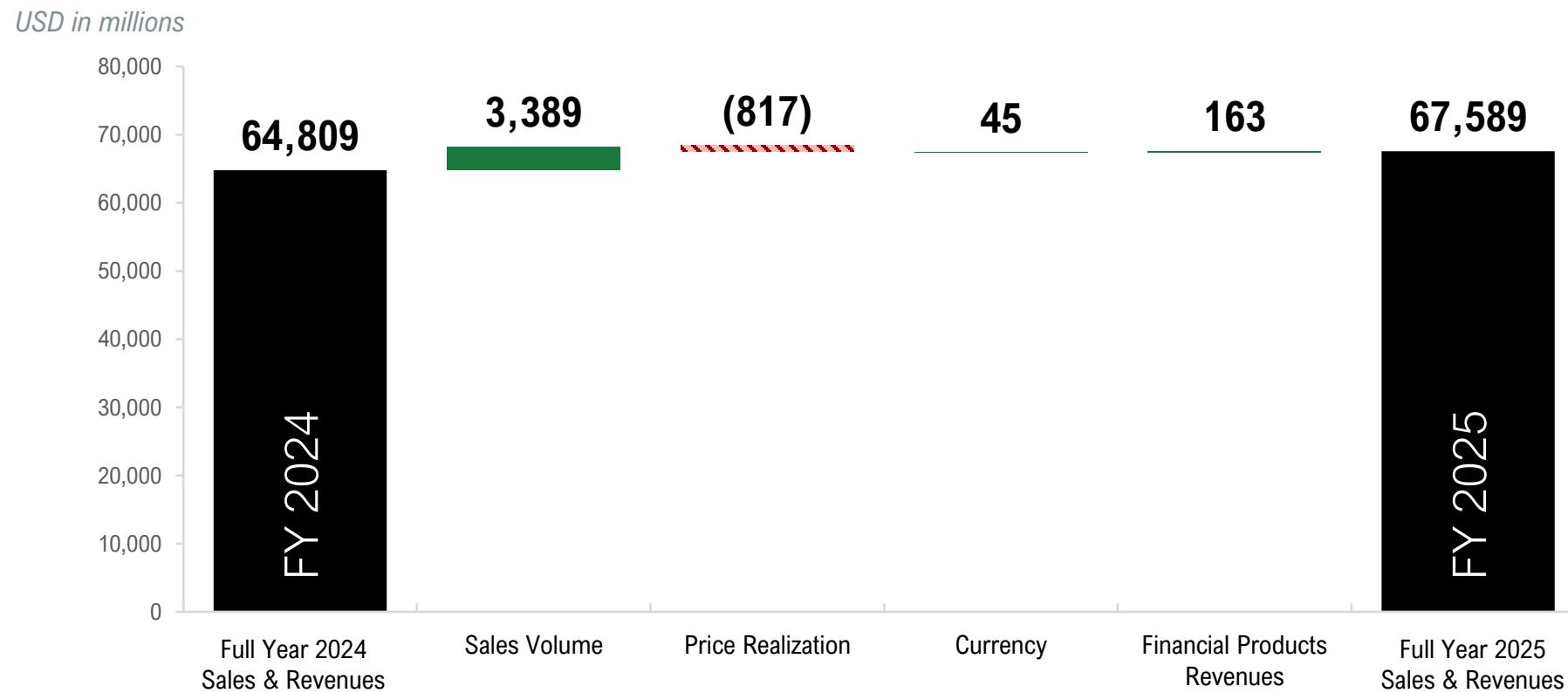


- Progressive adjusted operating profit margin¹ target range
- Adjusted operating profit margin¹ target range:
 - 15-19% at \$60B of sales and revenues
 - 18-22% at \$72B of sales and revenues
 - 21-25% at \$100B of sales and revenues

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

CONSOLIDATED SALES & REVENUES

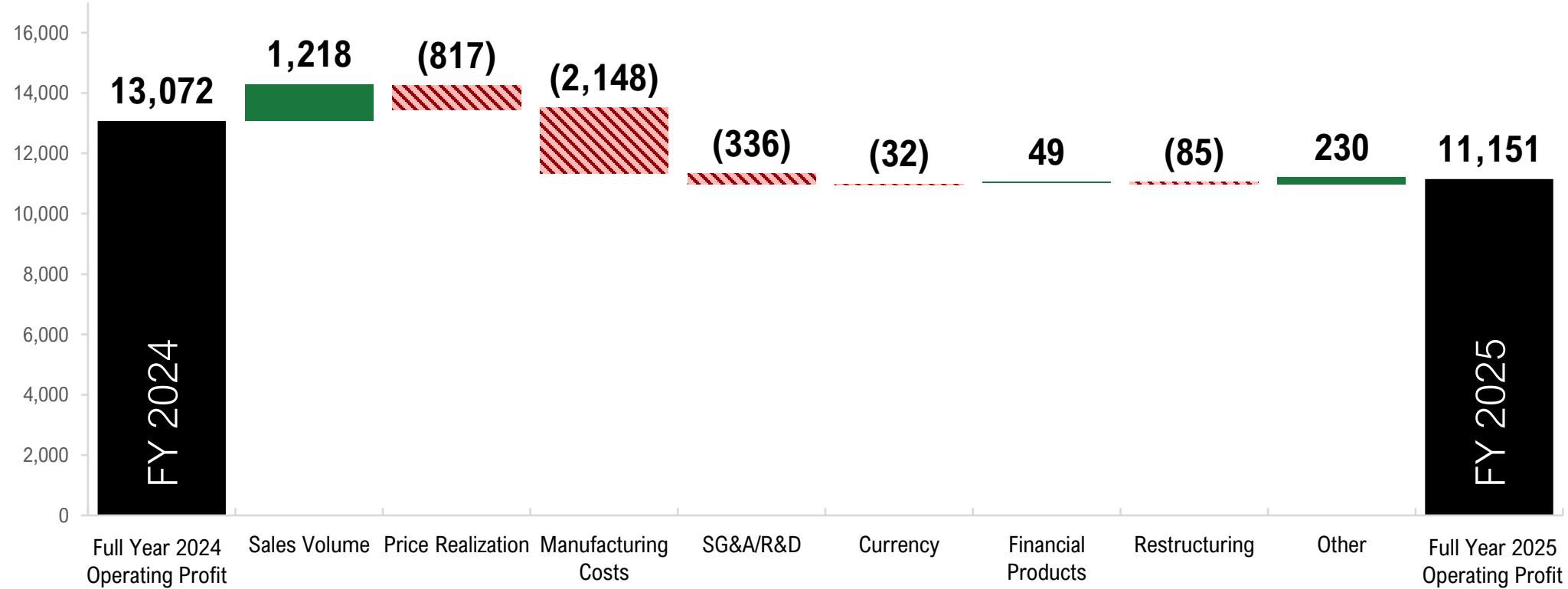
Full Year 2025 vs. Full Year 2024



CONSOLIDATED OPERATING PROFIT

Full Year 2025 vs. Full Year 2024

USD in millions



NON-GAAP FINANCIAL MEASURES

(Dollars in millions except per share data)	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Profit	Profit per Share
Three Months Ended December 31, 2025 - U.S. GAAP	\$ 2,660	13.9%	\$ 3,026	\$ 712	\$ 2,402	\$ 5.12
Other restructuring (income) costs	319	1.7%	319	73	246	0.52
Pension/OPEB mark-to-market (gains) losses	-	- %	(294)	(68)	(226)	(0.48)
Three Months Ended December 31, 2025 - Adjusted	<u>\$ 2,979</u>	15.6%	<u>\$ 3,051</u>	<u>\$ 717</u>	<u>\$ 2,422</u>	\$ 5.16
Three Months Ended December 31, 2024 - U.S. GAAP	\$ 2,924	18.0%	\$ 3,243	\$ 463	\$ 2,791	\$ 5.78
Other restructuring (income) costs	37	0.3%	37	10	27	0.05
Pension/OPEB mark-to-market (gains) losses	-	- %	(154)	(43)	(111)	(0.23)
Tax law change related to currency translation	-	- %	-	224	(224)	(0.46)
Three Months Ended December 31, 2024 - Adjusted	<u>\$ 2,961</u>	18.3%	<u>\$ 3,126</u>	<u>\$ 654</u>	<u>\$ 2,483</u>	\$ 5.14
Twelve Months Ended December 31, 2025 - U.S. GAAP	\$ 11,151	16.5%	\$ 11,541	\$ 2,768	\$ 8,884	\$ 18.81
Other restructuring (income) costs	444	0.7%	445	102	346	0.73
Pension/OPEB mark-to-market (gains) losses	-	- %	(294)	(68)	(226)	(0.48)
Twelve Months Ended December 31, 2025 - Adjusted	<u>\$ 11,595</u>	17.2%	<u>\$ 11,692</u>	<u>\$ 2,802</u>	<u>\$ 9,004</u>	\$ 19.06
Twelve Months Ended December 31, 2024 - U.S. GAAP	\$ 13,072	20.2%	\$ 13,373	\$ 2,629	\$ 10,792	\$ 22.05
Restructuring (income) costs - divestitures of certain non-U.S. entities	164	0.2%	164	54	110	0.22
Other restructuring (income) costs	195	0.3%	195	46	149	0.32
Pension/OPEB mark-to-market (gains) losses	-	- %	(154)	(43)	(111)	(0.23)
Tax law change related to currency translation	-	- %	-	224	(224)	(0.46)
Twelve Months Ended December 31, 2024 - Adjusted	<u>\$ 13,431</u>	20.7%	<u>\$ 13,578</u>	<u>\$ 2,910</u>	<u>\$ 10,716</u>	\$ 21.90

Note: Amounts may not add due to rounding.

ANNUAL TAX RATE RECONCILIATION

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
Three Months Ended December 31, 2025 - U.S. GAAP	\$ 3,026	\$ 712	23.5%
Pension/OPEB mark-to-market (gains) losses	(294)	(68)	
Change in annual effective tax rate	-	(8)	
Excess stock-based compensation	-	22	
Annual effective tax rate, excluding discrete items	\$ 2,732	\$ 658	24.1%
Other restructuring (income) costs	319	73	
Change in annual effective tax rate	-	8	
Excess stock-based compensation	-	(22)	
Three Months Ended December 31, 2025 - Adjusted	\$ 3,051	\$ 717	
Three Months Ended December 31, 2024 - U.S. GAAP	\$ 3,243	\$ 463	14.3%
Pension/OPEB mark-to-market (gains) losses	(154)	(43)	
Tax law change related to currency translation	-	224	
Change in annual effective tax rate	-	33	
Excess stock-based compensation	-	8	
Annual effective tax rate, excluding discrete items	\$ 3,089	\$ 685	22.2%
Change in annual effective tax rate	-	(33)	
Excess stock-based compensation	-	(8)	
Other restructuring (income) costs	37	10	
Three Months Ended December 31, 2024 - Adjusted	\$ 3,126	\$ 654	

Note: Amounts may not add due to rounding.

ANNUAL TAX RATE RECONCILIATION

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
Twelve Months Ended December 31, 2025 - U.S. GAAP	\$ 11,541	\$ 2,768	24.0%
Pension/OPEB mark-to-market (gains) losses	(294)	(68)	
Changes in estimates related to prior years	-	(41)	
Excess stock-based compensation	-	50	
Annual effective tax rate, excluding discrete items	\$ 11,247	\$ 2,709	24.1%
Other restructuring (income) costs	445	102	
Changes in estimates related to prior years	-	41	
Excess stock-based compensation	-	(50)	
Twelve Months Ended December 31, 2025 - Adjusted	\$ 11,692	\$ 2,802	
Twelve Months Ended December 31, 2024 - U.S. GAAP	\$ 13,373	\$ 2,629	19.7%
Restructuring (income) costs - divestitures of certain non-U.S. entities	164	54	
Pension/OPEB mark-to-market (gains) losses	(154)	(43)	
Tax law change related to currency translation	-	224	
Changes in estimates related to prior years	-	47	
Excess stock-based compensation	-	57	
Annual effective tax rate, excluding discrete items	\$ 13,383	\$ 2,968	22.2%
Changes in estimates related to prior years	-	(47)	
Excess stock-based compensation	-	(57)	
Other restructuring (income) costs	195	46	
Twelve Months Ended December 31, 2024 - Adjusted	\$ 13,578	\$ 2,910	

Note: Amounts may not add due to rounding.

RECONCILIATION TO U.S. GAAP

Reconciliation of MP&E Cash Flow From Operations to MP&E Free Cash Flow

(USD in billions)	4Q 2024	4Q 2025	Full Year 2024	Full Year 2025
	4Q 2024	4Q 2025	2024	2025
MP&E cash flow from operations	\$ 3.7	\$ 4.5	\$ 11.4	\$ 12.3
MP&E capital expenditures	(0.7)	(0.9)	(2.0)	(2.8)
MP&E free cash flow	\$ 3.0	\$ 3.7	\$ 9.4	\$ 9.5

Note: Amounts may not add due to rounding.

See reconciliation of MP&E cash flow from operations to consolidated net cash provided by operating activities in the Supplemental Data for Statement of Cash Flow contained in our 10-K filing.