
# ENERGY & TRANSPORTATION IN FOCUS

## OVERVIEW

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

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# Forward-Looking Statements

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

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

A reconciliation of non-GAAP financial information can be found in our press release describing our 2024 financial results which is available on our website at www.caterpillar.com/earnings.



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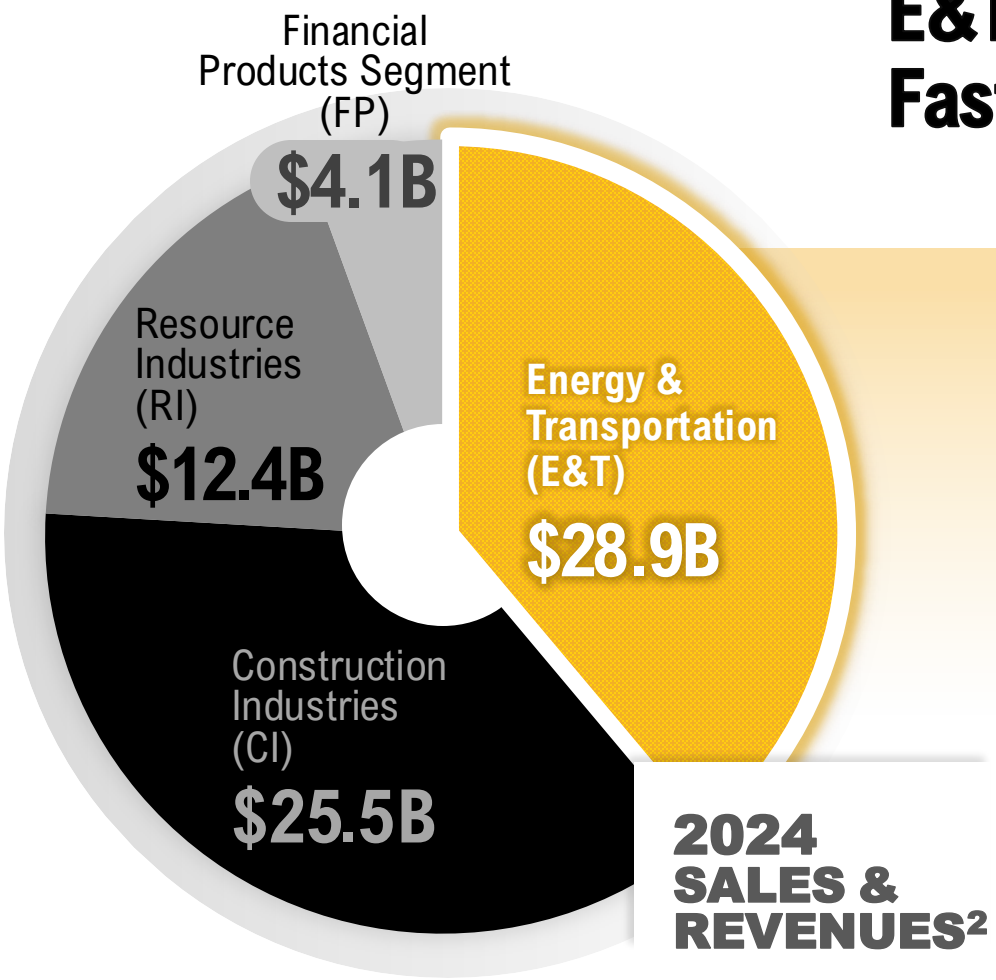
# E&T: Caterpillar's Largest and Fastest Growing Segment in 2024[1]




## Diversified portfolio that includes

- Oil & Gas
- Power Generation
- Industrial
- Transportation

## Attractive profitable growth opportunities

- Data Centers
- Distributed Generation
- Natural Gas and Oil
- Energy Addition

SERVICES

1) Based on total sales and revenues, which includes inter-segment sales.
2) 2024 sales and revenues figures; CI, RI, E&T, and FP sales figures include inter-segment sales.



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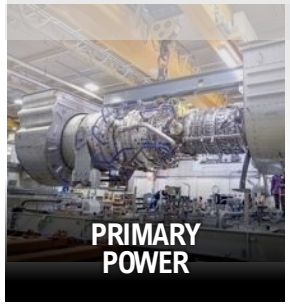
# E&T Serves Diverse End Markets

OPTIMIZING CUSTOMER SUCCESS THROUGH PRODUCTS AND SERVICES

## POWER GENERATION 32%

- Engines and turbines generate **primary and backup power**
- **Power solutions** for data centers, utilities and supplemental grid power





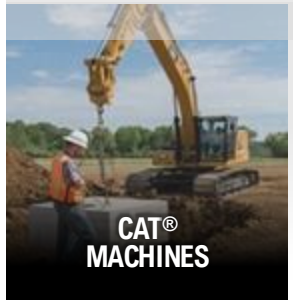
## OIL & GAS 29%

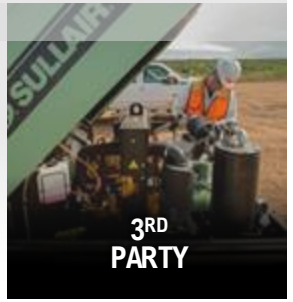
- Solutions support **extraction and production of natural gas and oil**
- Engines and turbines **compress gas** and propel fuels along pipelines




## INDUSTRIAL 17%

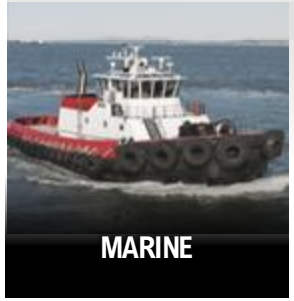
- Engines **power our Caterpillar machines**
- Engines **power 3rd party machines** and customer jobsites




## TRANSPORTATION 22%

- **Marine** engines power commercial workboats to yachts
- **Rail** solutions include services, infrastructure and locomotives





Note: Percentages by E&T application are based on 2024 sales and reflect external sales only, which exclude inter-segment sales. For example, Industrial inter-segment sales into Caterpillar machines segments are excluded from sales percentages.



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# E&T Product Portfolio

DELIVERING SOLUTIONS FOR OUR CUSTOMERS' GROWING NEEDS

## POWER GENERATION

DIESEL OR GAS GENERATOR SETS

ENERGY STORAGE SYSTEMS

SOLAR GAS TURBINE GENERATOR SETS

TANGENT ENERGY AS A SERVICE

MOBILE POWER UNITS

ENERGY CONTROL SYSTEM

## OIL & GAS

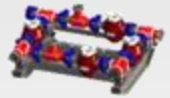
RECIP DIESEL & GAS ENGINES

RECIP DUAL FUEL ENGINES

MOBILE POWER UNITS

ENERGY STORAGE SYSTEMS

PUMPS & TRANSMISSIONS



HIGH PRESSURE FLOW IRON

SOLAR GAS TURBINE COMPRESSION SETS

SOLAR GAS TURBINE GENERATOR SETS

SOLAR ELECTRIC MOTOR DRIVE COMPRESSION SETS

## INDUSTRIAL

RECIP DIESEL & GAS ENGINES

## TRANSPORTATION

EMD LOCOMOTIVES

MARINE POWER SOLUTIONS

PROGRESS RAIL SERVICES

**ADVANCED POWER SOLUTIONS PROMOTE EFFICIENCY AND LOWER EMISSIONS**

*Hybrid to fully battery electric lower emissions powertrains and alternative fuel options*

This chart is a visual representation of our products and is not exhaustive.



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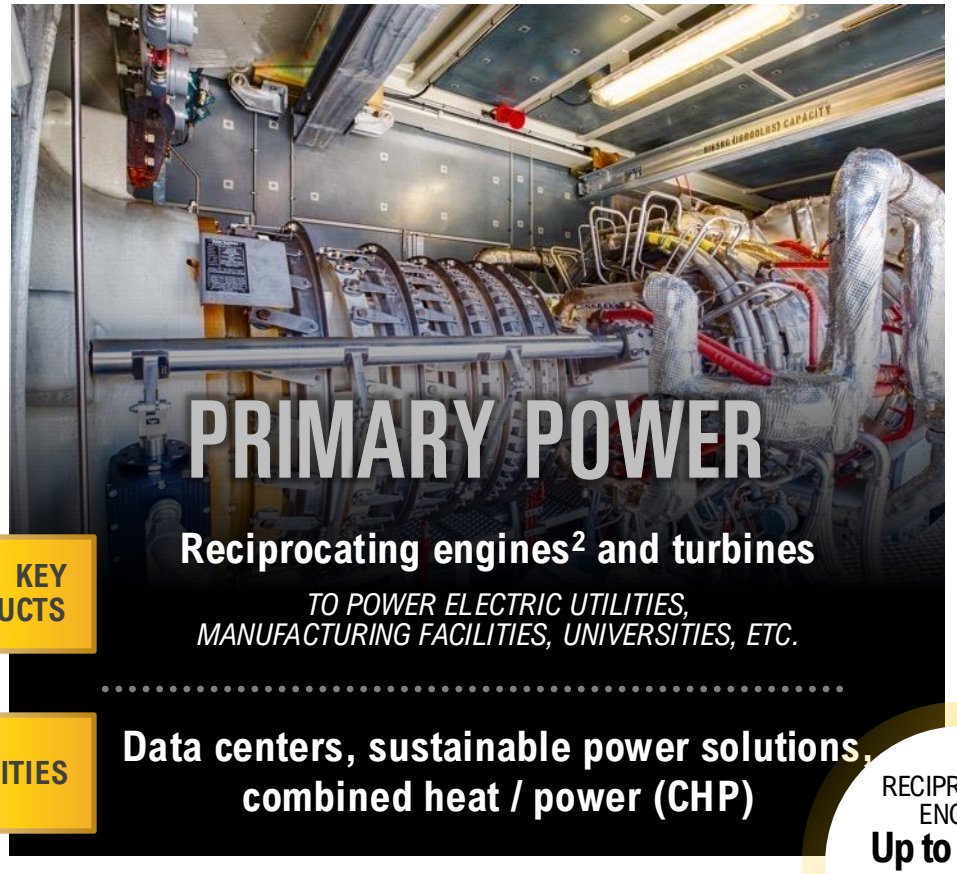
# **Improving energy resiliency and reliability** through products, services and digital offerings



## PRIMARY POWER

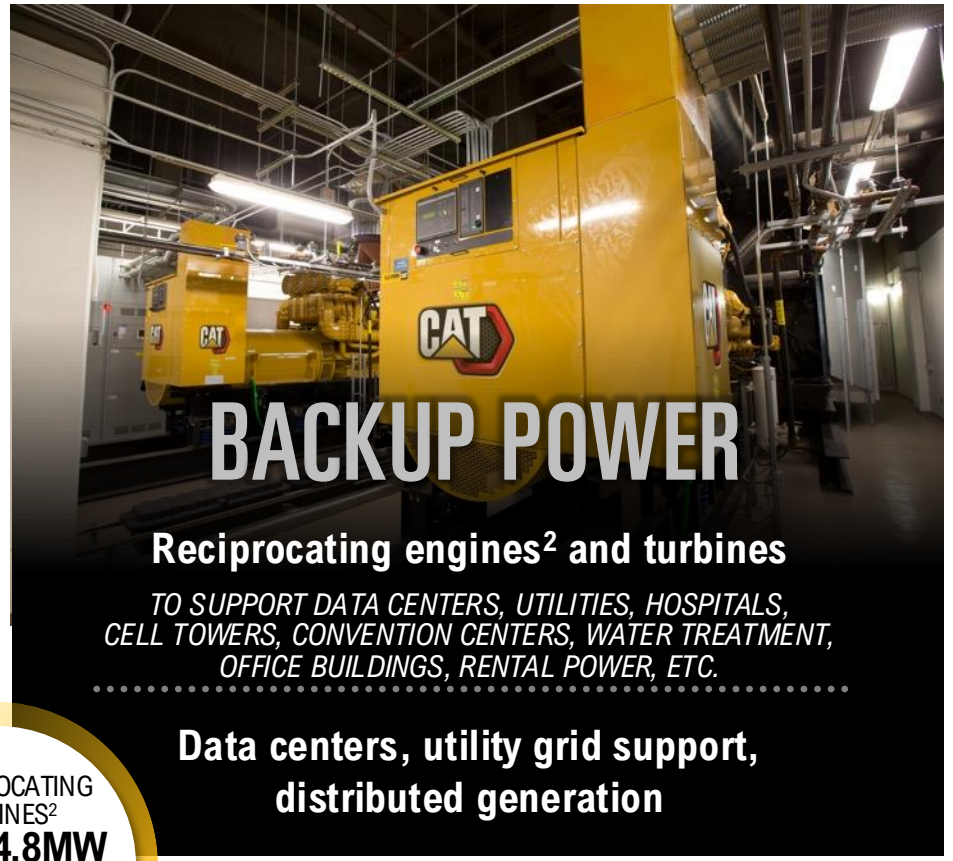
**KEY PRODUCTS**

**Reciprocating engines[2] and turbines**

*TO POWER ELECTRIC UTILITIES, MANUFACTURING FACILITIES, UNIVERSITIES, ETC.*

**OPPORTUNITIES**

**Data centers, sustainable power solutions, combined heat / power (CHP)**




## BACKUP POWER

**Reciprocating engines[2] and turbines**

*TO SUPPORT DATA CENTERS, UTILITIES, HOSPITALS, CELL TOWERS, CONVENTION CENTERS, WATER TREATMENT, OFFICE BUILDINGS, RENTAL POWER, ETC.*

**Data centers, utility grid support, distributed generation**

RECIPROCATING ENGINES[2]
**Up to 4.8MW**

TURBINES
**1 to 38MW**

**BRANDS:** CAT · CAT Reman · Solar Turbines A Caterpillar Company · MWM · Tangent energy solutions · ENGINEERED SOLUTIONS

1) Percentages by E&T application are based on 2024 sales and reflect external sales only, which exclude inter-segment sales.
2) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.

# **Customized sustainable customer solutions** in a heavily services-biased business

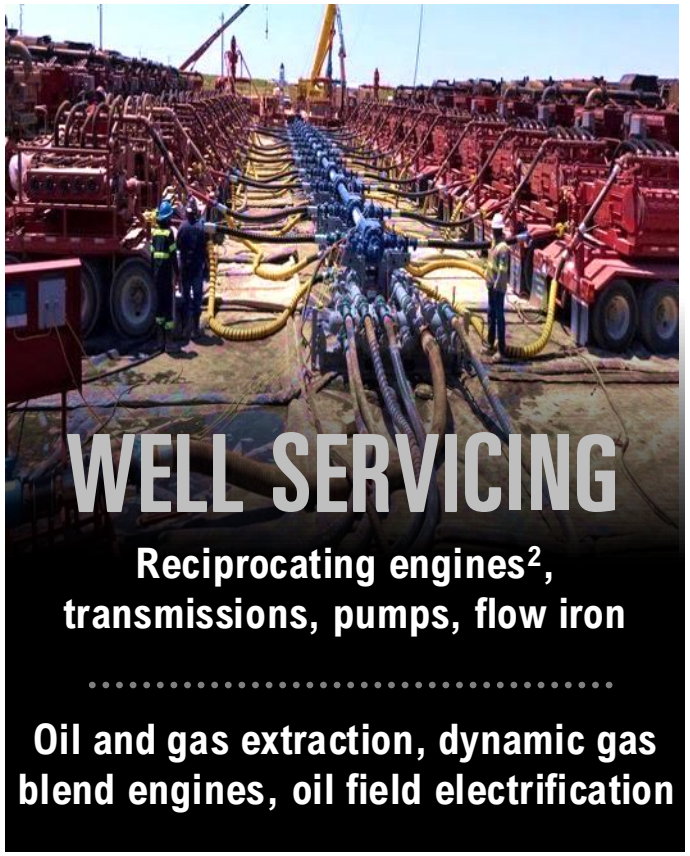
## DRILLING

**KEY PRODUCTS**

Reciprocating engines[2], hybrid drill rig

**OPPORTUNITIES**

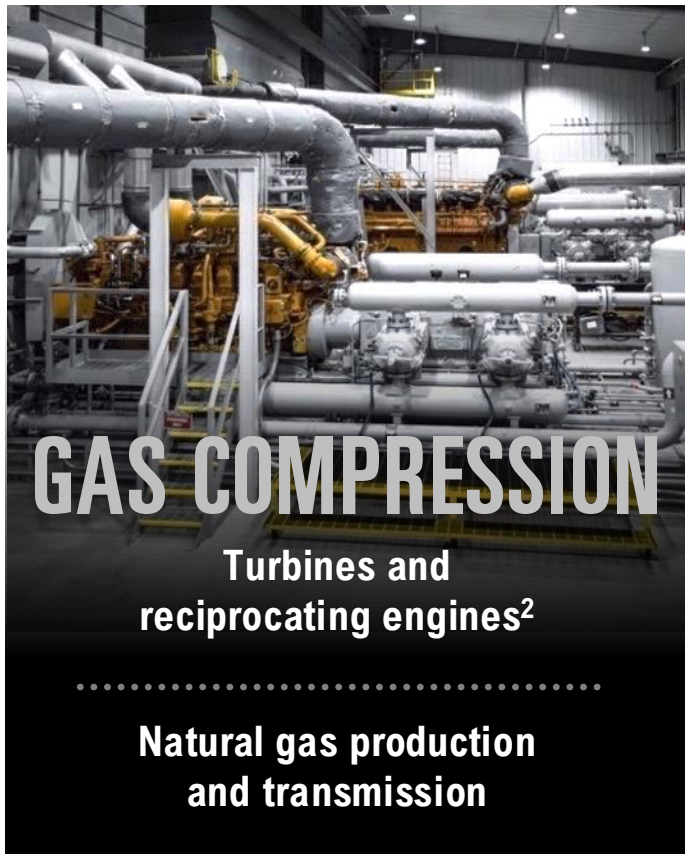
Hybrid drill rig, dynamic gas blend engine, and microgrid energy management



## WELL SERVICING

Reciprocating engines[2], transmissions, pumps, flow iron

Oil and gas extraction, dynamic gas blend engines, oil field electrification



## GAS COMPRESSION

Turbines and reciprocating engines[2]

Natural gas production and transmission

BRANDS: CAT, CAT Reman, Solar Turbines A Caterpillar Company, SPM Oil & Gas A Caterpillar Company, carbonpoint SOLUTIONS

1) Percentages by E&T application are based on 2024 sales and reflect external sales only, which exclude inter-segment sales.
2) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.



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# **Reliability, durability** and **services support** differentiate our engines

## CAT MACHINES

**KEY PRODUCTS**

**Reciprocating engines[2]**

*FOR CONSTRUCTION AND MINING EQUIPMENT*

**OPPORTUNITIES**

**Optimize engines to drive lower costs**

*BETTER POWER DENSITY, MORE FUEL EFFICIENT, LOWER EMISSIONS; ALTERNATIVE FUEL OPTIONS*

## 3RD PARTY

**Reciprocating engines[2]**

*FOR APPLICATIONS IN CONSTRUCTION, AGRICULTURE, DEFENSE, INDUSTRIAL, ELECTRIC POWER, OIL & GAS, ETC.*

**Optimize engines to drive lower costs**

*BETTER POWER DENSITY, MORE FUEL EFFICIENT, LOWER EMISSIONS; ALTERNATIVE FUEL OPTIONS*

**BRANDS:** CAT | CAT Reman | Perkins

1) Percentages by E&T application are based on 2024 sales and reflect external sales only, which exclude inter-segment sales.
2) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.



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# Broad **suite of services and digital offerings** to help our customers succeed



## MARINE

**KEY PRODUCTS**

**Reciprocating engines[2]**

*FOR COMMERCIAL AND GOVERNMENT WORKBOATS, PLEASURE CRAFTS*

**OPPORTUNITIES**

**Alternative fuel options support customers' sustainability journeys**




## RAIL

**Locomotives, signaling and services**

*RAIL SERVICES INCLUDE INFRASTRUCTURE AND REMANUFACTURING*

**Hybrid and battery electric options support lower costs and emissions**

**BRANDS:** CAT | CAT Reman | Progress Rail, A Caterpillar Company | EEM | MAK

1) Percentages by E&T application are based on 2024 sales and reflect external sales only, which exclude inter-segment sales.
2) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.



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# Strategic Focus on Services Growth

## POWER GENERATION[1]

**Tangent Energy Solutions**

*Energy as a Service – monetizing distributed generation by selectively running the assets to lower customers' energy costs*

## OIL & GAS[1]

**Oilfield Equipment Services**

*Fleet management optimization, maintenance, repair, and parts sales*

## INDUSTRIAL

**Flexible Connectivity**

*Including seamless 3rd party Application Programming Interface (API) integration services*

## TRANSPORTATION

RAIL

**Talos Energy Management**

*Leveraging machine learning and AI to encode locomotive engineer behavior, analyze train runs & optimize operation*

MARINE

**Global Value Agreements**

*Common services platform across dealer territories*

**DIGITAL PERFORMANCE & CONDITION HEALTH MONITORING + LONG-TERM SERVICE AGREEMENTS / CVAs + E-COMMERCE**

CAT® REMAN 1973 - 2023

## CAT REMAN ADVANTAGE

- LIKE NEW QUALITY & SAME AS NEW WARRANTY – AT A FRACTION OF THE COST
- OVER 8,000 REMANUFACTURED PARTS OFFERED
- CAT® ENGINES AND COMPONENTS ARE BUILT TO BE REBUILT

1) Includes reciprocating engines and turbines



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# ENERGY & TRANSPORTATION IN FOCUS

## GROWTH OPPORTUNITIES

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

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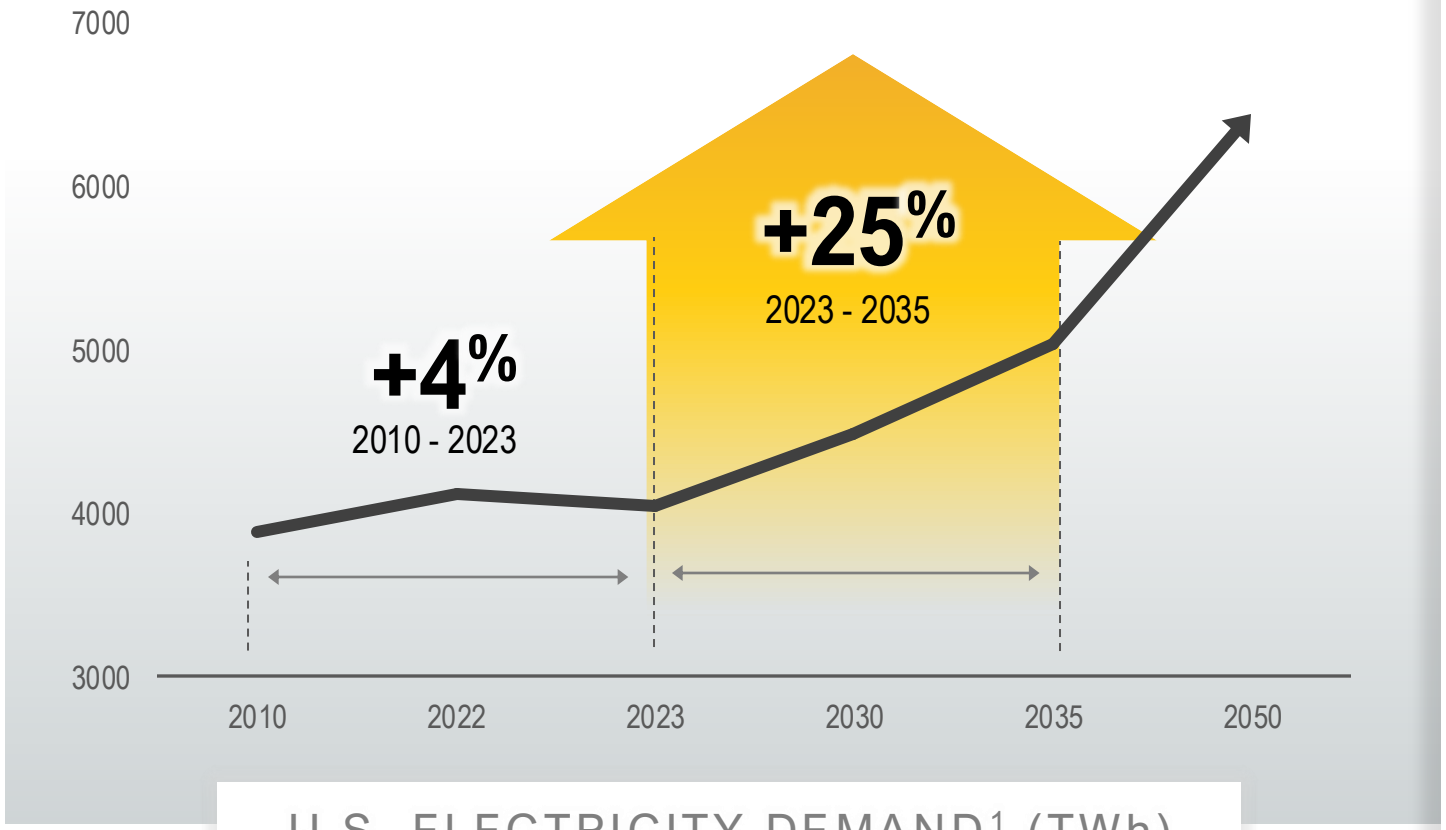
# Increasing Demand for Energy Supports Growth




U.S. ELECTRICITY DEMAND[1] (TWh)

## OUR OPPORTUNITIES

- DEMAND FOR LARGE ENGINES / TURBINES TO SUPPORT DATA CENTERS
- DEMAND FOR RELIABLE DISTRIBUTED GENERATION / GRID SUPPORT
- DEMAND FOR NATURAL GAS AS A SOURCE OF ENERGY

1) IEA (2024), World Energy Outlook 2024, IEA, Paris https://www.iea.org/reports/world-energy-outlook-2024, License: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A).



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# Data Centers: Turbines and Engines[1] for Primary and Backup Power

**Reciprocating engines[1] for BACKUP POWER**

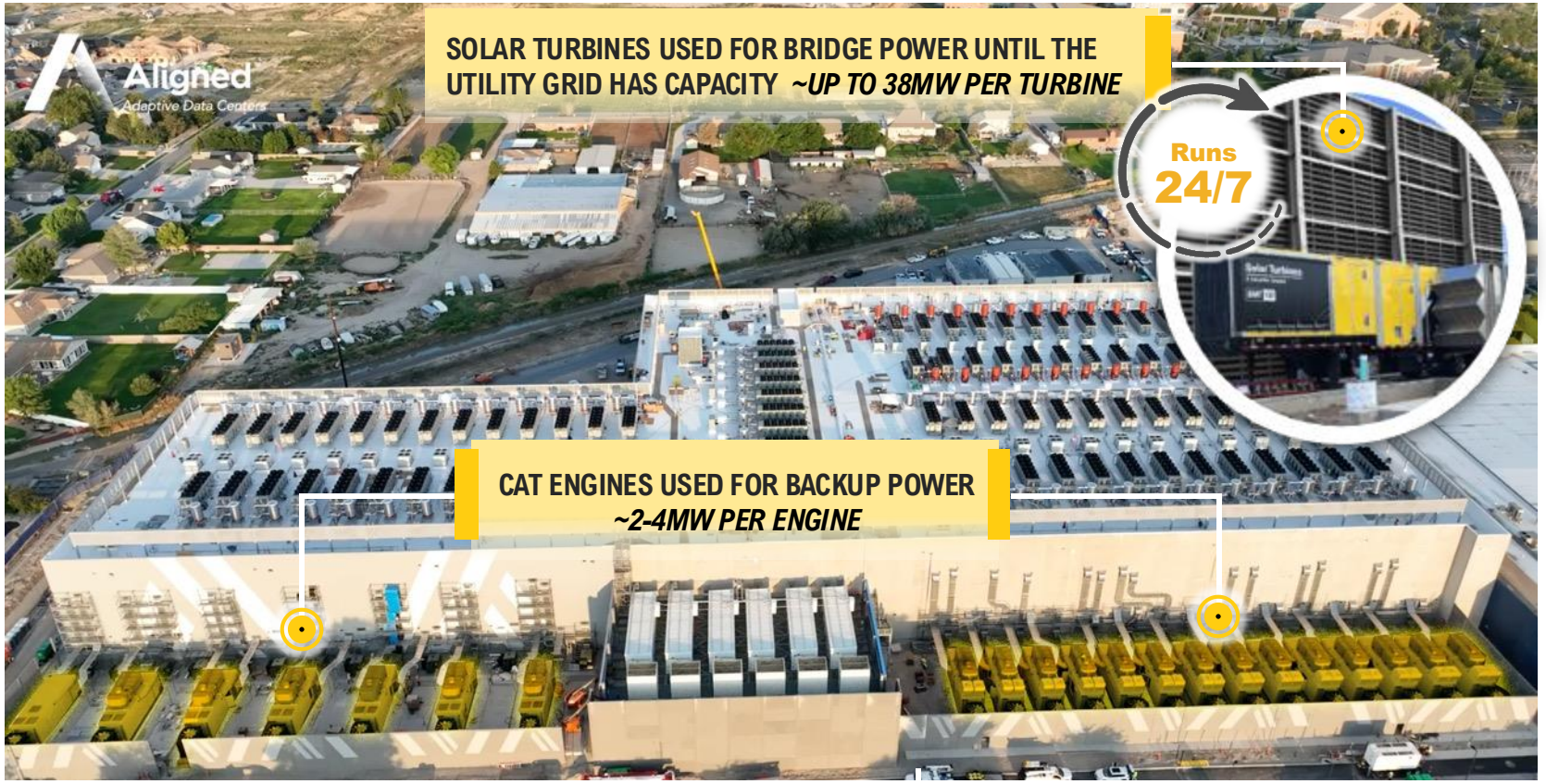
**Turbines for PRIMARY / BRIDGE POWER**

*TYPICAL HYPER-SCALER DATA CENTER USES*

**~125 MW**

*EQUIVALENT[2] TO THE POWER NEEDED FOR*

**~100,000 HOMES**




1) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.
2) National Rural Electric Cooperative Association, 1MW can power 750-1000 homes; https://www.cooperative.com/remagazine/articles/Pages/Infographic-What-Is-1-MW.aspx.



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# Distributed Generation: Our Solutions Promote Reliable Power

### What is Distributed Generation?

*Production of electricity from localized, non-utility grid energy sources placed close to where the electricity is used.*


## Cat® Solutions Include

- RECIPROCATING ENGINES[1]
- TURBINES
- MICROGRIDS
- ENERGY STORAGE
- TECHNOLOGY SOLUTIONS

### COMBINED HEAT & POWER

Solutions can reduce operating costs by simultaneously generating power while capturing thermal energy for facility processes or heating[2]

### TEMPORARY OR PERMANENT POWER

Utility grid power is constrained as demand increases and supply is less reliable; we provide solutions to ensure peak energy demand is met

### MICROGRIDS

Small power ecosystems generate and distribute power without interruption; CAT proving grounds in Tucson, AZ uses in-house microgrid power source

**Customers can monetize their assets during peak energy demand with our Tangent Energy Solutions**

Tangent energy solutions

1) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.
2) https://www.cat.com/en_US/news/engine-press-releases/caterpillar-and-cat-dealer-eneria-france-support-deromedis-sustainability-initiatives-through-high-efficiency-cogeneration-system-for-limestone-quarry.html.
List of solutions is not exhaustive, select examples only.



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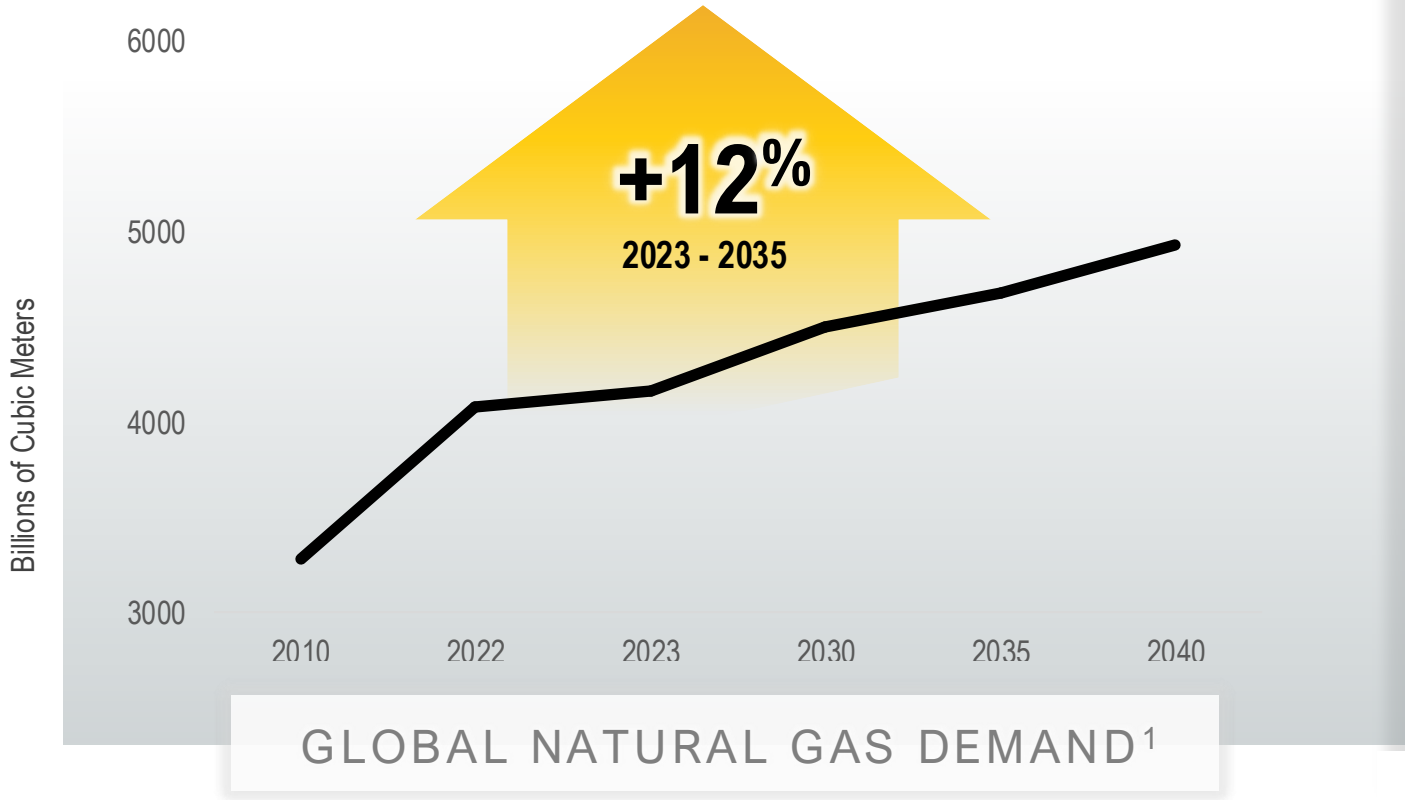
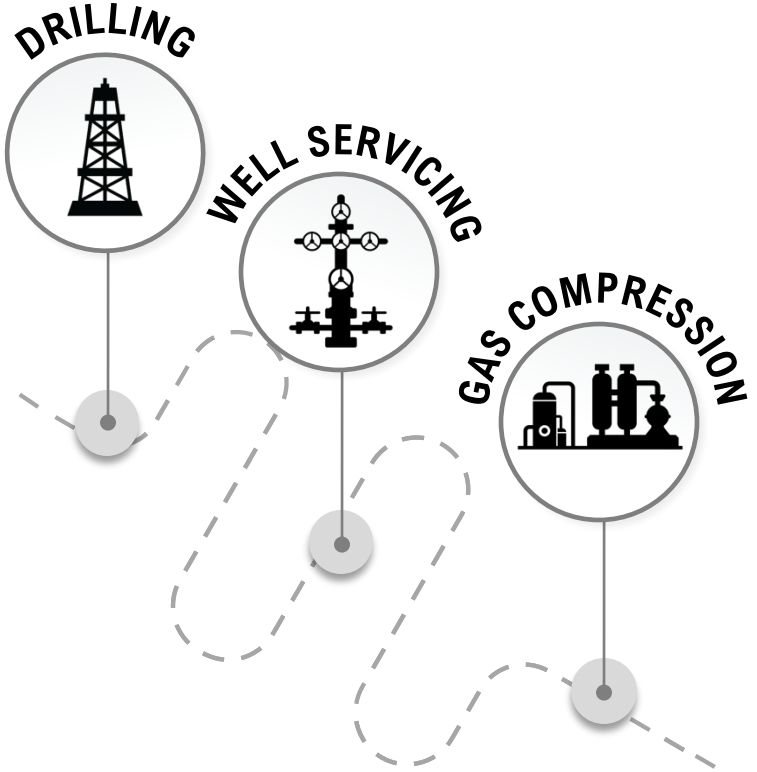
# Steady Growth in Natural Gas Supports Increasing Demand for Energy

INCREASING IMPORTANCE OF NATURAL GAS AS A TRANSITION FUEL




## OUR OPPORTUNITIES




1) U.S. Energy Information Administration, World Energy Projection System (2023), International Energy Outlook (2023) and Annual Energy Outlook 2023, https://www.eia.gov/international/data/world/natural-gas/dry-natural-gas-consumption



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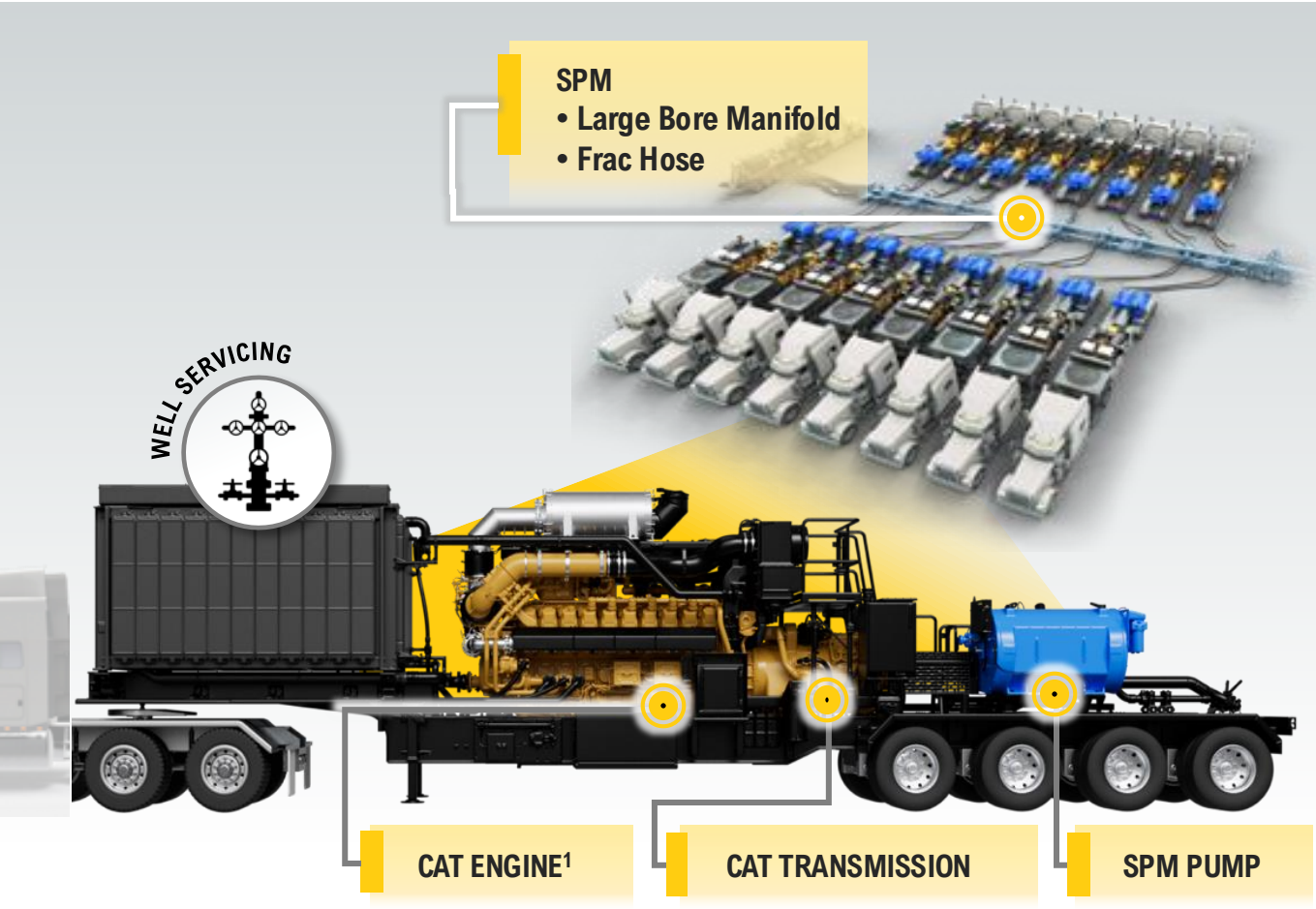
# Drilling and Well Servicing for Natural Gas and Oil Extraction




## Growing Trend

CUSTOMERS LEVERAGE NATURAL GAS TO GENERATE POWER TO SUPPORT THE GRID

## Cat® Solutions Include

- RECIPROCATING ENGINES[1]
- TRANSMISSIONS
- PUMPS
- FLOW IRON
- FLEET OPTIMIZATION TECHNOLOGY
- E-FRAC OPTIONS


1) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.
List of solutions is not exhaustive, select examples only.



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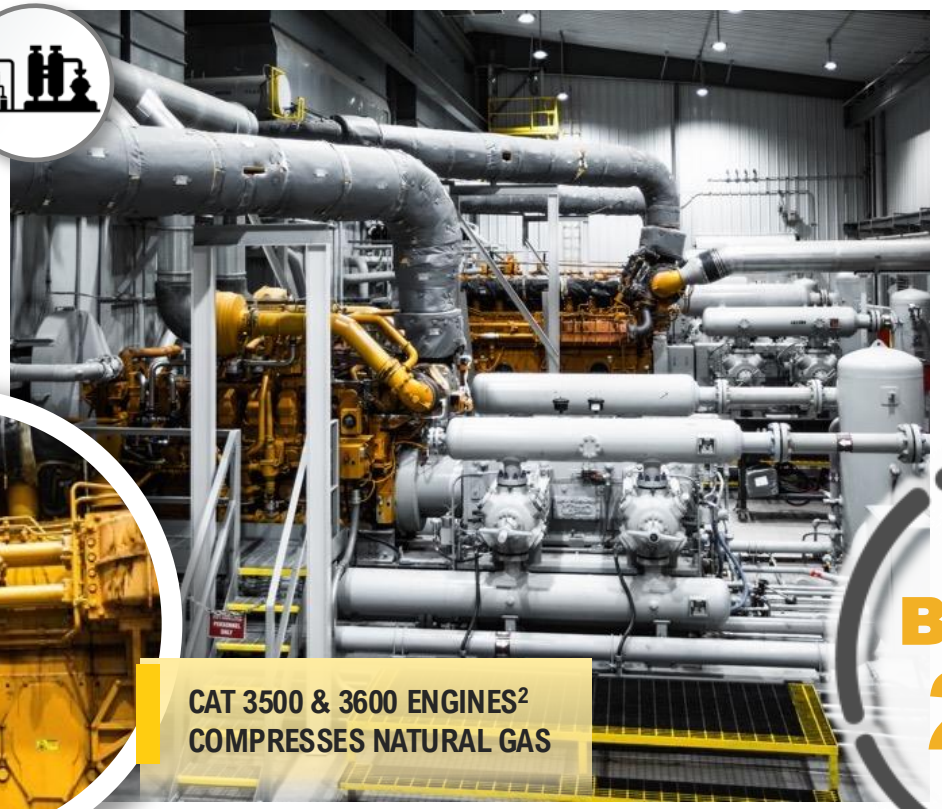
# Gas Compression Supports LNG[1] Production Process

GAS COMPRESSION

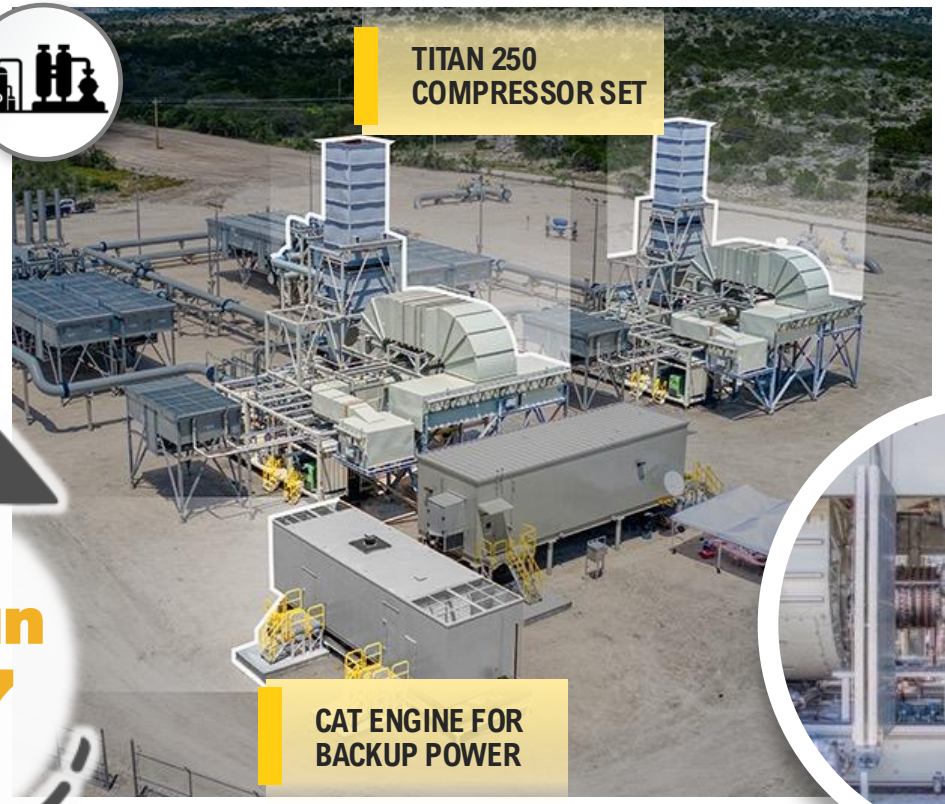


CAT 3500 & 3600 ENGINES[2] COMPRESSES NATURAL GAS

Natural gas-powered Reciprocating Engines[2] compress gas down pipelines to LNG plants

**Both run 24/7**

GAS COMPRESSION



TITAN 250 COMPRESSOR SET

CAT ENGINE FOR BACKUP POWER

Natural gas-powered Solar Turbines compress gas down pipelines to LNG plants

1) Liquefied Natural Gas, natural gas compressed and cooled to a liquid state.
2) Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels. List of solutions is not exhaustive, select examples only.



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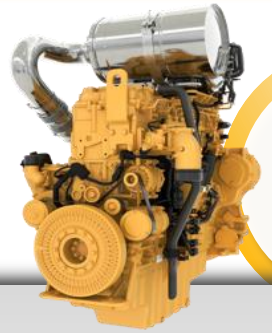
# Sustainable & Cost-Effective Options

## C13D

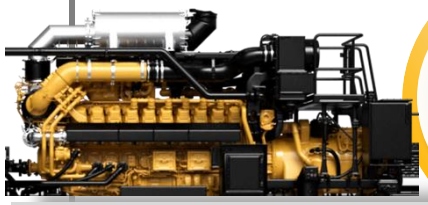


MORE POWER, LESS FUEL

### NEXT GENERATION DIESEL

High power density engines with lower operating costs replace larger, less efficient engines

## G3520



SCALEABLE, LOWER COST SOLUTIONS

### GAS MECHANICAL SYSTEM

Cutting-edge, fully integrated power solution engineered for oil and gas operations

## G3520K

20-25% LOWER CO2 EMISSIONS[1]

### NATURAL GAS

100% natural gas engine has the highest electrical efficiency on the market – powers up to 2,000 homes

Note: Select examples depicted above are not all encompassing.

[1]G3520K as compared to 100% diesel engines



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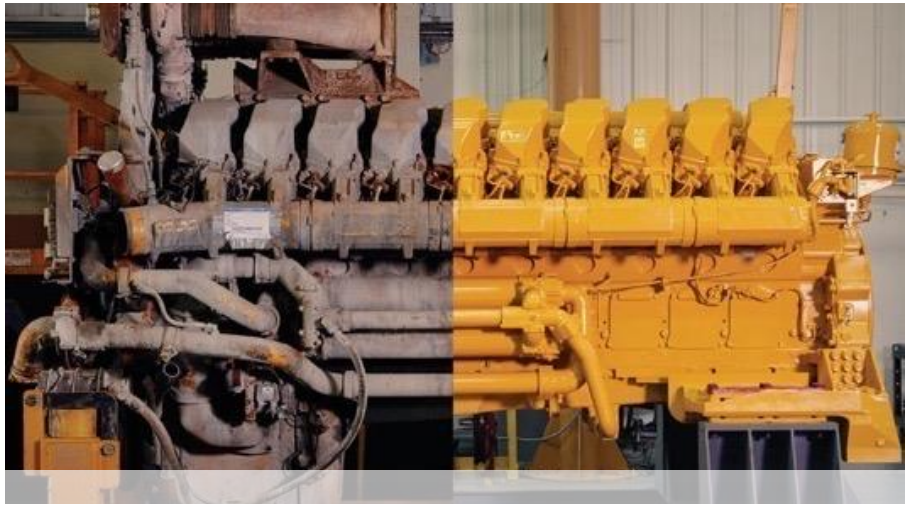
# Delivering Sustainable Solutions Through Services

## DIGITAL FLEET OPTIMIZATION SOLUTIONS

*Fleet monitoring solutions optimize operations through improved efficiency*

**FUEL SAVINGS & GHG REDUCTIONS** UP TO **15%**



## REMANUFACTURING

*Promotes the circular economy and a lower total cost of ownership*

**80-90%** FEWER NEW MATERIALS USED = **65-87%** LESS EMISSIONS[1]

1) Material use by weight. Less GHG process emissions compared to manufacturing new parts. Represents U.S. environmental impacts comparing "gate-to-gate" remanufacturing and manufacturing processes for engines and components. Based on 2018 external study of Cat engines, alternators and turbochargers. Does not include impacts elsewhere in our value chain.

List of solutions is not exhaustive, select examples only.



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# We Continue to Invest

ACCELERATING TECHNOLOGIES, EXPANDING OUR PORTFOLIO AND CAPABILITY TO BETTER SERVE OUR CUSTOMERS

## ORGANIC *select examples*

**MORE THAN DOUBLING OUTPUT CAPABILITY FOR LARGE ENGINES AND PARTS**

**INVESTING IN HIGH POWER DENSITY, COMPACT AND EFFICIENT ENGINES**

**NEW TITAN 350 38MW TURBINE CLASS EXPANDS OUR TOTAL ADDRESSABLE OPPORTUNITY**

**MODULAR AND SCALABLE SOLUTIONS CONNECT MULTIPLE ASSETS TO THE GRID**

## INORGANIC *select examples*

SPM™ Oil & Gas
A Caterpillar Company

OIL & GAS
**COMPLETE INTEGRATED SOLUTIONS & SERVICES**

Tangent energy solutions

DISTRIBUTED GEN.
**DISTRIBUTED GENERATION POWER MANAGEMENT**

carbonpoint SOLUTIONS

SUSTAINABILITY
**CARBON CAPTURE TECHNOLOGY**

LITHOS

ENERGY ADDITION
**BATTERY SOLUTIONS FOR DEMANDING APPLICATIONS***

Inorganic examples: SPM, Tangent, and CarbonPoint Solutions are wholly-owned subsidiaries of Caterpillar; Lithos represents a minority-share VC investment.
Reciprocating engines are internal combustion engines capable of utilizing diesel, gas and alternative fuels.
List of solutions is not exhaustive, select examples only.



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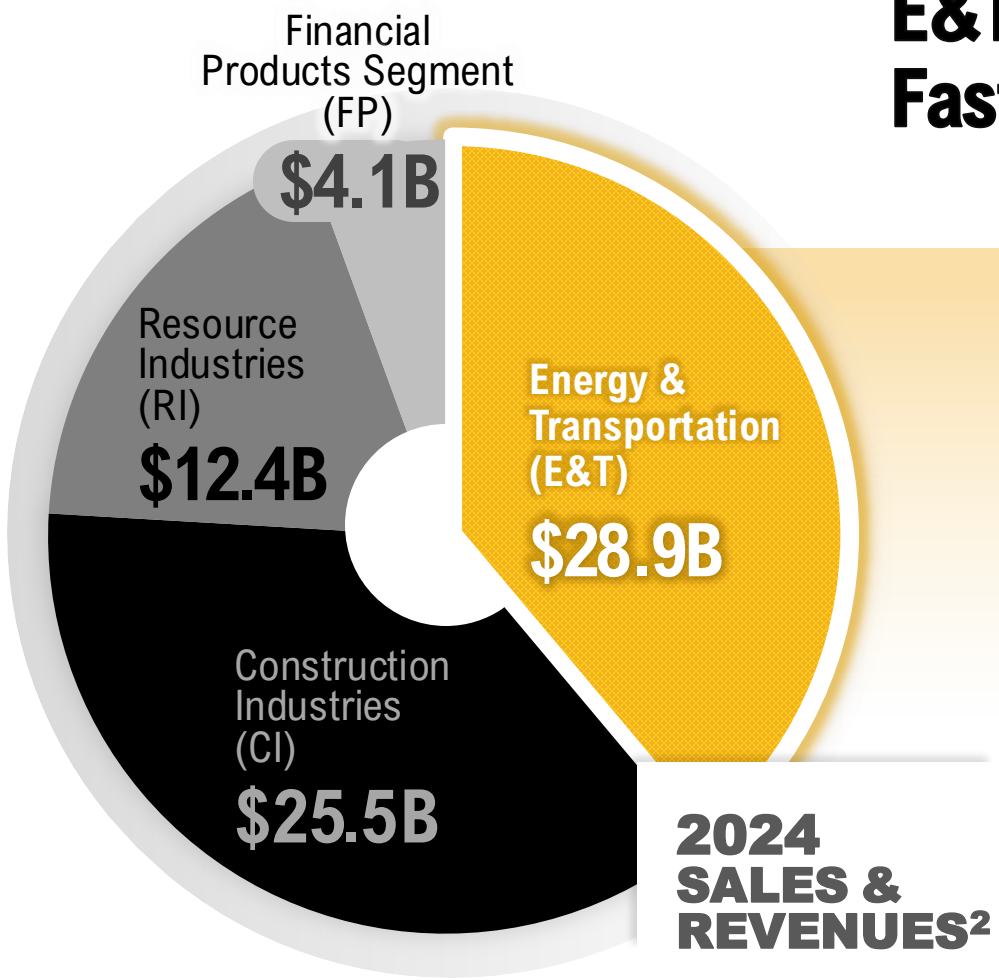


## Diversified portfolio that includes

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## Attractive profitable growth opportunities

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# Glossary

- **BACKUP/STANDBY POWER:** *Secondary source of power for an application, turns on during power outage of primary source. For example, a hospital has backup power generators to ensure there is never a lapse in power.*
- **DISTRIBUTED GENERATION:** *Generating power near the location of use, rather than the power plant / grid power… power sources can include reciprocating engines or turbines and all related support including microgrids and energy storage solutions that can supplement available grid power.*
- **DRILLING:** *Cat reciprocating engines provide power for land mechanical rigs and pumps used in drilling operations.*
- **FLOW IRON:** *Steel piping and fittings used in well servicing for high pressure flow of liquids and gas.*
- **GAS COMPRESSION:** *Cat reciprocating engines that are the prime power sources for gas gathering and storage, and propel the gas down pipelines.*
- **MEGAWATT:** *Measure of electricity, equals 1M watts. 1,000 MW equals 1 Gigawatt; 1MW can power 750-1,000 homes or 4 Tesla Superchargers.*
- **METHANE ESCAPE:** *Methane gas leaking into the atmosphere.*
- **POWER DENSITY:** *The power generated from a given size of engine, e.g., our C13D engine has power ratings above many engines up to 2 classes larger.*
- **PRIME / PRIMARY POWER:** *Primary source of power for an application, as opposed to a backup or standby source. For example, grid electricity is likely the primary power source for a home.*
- **RECIPROCATING ENGINES:** *Internal combustion engine, like that in an automobile, capable of utilizing diesel, gas and alternative fuels. Utilized in Power Generation, Oil & Gas, Industrial, Marine and Rail industries, along with Caterpillar machines.*
- **SOLAR TURBINES:** *A Caterpillar company selling and servicing gas turbines and compressors in the Oil & Gas and Power Generation industries. Largest turbine is our Titan-350 which can generate 38MW of power.*
- **WELL SERVICING:** *Cat reciprocating engines used in a wide range of applications including pressure pumping/fracking and supporting applications.*



CATERPILLAR®