

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 March 31, 2024

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 <sup>1</sup>
5.3% Debentures due September 15, 2035	CAT35	New York Stock Exchange

<sup>1</sup> In addition to the New York Stock Exchange, Caterpillar common stock is also listed on stock exchanges in France and Switzerland.

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 March 31, 2024, 489,272,920 shares of common stock of the registrant were outstanding.

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\* Item omitted because no answer is called for or item is not applicable.

**Part I. FINANCIAL INFORMATION**
**Item 1. Financial Statements**

<b>Caterpillar Inc.</b> <b>Consolidated Statement of Results of Operations</b> <b>(Unaudited)</b> <b>(Dollars in millions except per share data)</b>			<b>Three Months Ended March</b> <b>31,</b>	
			<b>2024</b>	<b>2023</b>
<b>Sales and revenues:</b>				
Sales of Machinery, Energy & Transportation	\$	14,960	\$	15,099
Revenues of Financial Products		839		763
Total sales and revenues		15,799		15,862
<b>Operating costs:</b>				
Cost of goods sold		9,662		10,103
Selling, general and administrative expenses		1,577		1,463
Research and development expenses		520		472
Interest expense of Financial Products		298		217
Other operating (income) expenses		223		876
Total operating costs		12,280		13,131
<b>Operating profit</b>		3,519		2,731
Interest expense excluding Financial Products		143		129
Other income (expense)		156		32
<b>Consolidated profit before taxes</b>		3,532		2,634
Provision (benefit) for income taxes		688		708
Profit of consolidated companies		2,844		1,926
Equity in profit (loss) of unconsolidated affiliated companies		10		16
<b>Profit of consolidated and affiliated companies</b>		2,854		1,942
Less: Profit (loss) attributable to noncontrolling interests		( 2 )		( 1 )
<b>Profit <sup>1</sup></b>	\$	2,856	\$	1,943
<b>Profit per common share</b>	\$	5.78	\$	3.76
<b>Profit per common share – diluted <sup>2</sup></b>	\$	5.75	\$	3.74
<b>Weighted-average common shares outstanding (millions)</b>				
– Basic		493.9		516.2
– Diluted <sup>2</sup>		496.9		519.4

<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</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Profit of consolidated and affiliated companies</b>	<b>\$ 2,854</b>	<b>\$ 1,942</b>
Other comprehensive income (loss), net of tax (Note 13):		
Foreign currency translation:	( 257 )	607
Pension and other postretirement benefits:	( 3 )	( 2 )
Derivative financial instruments:	—	84
Available-for-sale securities:	( 13 )	22
Total other comprehensive income (loss), net of tax	( 273 )	711
Comprehensive income	2,581	2,653
Less: comprehensive income attributable to the noncontrolling interests	( 2 )	( 1 )
<b>Comprehensive income attributable to shareholders</b>	<b>\$ 2,583</b>	<b>\$ 2,654</b>

See accompanying notes to Consolidated Financial Statements.

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

	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,959	\$ 6,978
Receivables – trade and other	9,296	9,310
Receivables – finance	9,446	9,510
Prepaid expenses and other current assets	3,010	4,586
Inventories	16,953	16,565
Total current assets	43,664	46,949
Property, plant and equipment – net	12,538	12,680
Long-term receivables – trade and other	1,200	1,238
Long-term receivables – finance	12,531	12,664
Noncurrent deferred and refundable income taxes	2,860	2,816
Intangible assets	516	564
Goodwill	5,277	5,308
Other assets	5,155	5,257
<b>Total assets</b>	<b>\$ 83,741</b>	<b>\$ 87,476</b>
<b>Liabilities</b>		
Current liabilities:		
Short-term borrowings:		
Financial Products	\$ 3,568	\$ 4,643
Accounts payable	7,778	7,906
Accrued expenses	4,821	4,958
Accrued wages, salaries and employee benefits	1,291	2,757
Customer advances	2,194	1,929
Dividends payable	—	649
Other current liabilities	3,265	3,123
Long-term debt due within one year:		
Machinery, Energy & Transportation	1,045	1,044
Financial Products	8,409	7,719
Total current liabilities	32,371	34,728
Long-term debt due after one year:		
Machinery, Energy & Transportation	8,539	8,579
Financial Products	16,292	15,893
Liability for postemployment benefits	4,068	4,098
Other liabilities	4,826	4,675
<b>Total liabilities</b>	<b>66,096</b>	<b>67,973</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: (3/31/24 and 12/31/23 – 814,894,624 ) at paid-in amount	5,663	6,403
Treasury stock: (3/31/24 – 325,621,704 shares; 12/31/23 – 315,517,355 shares) at cost	( 40,039 )	( 36,339 )
Profit employed in the business	54,108	51,250
Accumulated other comprehensive income (loss)	( 2,093 )	( 1,820 )
Noncontrolling interests	6	9
<b>Total shareholders' equity</b>	<b>17,645</b>	<b>19,503</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 83,741</b>	<b>\$ 87,476</b>

See accompanying notes to Consolidated Financial Statements.



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

	Common stock	Treasury stock	Profit employed in the business	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total
<b>Three Months Ended March 31, 2023</b>						
<b>Balance at December 31, 2022</b>	\$ 6,560	\$ ( 31,748 )	\$ 43,514	\$ ( 2,457 )	\$ 22	\$ 15,891
Profit (loss) of consolidated and affiliated companies	—	—	1,943	—	( 1 )	1,942
Foreign currency translation, net of tax	—	—	—	607	—	607
Pension and other postretirement benefits, net of tax	—	—	—	( 2 )	—	( 2 )
Derivative financial instruments, net of tax	—	—	—	84	—	84
Available-for-sale securities, net of tax	—	—	—	22	—	22
Common shares issued from treasury stock for stock-based compensation: 1,276,331	( 66 )	41	—	—	—	( 25 )
Stock-based compensation expense	44	—	—	—	—	44
Common shares repurchased: 1,701,760 <sup>1</sup>	—	( 400 )	—	—	—	( 400 )
Other	8	( 1 )	—	—	—	7
<b>Balance at March 31, 2023</b>	<b>\$ 6,546</b>	<b>\$ ( 32,108 )</b>	<b>\$ 45,457</b>	<b>\$ ( 1,746 )</b>	<b>\$ 21</b>	<b>\$ 18,170</b>
<b>Three Months Ended March 31, 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	—	—	2,856	—	( 2 )	2,854
Foreign currency translation, net of tax	—	—	—	( 257 )	—	( 257 )
Pension and other postretirement benefits, net of tax	—	—	—	( 3 )	—	( 3 )
Available-for-sale securities, net of tax	—	—	—	( 13 )	—	( 13 )
Dividends declared	—	—	2	—	—	2
Common shares issued from treasury stock for stock-based compensation: 1,224,138	( 45 )	37	—	—	—	( 8 )
Stock-based compensation expense	44	—	—	—	—	44
Common shares repurchased: 11,328,487 <sup>1</sup>	—	( 3,705 )	—	—	—	( 3,705 )
Outstanding authorized accelerated stock repurchases	( 750 )	—	—	—	—	( 750 )
Other	11	( 32 )	—	—	( 1 )	( 22 )
<b>Balance at March 31, 2024</b>	<b>\$ 5,663</b>	<b>\$ ( 40,039 )</b>	<b>\$ 54,108</b>	<b>\$ ( 2,093 )</b>	<b>\$ 6</b>	<b>\$ 17,645</b>

<sup>1</sup> See Note 12 for additional information.

See accompanying notes to Consolidated Financial Statements.

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

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flow from operating activities:</b>		
Profit of consolidated and affiliated companies	\$ 2,854	\$ 1,942
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization	524	532
Provision (benefit) for deferred income taxes	( 54 )	( 191 )
(Gain) loss on divestiture	( 64 )	572
Other	( 5 )	117
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables – trade and other	( 81 )	( 329 )
Inventories	( 439 )	( 1,403 )
Accounts payable	203	477
Accrued expenses	( 38 )	38
Accrued wages, salaries and employee benefits	( 1,454 )	( 950 )
Customer advances	279	365
Other assets – net	60	107
Other liabilities – net	267	296
Net cash provided by (used for) operating activities	2,052	1,573
<b>Cash flow from investing activities:</b>		
Capital expenditures – excluding equipment leased to others	( 500 )	( 422 )
Expenditures for equipment leased to others	( 236 )	( 328 )
Proceeds from disposals of leased assets and property, plant and equipment	155	184
Additions to finance receivables	( 3,256 )	( 3,020 )
Collections of finance receivables	3,140	3,169
Proceeds from sale of finance receivables	13	24
Investments and acquisitions (net of cash acquired)	—	( 5 )
Proceeds from sale of businesses and investments (net of cash sold)	42	( 14 )
Proceeds from maturities and sale of securities	1,867	239
Investments in securities	( 275 )	( 536 )
Other – net	8	26
Net cash provided by (used for) investing activities	958	( 683 )
<b>Cash flow from financing activities:</b>		
Dividends paid	( 648 )	( 620 )
Common stock issued, including treasury shares reissued	( 8 )	( 25 )
Common shares repurchased	( 4,455 )	( 400 )
Proceeds from debt issued (original maturities greater than three months):		
Financial Products	2,731	1,517
Payments on debt (original maturities greater than three months):		
Machinery, Energy & Transportation	( 6 )	( 90 )
Financial Products	( 1,564 )	( 1,385 )
Short-term borrowings – net (original maturities three months or less)	( 1,050 )	( 103 )
Net cash provided by (used for) financing activities	( 5,000 )	( 1,106 )
Effect of exchange rate changes on cash	( 30 )	( 1 )
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>( 2,020 )</b>	<b>( 217 )</b>
Cash, cash equivalents and restricted cash at beginning of period	6,985	7,013
Cash, cash equivalents and restricted cash at end of period	\$ 4,965	\$ 6,796

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 months ended March 31, 2024 and 2023, (b) the consolidated comprehensive income for the three months ended March 31, 2024 and 2023, (c) the consolidated financial position at March 31, 2024 and December 31, 2023, (d) the consolidated changes in shareholders' equity for the three months ended March 31, 2024 and 2023 and (e) the consolidated cash flow for the three months ended March 31, 2024 and 2023. 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, 2023 (2023 Form 10-K).

The December 31, 2023 financial position data included herein is derived from the audited consolidated financial statements included in the 2023 Form 10-K but does not include all disclosures required by U.S. GAAP. Certain amounts for prior periods have been reclassified to conform to the current period financial statement presentation.

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 adopted the following ASUs effective January 1, 2024, none of which had a material impact on our financial statements:

<u>ASU</u>	<u>Description</u>
2022-03	Fair value measurement – Equity securities subject to contractual sale restrictions
2023-01	Leases – Common control arrangements
2023-02	Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method

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

**Segment reporting** (ASU 2023-07) — In November 2023, the Financial Accounting Standards Board (FASB) issued accounting guidance that requires incremental disclosures related to reportable segments which includes significant segment expense categories and amounts for each reportable segment. The expanded annual disclosures are effective

for our year ending December 31, 2024, and the expanded interim disclosures are effective in 2025 and will be applied retrospectively to all prior periods presented. We are in the process of evaluating the effect of this new guidance on the related disclosures.

**Income tax reporting** (ASU 2023-09) — In December 2023, the FASB issued accounting guidance to expand the annual disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. This guidance is effective January 1, 2025, with early adoption permitted. This guidance can be applied prospectively or retrospectively. 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 \$ 7,860 million, \$ 7,923 million and \$ 7,551 million as of March 31, 2024, December 31, 2023 and December 31, 2022, respectively. Long-term trade receivables from dealers and end users were \$ 604 million, \$ 589 million and \$ 506 million as of March 31, 2024, December 31, 2023 and December 31, 2022, 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 \$ 196 million, \$ 246 million and \$ 247 million as of March 31, 2024, December 31, 2023 and December 31, 2022, 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 \$ 2,664 million, \$ 2,389 million and \$ 2,314 million as of March 31, 2024, December 31, 2023 and December 31, 2022, respectively. We reduce the contract liability when revenue is recognized. During the three months ended March 31, 2024 and 2023, we recognized \$ 813 million and \$ 737 million, respectively, of revenue that was recorded as a contract liability at the beginning of 2024 and 2023.

As of March 31, 2024, 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 \$ 12.5 billion, with about one-half of the amount expected to be completed and revenue recognized in the twelve months following March 31, 2024. 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 \$ 44 million for both the three months ended March 31, 2024 and 2023, respectively.

The following table illustrates the type and fair value of the stock-based compensation awards granted during the three months ended March 31, 2024 and 2023, respectively:

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Shares Granted	Weighted-Average Fair Value Per Share	Weighted-Average Grant Date Stock Price	Shares Granted	Weighted-Average Fair Value Per Share	Weighted-Average Grant Date Stock Price
Stock options	296,295	\$ 104.27	\$ 338.65	777,275	\$ 75.79	\$ 253.98
RSUs	379,621	\$ 338.65	\$ 338.65	379,426	\$ 253.98	\$ 253.98
PRSUs	169,120	\$ 408.64	\$ 338.65	221,869	\$ 253.98	\$ 253.98

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 three months ended March 31, 2024 and 2023, respectively:

	Grant Year	
	2024	2023
Weighted-average dividend yield	2.40 %	2.60 %
Weighted-average volatility	30.7 %	31.0 %
Range of volatilities	26.3 % - 32.3 %	28.5 % - 35.5 %
Range of risk-free interest rates	4.28 % - 5.03 %	3.92 % - 5.03 %
Weighted-average expected lives	7 years	7 years

The PRSUs granted in 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 three months ended March 31, 2024:

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

As of March 31, 2024, the total remaining unrecognized compensation expense related to nonvested stock-based compensation awards was \$ 318 million, which will be amortized over the weighted-average remaining requisite service periods of approximately 1.8 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. 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 March 31, 2024, 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.

#### 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 original 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			
	March 31, 2024		December 31, 2023	
	Assets <sup>1</sup>	Liabilities <sup>2</sup>	Assets <sup>1</sup>	Liabilities <sup>2</sup>
<b>Designated derivatives</b>				
Foreign exchange contracts	\$ 413	\$ ( 101 )	\$ 389	\$ ( 155 )
Interest rate contracts	29	( 246 )	58	( 209 )
<b>Total</b>	<b>\$ 442</b>	<b>\$ ( 347 )</b>	<b>\$ 447</b>	<b>\$ ( 364 )</b>
<b>Undesignated derivatives</b>				
Foreign exchange contracts	\$ 32	\$ ( 24 )	\$ 55	\$ ( 82 )
Commodity contracts	5	( 10 )	18	( 9 )
Total return swap contracts	21	—	—	—
<b>Total</b>	<b>\$ 58</b>	<b>\$ ( 34 )</b>	<b>\$ 73</b>	<b>\$ ( 91 )</b>

<sup>1</sup> Assets are classified on the Consolidated Statement of Financial Position as Receivables - trade and other or Long-term receivables - trade and other.

<sup>2</sup> Liabilities are classified on the Consolidated Statement of Financial Position as Accrued expenses or Other liabilities.

The total notional amounts of the derivative instruments as of March 31, 2024 and December 31, 2023 were \$ 24.2 billion and \$ 25.6 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 March 31,					
	Fair Value / Undesignated Hedges		Cash Flow Hedges			
	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>	
	2024	2023	2024	2023	2024	2023
Foreign exchange contracts	\$ 29	\$ ( 28 )	\$ 95	\$ 58	\$ 91	\$ ( 65 )
Interest rate contracts	( 36 )	( 27 )	11	( 2 )	15	13
Commodity contracts	( 10 )	8	—	—	—	—
Total return swap contracts	30	—	—	—	—	—
<b>Total</b>	<b>\$ 13</b>	<b>\$ ( 47 )</b>	<b>\$ 106</b>	<b>\$ 56</b>	<b>\$ 106</b>	<b>\$ ( 52 )</b>

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

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

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	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Long-term debt due within one year	\$ 786	\$ 982	\$ ( 18 )	\$ ( 23 )
Long-term debt due after one year	4,880	4,245	( 220 )	( 156 )
Total	<u>\$ 5,666</u>	<u>\$ 5,227</u>	<u>\$ ( 238 )</u>	<u>\$ ( 179 )</u>

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.

Collateral is typically not required of the counterparties or of our company under the master netting agreements. As of March 31, 2024 and December 31, 2023, 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)	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Gross Amounts Recognized	\$ 500	\$ ( 381 )	\$ 520	\$ ( 455 )
Financial Instruments Not Offset	( 136 )	136	( 202 )	202
Net Amount	<u>\$ 364</u>	<u>\$ ( 245 )</u>	<u>\$ 318</u>	<u>\$ ( 253 )</u>

## 6. Inventories

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

(Millions of dollars)	March 31, 2024	December 31, 2023
Raw materials	\$ 6,605	\$ 6,492
Work-in-process	1,614	1,411
Finished goods	8,372	8,308
Supplies	362	354
Total inventories	<u>\$ 16,953</u>	<u>\$ 16,565</u>



## 7. Intangible assets and goodwill

### A. Intangible assets

Intangible assets were comprised of the following:

(Millions of dollars)	March 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 2,226	\$ ( 1,847 )	\$ 379
Intellectual property	481	( 384 )	97
Other	117	( 77 )	40
Total finite-lived intangible assets	<u>\$ 2,824</u>	<u>\$ ( 2,308 )</u>	<u>\$ 516</u>

(Millions of dollars)	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 2,232	\$ ( 1,814 )	\$ 418
Intellectual property	484	( 380 )	104
Other	117	( 75 )	42
Total finite-lived intangible assets	<u>\$ 2,833</u>	<u>\$ ( 2,269 )</u>	<u>\$ 564</u>

Amortization expense for the three months ended March 31, 2024 and 2023 was \$ 44 million and \$ 66 million, respectively. Amortization expense related to intangible assets is expected to be:

(Millions of dollars)						
Remaining Nine Months						
of 2024	2025	2026	2027	2028	Thereafter	
\$ 130	\$ 165	\$ 94	\$ 31	\$ 24	\$ 72	

### B. Goodwill

No goodwill was impaired during the three months ended March 31, 2024 or 2023.

The changes in carrying amount of goodwill by reportable segment for the three months ended March 31, 2024 were as follows:

(Millions of dollars)	December 31,		March 31,	
	2023	Other Adjustments <sup>1</sup>	2024	
Construction Industries				
Goodwill	\$ 277	\$ ( 9 )	\$ 268	
Impairments	( 22 )	—	( 22 )	
Net goodwill	255	( 9 )	246	
Resource Industries				
Goodwill	4,151	( 12 )	4,139	
Impairments	( 1,175 )	—	( 1,175 )	
Net goodwill	2,976	( 12 )	2,964	
Energy & Transportation				
Goodwill	2,959	( 7 )	2,952	
Impairments	( 925 )	—	( 925 )	
Net goodwill	2,034	( 7 )	2,027	
All Other <sup>2</sup>				
Goodwill	43	( 3 )	40	
Consolidated total				
Goodwill	7,430	( 31 )	7,399	
Impairments	( 2,122 )	—	( 2,122 )	
Net goodwill	\$ 5,308	\$ ( 31 )	\$ 5,277	

<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.

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  (Millions of dollars)	March 31, 2024			December 31, 2023		
	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	62	( 3 )	59	62	( 2 )	60
<b>Corporate debt securities</b>						
Corporate bonds and other debt securities	2,927	( 47 )	2,880	3,031	( 36 )	2,995
Asset-backed securities	196	( 2 )	194	195	( 3 )	192
<b>Mortgage-backed debt securities</b>						
U.S. governmental agency	448	( 30 )	418	433	( 23 )	410
Residential	3	( 1 )	2	3	( 1 )	2
Commercial	135	( 7 )	128	137	( 9 )	128
<b>Total available-for-sale debt securities</b>	<b>\$ 3,781</b>	<b>\$ ( 90 )</b>	<b>\$ 3,691</b>	<b>\$ 3,871</b>	<b>\$ ( 74 )</b>	<b>\$ 3,797</b>

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

(Millions of dollars)	March 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	\$ 10	\$ —	\$ 25	\$ 3	\$ 35	\$ 3
<b>Corporate debt securities</b>						
Corporate bonds	939	5	874	46	1,813	51
Asset-backed securities	20	—	55	3	75	3
<b>Mortgage-backed debt securities</b>						
U.S. governmental agency	81	1	286	30	367	31
Commercial	6	—	114	8	120	8
<b>Total</b>	<b>\$ 1,056</b>	<b>\$ 6</b>	<b>\$ 1,354</b>	<b>\$ 90</b>	<b>\$ 2,410</b>	<b>\$ 96</b>

(Millions of dollars)	December 31, 2023					
	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	\$ —	\$ —	\$ 25	\$ 3	\$ 25	\$ 3
<b>Corporate debt securities</b>						
Corporate bonds	765	—	1,011	45	1,776	45
Asset-backed securities	9	—	97	3	106	3
<b>Mortgage-backed debt securities</b>						
U.S. governmental agency	33	—	287	25	320	25
Commercial	2	—	121	9	123	9
<b>Total</b>	<b>\$ 809</b>	<b>\$ —</b>	<b>\$ 1,541</b>	<b>\$ 85</b>	<b>\$ 2,350</b>	<b>\$ 85</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 March 31, 2024.

The cost basis and fair value of available-for-sale debt securities at March 31, 2024, 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)	March 31, 2024	
	Cost Basis	Fair Value
Due in one year or less	\$ 964	\$ 953
Due after one year through five years	1,865	1,828
Due after five years through ten years	281	277
Due after ten years	85	85
U.S. governmental agency mortgage-backed securities	448	418
Residential mortgage-backed securities	3	2
Commercial mortgage-backed securities	135	128
Total debt securities – available-for-sale	<u>\$ 3,781</u>	<u>\$ 3,691</u>

**Sales of available-for-sale debt securities:**

(Millions of dollars)	Three Months Ended March 31,	
	2024	2023
Proceeds from the sale of available-for-sale securities	\$ 361	\$ 223
Gross gains from the sale of available-for-sale securities	\$ —	\$ —
Gross losses from the sale of available-for-sale securities	\$ 1	\$ —

In addition, we had \$ 400 million and \$ 1,900 million of investments in time deposits classified as held-to-maturity debt securities as of March 31, 2024 and December 31, 2023. All these investments mature within one year and we include them in Prepaid expenses and other current assets in the Consolidated Statement of Financial Position. We record held-to-maturity debt securities at amortized cost, which approximates fair value.

For the three months ended March 31, 2024 and 2023, the net unrealized gains (losses) for equity securities held at March 31, 2024 and 2023 were \$ 17 million and \$( 8 ) 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	
	March 31,		March 31,		March 31,	
	2024	2023	2024	2023	2024	2023
<b>For the three months ended:</b>						
<b>Components of net periodic benefit cost:</b>						
Service cost	\$ —	\$ —	\$ 11	\$ 10	\$ 17	\$ 17
Interest cost	156	164	30	31	33	36
Expected return on plan assets	(175)	(172)	(42)	(40)	(2)	(3)
Amortization of prior service cost (credit)	—	—	—	—	(3)	(3)
Net periodic benefit cost (benefit) <sup>1</sup>	<u>\$ (19)</u>	<u>\$ (8)</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 45</u>	<u>\$ 47</u>

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

We made \$ 113 million of contributions to our pension and other postretirement plans during the three months ended March 31, 2024, respectively. We currently anticipate full-year 2024 contributions of approximately \$ 273 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 March 31,	
	2024	2023
U.S. Plans <sup>1</sup>	\$ 223	\$ 149
Non-U.S. Plans	30	29
	<u>\$ 253</u>	<u>\$ 178</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 March 31,	
	2024	2023
Finance lease revenue	\$ 108	\$ 104
Operating lease revenue	313	275
Total	<u>\$ 421</u>	<u>\$ 379</u>

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 \$ 319 million and \$ 353 million at March 31, 2024 and December 31, 2023, 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 March 31, 2024 and December 31, 2023, the SPC's assets of \$ 1.33 billion and \$ 1.35 billion, respectively, were primarily comprised of loans to dealers, and the SPC's liabilities of \$ 1.33 billion and \$ 1.35 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 three months ended March 31 was as follows:

(Millions of dollars)	Three Months Ended March 31,	
	2024	2023
Warranty liability, beginning of period	\$ 1,894	\$ 1,761
Reduction in liability (payments)	( 199 )	( 213 )
Increase in liability (new warranties)	133	246
Warranty liability, end of period	\$ 1,828	\$ 1,794

## 12. Profit per share

Computations of profit per share:  (Dollars in millions except per share data)	Three Months Ended March 31,	
	2024	2023
Profit for the period (A) <sup>1</sup>	\$ 2,856	\$ 1,943
Determination of shares (in millions):		
Weighted-average number of common shares outstanding (B)	493.9	516.2
Shares issuable on exercise of stock awards, net of shares assumed to be purchased out of proceeds at average market price	3.0	3.2
Average common shares outstanding for fully diluted computation (C) <sup>2</sup>	496.9	519.4
Profit per share of common stock:		
Assuming no dilution (A/B)	\$ 5.78	\$ 3.76
Assuming full dilution (A/C) <sup>2</sup>	\$ 5.75	\$ 3.74
Shares outstanding as of March 31, (in millions)	489.3	515.9

<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 months ended March 31, 2024 and 2023, we excluded 0.3 million and 0.8 million of outstanding stock options, respectively, from the computation of diluted earnings per share because the effect would have been antidilutive.

For the three months ended March 31, 2024 and 2023, we repurchased 11.3 million and 1.7 million shares of Caterpillar common stock, respectively, at an aggregate cost of \$ 3,705 million and \$ 400 million, respectively. We made these purchases through the combination of accelerated stock repurchase (ASR) agreements with third-party financial institutions and open market transactions in 2024 and open market transactions in 2023.

In February 2024, we entered into ASR agreements to repurchase an aggregate of \$ 3.50 billion of common stock. We advanced the \$ 3.50 billion and received approximately 7.6 million shares of Caterpillar common stock with a value of \$ 2.45 billion. The ASR agreements may last for up to nine months. The final number of shares to ultimately be purchased 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 remaining \$ 1.05 billion was evaluated as an unsettled forward contract 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 March 31,	
	2024	2023
<b>Foreign currency translation:</b>		
Beginning balance	\$ (1,782)	\$ (2,328)
Gains (losses) on foreign currency translation	(213)	103
Less: Tax provision /(benefit)	11	(10)
Net gains (losses) on foreign currency translation	(224)	113
(Gains) losses reclassified to earnings	(33)	494
Less: Tax provision /(benefit)	—	—
Net (gains) losses reclassified to earnings	(33)	494
Other comprehensive income (loss), net of tax	(257)	607
Ending balance	\$ (2,039)	\$ (1,721)
<b>Pension and other postretirement benefits</b>		
Beginning balance	\$ (49)	\$ (39)
Current year prior service credit (cost)	—	—
Less: Tax provision /(benefit)	—	—
Net current year prior service credit (cost)	—	—
Amortization of prior service (credit) cost	(3)	(3)
Less: Tax provision /(benefit)	—	(1)
Net amortization of prior service (credit) cost	(3)	(2)
Other comprehensive income (loss), net of tax	(3)	(2)
Ending balance	\$ (52)	\$ (41)
<b>Derivative financial instruments</b>		
Beginning balance	\$ 67	\$ 28
Gains (losses) deferred	106	56
Less: Tax provision /(benefit)	28	12
Net gains (losses) deferred	78	44
(Gains) losses reclassified to earnings	(106)	52
Less: Tax provision /(benefit)	(28)	12
Net (gains) losses reclassified to earnings	(78)	40
Other comprehensive income (loss), net of tax	—	84
Ending balance	\$ 67	\$ 112
<b>Available-for-sale securities</b>		
Beginning balance	\$ (56)	\$ (118)
Gains (losses) deferred	(17)	26
Less: Tax provision /(benefit)	(3)	4
Net gains (losses) deferred	(14)	22
(Gains) losses reclassified to earnings	1	—
Less: Tax provision /(benefit)	—	—
Net (gains) losses reclassified to earnings	1	—
Other comprehensive income (loss), net of tax	(13)	22
Ending balance	\$ (69)	\$ (96)
Total AOCI Ending Balance at March 31,	\$ (2,093)	\$ (1,746)



#### **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.

Perkins Engines Company Limited (Perkins), a subsidiary of Caterpillar Inc., acquired the small diesel engine business of IHI Agri-Tech Corporation (IAT) in 2019. During the integration process, Perkins identified potential compliance concerns with engines manufactured and sold by IAT in California that failed to comply with the requirements of Cal. Code Regs. Tit. 13, § 2423. Perkins then submitted a voluntary self-disclosure to the California Air Resources Board (CARB) on October 15, 2019. On March 14, 2024, CARB and Perkins entered into a settlement agreement regarding the matter. Consistent with the terms of the settlement agreement, Perkins paid a civil penalty of \$ 205,313 to CARB along with a contribution of \$ 205,312 to a Supplemental Environmental Project entitled To Reduce Contaminated Waste & Emissions Throughout Bay View Hunters Point Community.

#### **15. Income taxes**

The effective tax rate for the three months ended March 31, 2024 was 19.5 percent compared to 26.9 percent for the three months ended March 31, 2023. The decrease primarily resulted from nontaxable gains in the first quarter of 2024 compared to nondeductible losses in the first quarter of 2023 related to divestitures.

#### **16. Segment information**

##### **A. Basis for segment information**

Our Executive Office is comprised of a Chief Executive Officer (CEO), Chief Operating Officer (COO), four Group Presidents, a Chief Financial Officer (CFO), a Chief Legal Officer and General Counsel and a Chief Human Resources Officer. The COO, 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 COO/Group President/CFO level. As such, the CEO serves as our Chief Operating Decision Maker, and operating segments are primarily based on the COO/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 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 ME&T, 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

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

- ME&T 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 ME&T at the corporate level and do not include in segment profit the effects of changes in exchange rates on results of operations 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.
- We determine ME&T segment profit on a pretax basis and exclude interest expense and most other income/expense items. We determine Financial Products Segment profit on a pretax basis and include other income/expense items.

Reconciling items are created based on accounting differences between segment reporting and our consolidated external reporting. Please refer to pages 26 to 28 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 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.

For the three months ended March 31, 2024 and 2023, 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 March 31, 2024</b>							
Construction Industries	\$ 3,833	\$ 595	\$ 996	\$ 993	\$ 6,417	\$ 7	\$ 6,424
Resource Industries	1,264	476	465	891	3,096	97	3,193
Energy & Transportation	2,951	408	1,294	834	5,487	1,194	6,681
Financial Products Segment	659	101	123	108	991 <sup>1</sup>	—	991
Total sales and revenues from reportable segments	8,707	1,580	2,878	2,826	15,991	1,298	17,289
All Other Segment	18	(1)	4	13	34	75	109
Corporate Items and Eliminations	(152)	(20)	(30)	(24)	(226)	(1,373)	(1,599)
<b>Total Sales and Revenues</b>	<b>\$ 8,573</b>	<b>\$ 1,559</b>	<b>\$ 2,852</b>	<b>\$ 2,815</b>	<b>\$ 15,799</b>	<b>\$ —</b>	<b>\$ 15,799</b>
<b>Three Months Ended March 31, 2023</b>							
Construction Industries	\$ 3,608	\$ 599	\$ 1,336	\$ 1,161	\$ 6,704	\$ 42	\$ 6,746
Resource Industries	1,308	474	599	978	3,359	68	3,427
Energy & Transportation	2,572	380	1,384	719	5,055	1,199	6,254
Financial Products Segment	575	104	114	109	902 <sup>1</sup>	—	902
Total sales and revenues from reportable segments	8,063	1,557	3,433	2,967	16,020	1,309	17,329
All Other Segment	18	—	4	13	35	76	111
Corporate Items and Eliminations	(131)	(18)	(19)	(25)	(193)	(1,385)	(1,578)
<b>Total Sales and Revenues</b>	<b>\$ 7,950</b>	<b>\$ 1,539</b>	<b>\$ 3,418</b>	<b>\$ 2,955</b>	<b>\$ 15,862</b>	<b>\$ —</b>	<b>\$ 15,862</b>

<sup>1</sup> Includes revenues from Construction Industries, Resource Industries, Energy & Transportation and All Other Segment of \$ 177 million and \$ 162 million in the three months ended March 31, 2024 and 2023, respectively.

For the three months ended March 31, 2024 and 2023, Energy & Transportation segment sales by end user application were as follows:

<b>Energy &amp; Transportation External Sales</b>		
(Millions of dollars)	Three Months Ended March 31,	
	2024	2023
Oil and gas	\$ 1,568	\$ 1,314
Power generation	1,618	1,284
Industrial	989	1,255
Transportation	1,312	1,202
<b>Energy &amp; Transportation External Sales</b>	<b>\$ 5,487</b>	<b>\$ 5,055</b>

**Reconciliation of Consolidated profit before taxes:**
**(Millions of dollars)**

	Three Months Ended March 31,	
	2024	2023
Profit from reportable segments:		
Construction Industries	\$ 1,764	\$ 1,790
Resource Industries	730	764
Energy & Transportation	1,301	1,057
Financial Products Segment	293	232
Total profit from reportable segments	4,088	3,843
Profit from All Other Segment	24	11
Cost centers	14	30
Corporate costs	( 201 )	( 238 )
Timing	( 67 )	( 206 )
Restructuring costs	6	( 611 )
Methodology differences:		
Inventory/cost of sales	( 6 )	126
Postretirement benefit expense	( 56 )	( 31 )
Stock-based compensation expense	( 44 )	( 44 )
Financing costs	( 28 )	( 50 )
Currency	87	( 26 )
Other income/expense methodology differences	( 250 )	( 146 )
Other methodology differences	( 35 )	( 24 )
Total consolidated profit before taxes	\$ 3,532	\$ 2,634

**Reconciliation of Assets:**
**(Millions of dollars)**

	March 31, 2024	December 31, 2023
Assets from reportable segments:		
Construction Industries	\$ 5,578	\$ 5,384
Resource Industries	5,603	5,742
Energy & Transportation	10,658	10,555
Financial Products Segment	35,752	35,685
Total assets from reportable segments	57,591	57,366
Assets from All Other Segment	1,926	1,890
Items not included in segment assets:		
Cash and cash equivalents	3,963	6,106
Deferred income taxes	2,722	2,668
Goodwill and intangible assets	4,519	4,452
Property, plant and equipment – net and other assets	4,808	6,548
Inventory methodology differences	( 3,557 )	( 3,169 )
Liabilities included in segment assets	12,013	11,781
Other	( 244 )	( 166 )
Total assets	\$ 83,741	\$ 87,476

**Reconciliation of Depreciation and amortization:**  
(Millions of dollars)

	Three Months Ended March 31,	
	2024	2023
Depreciation and amortization from reportable segments:		
Construction Industries	\$ 56	\$ 54
Resource Industries	63	87
Energy & Transportation	137	129
Financial Products Segment	185	178
Total depreciation and amortization from reportable segments	441	448
Items not included in segment depreciation and amortization:		
All Other Segment	61	57
Cost centers	23	20
Other	( 1 )	7
Total depreciation and amortization	\$ 524	\$ 532

**Reconciliation of Capital expenditures:**  
(Millions of dollars)

	Three Months Ended March 31,	
	2024	2023
Capital expenditures from reportable segments:		
Construction Industries	\$ 58	\$ 32
Resource Industries	34	26
Energy & Transportation	122	169
Financial Products Segment	234	279
Total capital expenditures from reportable segments	448	506
Items not included in segment capital expenditures:		
All Other Segment	29	26
Cost centers	30	22
Timing	245	212
Other	( 16 )	( 16 )
Total capital expenditures	\$ 736	\$ 750

**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 March 31, 2024.

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 months ended March 31, 2024, Cat Financial's forecasts reflected a continuation of the trend of relatively low unemployment rates as well as low delinquencies within their portfolio. However, industry delinquencies show an increasing trend as the central bank actions aimed at reducing inflation have weakened global economic growth. The company 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. Cat Financial's wholesale financing plans provide assistance to dealers by financing their mostly new Caterpillar equipment inventory and rental fleets on a secured and unsecured basis. In addition, Cat Financial provides a variety of secured and unsecured 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 months ended March 31, 2024.

#### **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.
- **Mining** - Finance receivables related to large mining customers worldwide.
- **Latin America** - Finance receivables originated in Mexico and Central and South American countries.
- **Power** - Finance receivables originated worldwide related to 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 March 31, 2024			Three Months Ended March 31, 2023		
	Customer	Dealer	Total	Customer	Dealer	Total
Beginning balance	\$ 276	\$ 51	\$ 327	\$ 277	\$ 65	\$ 342
Write-offs	( 23 )	( 47 )	( 70 )	( 20 )	—	( 20 )
Recoveries	15	—	15	10	—	10
Provision for credit losses <sup>1</sup>	9	—	9	10	—	10
Other	( 4 )	—	( 4 )	1	—	1
Ending balance	<u>\$ 273</u>	<u>\$ 4</u>	<u>\$ 277</u>	<u>\$ 278</u>	<u>\$ 65</u>	<u>\$ 343</u>
Finance Receivables	\$ 20,413	\$ 1,794	\$ 22,207	\$ 19,573	\$ 1,721	\$ 21,294

<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 March 31, 2024						
	2024	2023	2022	2021	2020	Prior	Revolving Finance Receivables Total
North America	\$ —	\$ 3	\$ 4	\$ 2	\$ 1	\$ —	\$ 3
EAME	—	1	1	1	—	—	—
Asia/Pacific	—	1	2	1	1	—	—
Latin America	—	—	1	1	—	—	—
Total	<u>\$ —</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 3</u>

(Millions of dollars)	Three Months Ended March 31, 2023						
	2023	2022	2021	2020	2019	Prior	Revolving Finance Receivables Total
North America	\$ —	\$ 3	\$ 3	\$ —	\$ —	\$ —	\$ 4
EAME	—	1	—	1	—	—	—
Asia/Pacific	—	—	2	1	1	—	—
Latin America	—	—	1	2	1	—	—
Total	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 4</u>

All \$ 47 million of gross write-offs in the Dealer portfolio segment for the three months ended March 31, 2024 were in Latin America and originated prior to 2019.

#### 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 tables below summarize the aging category of Cat Financial's amortized cost of finance receivables in the Customer portfolio segment by origination year:

(Millions of dollars)	March 31, 2024							
	2024	2023	2022	2021	2020	Prior	Revolving Finance Receivables	Total Finance Receivables
<b>North America</b>								
Current	\$ 1,277	\$ 4,101	\$ 2,346	\$ 1,718	\$ 596	\$ 176	\$ 313	\$ 10,527
31-60 days past due	5	37	40	27	14	5	3	131
61-90 days past due	—	16	12	7	4	1	1	41
91+ days past due	—	19	23	17	7	5	2	73
<b>EAME</b>								
Current	282	1,224	791	493	210	170	—	3,170
31-60 days past due	—	17	9	6	2	2	—	36
61-90 days past due	1	8	4	3	1	1	—	18
91+ days past due	—	13	15	20	8	3	—	59
<b>Asia/Pacific</b>								
Current	245	798	481	212	49	12	—	1,797
31-60 days past due	—	12	10	7	2	—	—	31
61-90 days past due	—	2	3	2	1	—	—	8
91+ days past due	—	3	3	3	2	—	—	11
<b>Mining</b>								
Current	150	1,001	629	333	113	68	70	2,364
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	1	1	—	7	—	9
<b>Latin America</b>								
Current	205	643	438	164	34	15	—	1,499
31-60 days past due	—	5	7	5	2	2	—	21
61-90 days past due	—	3	6	3	—	1	—	13
91+ days past due	—	4	9	7	5	18	—	43
<b>Power</b>								
Current	8	162	48	58	72	76	135	559
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	3	—	3
<b>Totals by Aging Category</b>								
Current	\$ 2,167	\$ 7,929	\$ 4,733	\$ 2,978	\$ 1,074	\$ 517	\$ 518	\$ 19,916
31-60 days past due	5	71	66	45	20	9	3	219
61-90 days past due	1	29	25	15	6	3	1	80
91+ days past due	—	39	51	48	22	36	2	198
<b>Total Customer</b>	<b>\$ 2,173</b>	<b>\$ 8,068</b>	<b>\$ 4,875</b>	<b>\$ 3,086</b>	<b>\$ 1,122</b>	<b>\$ 565</b>	<b>\$ 524</b>	<b>\$ 20,413</b>

(Millions of dollars)	December 31, 2023							
	2023	2022	2021	2020	2019	Prior	Revolving Finance Receivables	Total Finance Receivables
<b>North America</b>								
Current	\$ 4,430	\$ 2,628	\$ 2,000	\$ 745	\$ 220	\$ 32	\$ 312	\$ 10,367
31-60 days past due	28	31	24	14	7	1	4	109
61-90 days past due	10	11	8	4	1	—	2	36
91+ days past due	12	23	18	9	4	1	2	69
<b>EAME</b>								
Current	1,336	895	588	258	111	105	—	3,293
31-60 days past due	10	9	7	3	1	—	—	30
61-90 days past due	4	3	3	1	1	—	—	12
91+ days past due	7	17	15	8	3	1	—	51
<b>Asia/Pacific</b>								
Current	943	594	293	73	16	4	—	1,923
31-60 days past due	5	6	7	2	—	—	—	20
61-90 days past due	2	3	3	2	—	—	—	10
91+ days past due	1	5	3	3	1	—	—	13
<b>Mining</b>								
Current	1,039	686	381	121	68	27	66	2,388
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	1	1	—	2
91+ days past due	—	—	1	—	—	1	—	2
<b>Latin America</b>								
Current	750	520	219	59	23	6	—	1,577
31-60 days past due	9	10	6	1	—	—	—	26
61-90 days past due	2	4	1	—	—	—	—	7
91+ days past due	2	10	8	5	8	11	—	44
<b>Power</b>								
Current	152	49	64	75	28	59	162	589
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	3	—	3
<b>Totals by Aging Category</b>								
Current	\$ 8,650	\$ 5,372	\$ 3,545	\$ 1,331	\$ 466	\$ 233	\$ 540	\$ 20,137
31-60 days past due	52	56	44	20	8	1	4	185
61-90 days past due	18	21	15	7	3	1	2	67
91+ days past due	22	55	45	25	16	17	2	182
<b>Total Customer</b>	<b>\$ 8,742</b>	<b>\$ 5,504</b>	<b>\$ 3,649</b>	<b>\$ 1,383</b>	<b>\$ 493</b>	<b>\$ 252</b>	<b>\$ 548</b>	<b>\$ 20,571</b>

Finance receivables in the Customer portfolio segment are substantially secured by collateral, primarily in the form of Caterpillar and other equipment. For those contracts where the borrower is experiencing financial difficulty, repayment of the outstanding amounts is generally expected to be provided through the operation or repossession and sale of the equipment.

## Dealer

As of March 31, 2024, Cat Financial's total amortized cost of finance receivables within the Dealer portfolio segment was current. As of December 31, 2023, Cat Financial's total amortized cost of finance receivables within the Dealer portfolio segment was current, with the exception of \$ 44 million that was 91+ days past due in Latin America, all of which originated prior to 2019.

### 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)	March 31, 2024		December 31, 2023	
	Amortized Cost		Amortized Cost	
	Non-accrual With an Allowance	91+ Still Accruing	Non-accrual With an Allowance	91+ Still Accruing
North America	\$ 58	\$ 18	\$ 52	\$ 20
EAME	52	12	34	18
Asia/Pacific	6	6	8	5
Mining	9	—	2	—
Latin America	54	—	48	1
Power	3	—	8	—
<b>Total</b>	<b>\$ 182</b>	<b>\$ 36</b>	<b>\$ 152</b>	<b>\$ 44</b>

There were no finance receivables in Cat Financial's Dealer portfolio segment on non-accrual status as of March 31, 2024. There were \$ 44 million in finance receivables in Cat Financial's Dealer portfolio segment on non-accrual status as of December 31, 2023, all of which were in Latin America.

### Modifications

Cat Financial periodically modifies the terms of their finance receivable agreements in response to borrowers' financial difficulty. 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 months ended March 31, 2024 and 2023, there were no finance receivable modifications granted to borrowers experiencing financial difficulty in Cat Financial's Dealer portfolio segment. The amortized cost basis of finance receivables modified for borrowers experiencing financial difficulty in the Customer portfolio segment during the three months ended March 31, 2024 and 2023, was \$ 3 million and \$ 8 million, respectively. Total modifications with borrowers experiencing financial difficulty represented 0.01 percent and 0.04 percent of Cat Financial's finance receivable portfolio for the same periods, respectively.

For the three months ended March 31, 2024 and 2023, the financial effects of term extensions for borrowers experiencing financial difficulty added a weighted average of 10 and 28 months, respectively, to the terms of modified

contracts. For both the three months ended March 31, 2024 and 2023, the financial effects of payment delays for borrowers experiencing financial difficulty resulted in weighted average payment deferrals and/or interest only payment periods of 9 months, respectively.

After Cat Financial modifies a finance receivable, they continue to track its performance under its most recent modified terms. As of March 31, 2024, all finance receivables modified with borrowers experiencing financial difficulty in the past 12 months are current except for in EAME where there was \$ 2 million past due and Asia/Pacific where there was \$ 1 million past due. As of March 31, 2023, all finance receivables modified with borrowers experiencing financial difficulty in the past 12 months were current.

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.

We also have investments in time deposits classified as held-to-maturity debt securities. The fair value of these investments is based upon valuations observed in less active markets than Level 1. These investments have a maturity of less than one year and are recorded at amortized costs, which approximate fair value.

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 March 31, 2024 and December 31, 2023 were as follows:

(Millions of dollars)	March 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	—	59	—	—	59
Corporate debt securities					
Corporate bonds and other debt securities	—	2,880	—	—	2,880
Asset-backed securities	—	194	—	—	194
Mortgage-backed debt securities					
U.S. governmental agency	—	418	—	—	418
Residential	—	2	—	—	2
Commercial	—	128	—	—	128
Total debt securities	10	3,681	—	—	3,691
Equity securities					
Large capitalization value	249	—	—	—	249
Smaller company growth	38	—	—	—	38
REIT	—	—	—	169	169
Total equity securities	287	—	—	169	456
Derivative financial instruments - assets					
Foreign currency contracts - net	—	320	—	—	320
Total return swap contracts - net	—	21	—	—	21
Total assets	\$ 297	\$ 4,022	\$ —	\$ 169	\$ 4,488
<b>Liabilities</b>					
Derivative financial instruments - liabilities					
Interest rate contracts - net	\$ —	\$ 217	\$ —	\$ —	\$ 217
Commodity contracts - net	—	5	—	—	5
Total liabilities	\$ —	\$ 222	\$ —	\$ —	\$ 222

(Millions of dollars)	December 31, 2023				
	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	—	60	—	—	60
Corporate debt securities					
Corporate bonds and other debt securities	—	2,995	—	—	2,995
Asset-backed securities	—	192	—	—	192
Mortgage-backed debt securities					
U.S. governmental agency	—	410	—	—	410
Residential	—	2	—	—	2
Commercial	—	128	—	—	128
Total debt securities	10	3,787	—	—	3,797
Equity securities					
Large capitalization value	223	—	—	—	223
Smaller company growth	35	—	—	—	35
REIT	—	—	—	180	180
Total equity securities	258	—	—	180	438
Derivative financial instruments - assets					
Foreign currency contracts - net	—	207	—	—	207
Commodity contracts - net	—	9	—	—	9
Total Assets	\$ 268	\$ 4,003	\$ —	\$ 180	\$ 4,451
<b>Liabilities</b>					
Derivative financial instruments - liabilities					
Interest rate contracts - net	\$ —	\$ 151	\$ —	\$ —	\$ 151
Total liabilities	\$ —	\$ 151	\$ —	\$ —	\$ 151

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. In these cases, an allowance for credit losses may be established based either on the present value of expected future cash flows discounted at the receivables' effective interest rate, the fair value of the collateral for collateral-dependent receivables, or the observable market price of the receivable. In determining collateral value, Cat Financial estimates the current fair market value of the collateral less selling costs. Cat Financial had loans carried at fair value of \$ 52 million and \$ 55 million as of March 31, 2024 and December 31, 2023, 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

except for time deposits which are Level 2, and certain corporate debt securities which are Level 3. 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)	March 31, 2024		December 31, 2023		Fair Value Levels	Reference
	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
Assets						
Finance receivables – net (excluding finance leases <sup>1</sup> )	\$ 15,413	\$ 14,953	\$ 15,386	\$ 15,017	3	Note 17
Wholesale inventory receivables – net (excluding finance leases <sup>1</sup> )	1,276	1,227	1,415	1,368	3	
Liabilities						
Long-term debt (including amounts due within one year)						
Machinery, Energy & Transportation	9,584	9,164	9,623	9,550	2	
Financial Products	24,701	24,373	23,612	23,299	2	

<sup>1</sup> Represents finance leases and failed sale leasebacks of \$ 6,715 million and \$ 6,953 million at March 31, 2024 and December 31, 2023, respectively.

## 19. Other income (expense)

(Millions of dollars)	Three Months Ended March 31,	
	2024	2023
Investment and interest income	\$ 136	\$ 93
Foreign exchange gains (losses) <sup>1</sup>	42	( 72 )
License fee income	34	31
Net periodic pension and OPEB income (cost), excluding service cost	3	( 13 )
Gains (losses) on securities	17	( 11 )
Miscellaneous income (loss)	( 76 )	4
Total	\$ 156	\$ 32

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

## 20. Restructuring 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 months ended March 31, 2024 and 2023 were as follows:

(Millions of dollars)	Three Months Ended March 31,	
	2024	2023
Employee separations <sup>1</sup>	\$ 13	\$ 12
Divestitures <sup>1</sup>	( 64 )	586
Long-lived asset impairments <sup>1</sup>	7	—
Other <sup>2</sup>	38	13
Total restructuring (income) costs	\$ ( 6 )	\$ 611

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

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

The restructuring income for the three months ended March 31, 2024 was primarily related to the divestiture of a non-US mining entity. The restructuring costs for the three months ended March 31, 2023 were primarily related to the divestiture of the company's Longwall business within Resource Industries. The divestiture closed on February 1, 2023 and resulted in a pre-tax loss of approximately \$ 586 million, primarily a non-cash item driven by the release of \$ 494 million of accumulated foreign currency translation.

In 2024 and 2023, 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 \$ 833 million and \$ 803 million at March 31, 2024 and December 31, 2023, respectively.



## 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 [2023 Form 10-K](#).

### Highlights for the first quarter of 2024 include:

- Total sales and revenues for the first quarter of 2024 were \$15.799 billion, a decrease of \$63 million, or about flat, compared with \$15.862 billion in the first quarter of 2023. In the three primary segments, sales were higher in **Energy & Transportation** and lower in **Construction Industries** and **Resource Industries**.
- Operating profit margin was 22.3 percent for the first quarter of 2024, compared with 17.2 percent for the first quarter of 2023. **Adjusted operating profit margin** was 22.2 percent for the first quarter of 2024, compared with 21.1 percent for the first quarter of 2023.
- First-quarter 2024 profit per share was \$5.75, and excluding the items in the table below, **adjusted profit per share** was \$5.60. First-quarter 2023 profit per share was \$3.74, and excluding the items in the table below, adjusted profit per share was \$4.91.
- Caterpillar ended the first quarter of 2024 with \$5.0 billion of enterprise cash.
- Enterprise operating cash flow was \$2.1 billion in the first quarter of 2024.
- In order for our results to be more meaningful to our readers, we have separately quantified the impact of several significant items. A detailed reconciliation of GAAP to non-GAAP financial measures is included on pages 53-54.

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
	Profit Before	Profit	Profit Before	Profit
	Taxes	Per Share	Taxes	Per Share
(Dollars in millions except per share data)				
<b>Profit</b>	<b>\$ 3,532</b>	<b>\$ 5.75</b>	<b>\$ 2,634</b>	<b>\$ 3.74</b>
Restructuring (income) - non-US mining entity divestiture	(64)	(0.24)	—	—
Other restructuring (income) costs	58	0.09	25	0.04
<b>Restructuring costs</b> - Longwall divestiture	—	—	586	1.13
<b>Adjusted profit</b>	<b>\$ 3,526</b>	<b>\$ 5.60</b>	<b>\$ 3,245</b>	<b>\$ 4.91</b>

### Overview

Total sales and revenues for the first quarter of 2024 were \$15.799 billion, a decrease of \$63 million, or about flat, compared with \$15.862 billion in the first quarter of 2023. Lower **sales volume** and unfavorable **currency** impacts, primarily related to the Australian dollar, were mostly offset by favorable **price realization** and higher **Financial Products'** revenues. The decrease in sales volume was primarily driven by lower sales of equipment to end users; there was not a significant impact from changes in **dealer inventories**.

First-quarter 2024 profit per share was \$5.75, compared with \$3.74 profit per share in the first quarter of 2023. In the first quarter of 2024 and 2023, profit per share included restructuring income/costs. Profit for the first quarter of 2024 was \$2.856 billion, an increase of \$913 million, or 47 percent, compared with \$1.943 billion for the first quarter of 2023. The increase was primarily due to the absence of the impact of the divestiture of the company's Longwall business in 2023 and favorable price realization, partially offset by the profit impact of lower sales volume.

### Trends and Economic Conditions

#### Outlook for Key End Markets

Overall, we expect a continuation of healthy demand across most of our end markets for our products and **services**.

In Construction Industries, we continue to expect North America to remain healthy in 2024 for both non-residential and residential construction after a strong 2023. We anticipate non-residential construction in North America to remain at similar to slightly higher demand levels to 2023 due to government-related infrastructure and construction projects. Residential construction demand is expected to be flat to slightly down compared to 2023, which remains strong relative to historical levels. In Asia Pacific, outside of China, we expect some softening in economic conditions. We anticipate China will remain at a

relatively low level in the excavator industry above 10-tons. In **EAME**, we anticipate that economic weakness in Europe will continue, partially offset by strong construction demand in the Middle East. Construction activity in **Latin America** remains mixed, but overall, we are expecting modest growth. In addition, we anticipate the ongoing benefit of our services initiatives will positively impact Construction Industries in 2024.

In Resource Industries, in 2024, for both mining and heavy construction and quarry and aggregates, we anticipate lower sales volume compared to strong 2023 performance, primarily in off-highway and articulated trucks. We anticipate a small decrease in dealer inventory in 2024, as compared to a slight increase in 2023. While we continue to see a high level of quoting activity overall, we anticipate lower order rates as customers display capital discipline. Customer product utilization remains high, the number of parked trucks remains low, the age of the fleet remains elevated, and our autonomous solutions continue to have strong customer acceptance. We expect higher services revenues, including robust rebuild activity in 2024. We continue to believe the energy transition will support increased commodity demand over time, expanding our total addressable market and providing further opportunities for long-term profitable growth.

In Energy & Transportation, we expect reciprocating engines and services for Oil & Gas to be about flat in 2024 after strong 2023 performance. We expect reciprocating gas compression demand to be higher in 2024 than it was in 2023. Well servicing for reciprocating engines in North America is expected to soften. Power Generation reciprocating engine demand is expected to remain strong, largely due to continued data center growth relating to cloud computing and generative artificial intelligence (AI). For Solar Turbines, backlog and quoting activity remains strong for Oil & Gas and Power Generation. Industrial demand is expected to soften relative to a strong 2023. In Transportation, we anticipate high-speed marine to increase as customers continue to upgrade aging fleets.

#### Full-Year 2024 Company Trends and Expectations

For the full-year 2024, we continue to anticipate sales and revenues will be broadly similar to 2023. We do not anticipate a significant change in machine dealer inventories during 2024, compared to a \$0.7 billion increase in machine dealer inventories during 2023. We expect slightly favorable price realization in 2024 as compared to 2023. Services revenues grew in the first quarter of 2024, and we expect continued growth in 2024 across each of our three primary segments.

In Construction Industries, we expect sales of equipment to end users to be slightly lower compared to 2023 due to softer economic conditions in Europe. We expect demand in North America to remain at healthy levels in Construction Industries. Resource Industries' sales in 2024 are expected to be lower, driven by lower sales volume primarily in off-highway and articulated trucks. We also expect an unfavorable impact from changes in dealer inventories in Construction Industries and Resource Industries. Within Energy & Transportation, we expect slightly higher sales compared to 2023, including a seasonal increase throughout the year.

In 2024, we expect a benefit from price realization during the first half of the year. We expect **manufacturing costs** to be about flat compared to 2023. We anticipate favorable freight to be partially offset by unfavorable cost absorption. We also anticipate shipping a more normal mix of products, which we expect to drive a slight unfavorable impact to operating profit. Selling, general and administrative (SG&A) and research and development (R&D) expenses are expected to increase throughout the year as we continue to invest in strategic initiatives aimed at future long-term profitable growth, such as services growth and technology, including autonomy, alternative fuels, connectivity and digital and electrification. We also expect a benefit of lower short-term incentive compensation expense in 2024 as compared to 2023. In 2024, we expect restructuring costs to be between \$300 million and \$450 million and expect capital expenditures to be in the range of \$2.0 to \$2.5 billion. We expect the annual effective tax rate, excluding discrete items, to be 22.5 percent.

#### Second-Quarter 2024 Company Trends and Expectations

In the second quarter of 2024, we expect lower sales and revenues as compared to the second quarter of 2023. We anticipate an unfavorable impact from changes in machine dealer inventories, as machine dealer inventory is expected to decline during the second quarter of 2024 compared to a \$0.2 billion increase during the second quarter of 2023. In the second quarter of 2024, price realization is expected to remain favorable as compared to the second quarter of 2023.

We expect lower Construction Industries' sales as compared to the second quarter of 2023 due to the impact from changes in dealer inventories, partially offset by favorable price realization. Resource Industries' sales are expected to be lower driven by lower sales volume, partially offset by favorable price realization. In Energy & Transportation, we expect sales to be about flat as compared to the second quarter of 2023.

In the second quarter of 2024, we expect a benefit from price realization primarily from price actions taken in the second half of 2023. We expect manufacturing costs to be about flat compared to the second quarter of 2023, as we anticipate favorable freight to be partially offset by unfavorable cost absorption. We expect an increase in SG&A/R&D expenses in the second quarter of 2024 as compared to the second quarter of 2023 due to investments in strategic initiatives, which is expected to be offset by lower short-term incentive compensation expense.

Within Construction Industries and Resource Industries in the second quarter of 2024 as compared to the second quarter of 2023, we expect favorable price realization to be offset by the profit impact of lower sales volume. In Energy & Transportation, we anticipate favorable price realization and a favorable mix of products to be partially offset by higher manufacturing costs and SG&A/R&D expenses due to investments in strategic initiatives. Within ***corporate items and eliminations***, we anticipate increased expenses due to timing differences in the second quarter of 2024 as compared to the second quarter of 2023.

*Global Business Conditions*

We continue to monitor a variety of external factors around the world, such as supply chain disruptions, inflationary cost and labor pressures. 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 2023 Form 10-K.

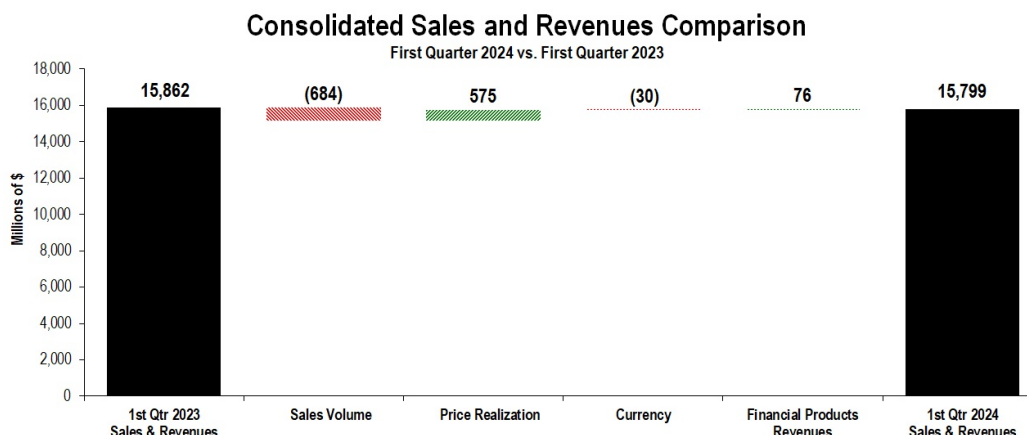
*Notes:*

- Glossary of terms is included on pages 47-49; first occurrence of terms shown in bold italics.
- Information on non-GAAP financial measures is included on pages 53-54.
- Certain amounts may not add due to rounding.

## Consolidated Results of Operations

### THREE MONTHS ENDED MARCH 31, 2024 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2023

#### CONSOLIDATED SALES AND REVENUES



The chart above graphically illustrates reasons for the change in consolidated sales and revenues between the first quarter of 2023 (at left) and the first quarter of 2024 (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 first quarter of 2024 were \$15.799 billion, a decrease of \$63 million, or about flat, compared with \$15.862 billion in the first quarter of 2023. Lower sales volume of \$684 million and unfavorable currency impacts of \$30 million, primarily related to the Australian dollar, were mostly offset by favorable price realization of \$575 million and higher Financial Products' revenues of \$76 million. The decrease in sales volume was primarily driven by lower sales of equipment to end users; there was not a significant impact from changes in dealer inventories.

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

North America sales increased 7 percent primarily due to favorable price realization and higher sales volume. The increase in sales volume was primarily driven by the impact from changes in dealer inventories. Dealer inventory increased more during the first quarter of 2024 than during the first quarter of 2023.

Sales increased 2 percent in Latin America mainly due to higher sales volume. The increase in sales volume was primarily driven by higher services sales volume.

EAME sales decreased 17 percent primarily due to lower sales volume. The decrease in sales volume was primarily driven by lower sales of equipment to end users.

Asia/Pacific sales decreased 5 percent 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 more during the first quarter of 2023 than during the first quarter of 2024.

Total dealer inventory increased by \$1.4 billion during the first quarter of 2024, compared with an increase of \$1.4 billion during the first quarter of 2023. 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)	First Quarter 2023	Sales Volume	Price Realization	Currency	Inter- Segment / Other	First Quarter 2024	\$ Change	% Change
Construction Industries	\$ 6,746	\$ (464)	\$ 199	\$ (22)	\$ (35)	\$ 6,424	\$ (322)	(5 %)
Resource Industries	3,427	(425)	173	(11)	29	3,193	(234)	(7 %)
Energy & Transportation	6,254	231	202	(1)	(5)	6,681	427	7 %
<i>All Other Segment</i>	111	(1)	—	—	(1)	109	(2)	(2 %)
Corporate Items and Eliminations	(1,439)	(25)	1	4	12	(1,447)	(8)	
<b>Machinery, Energy &amp; Transportation Sales</b>	<b>15,099</b>	<b>(684)</b>	<b>575</b>	<b>(30)</b>	<b>—</b>	<b>14,960</b>	<b>(139)</b>	<b>(1 %)</b>
<i>Financial Products Segment</i>	902	—	—	—	89	991	89	10 %
Corporate Items and Eliminations	(139)	—	—	—	(13)	(152)	(13)	
<b>Financial Products Revenues</b>	<b>763</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>76</b>	<b>839</b>	<b>76</b>	<b>10 %</b>
<b>Consolidated Sales and Revenues</b>	<b>\$ 15,862</b>	<b>\$ (684)</b>	<b>\$ 575</b>	<b>\$ (30)</b>	<b>\$ 76</b>	<b>\$ 15,799</b>	<b>\$ (63)</b>	<b>— %</b>

**Sales and Revenues by Geographic Region**

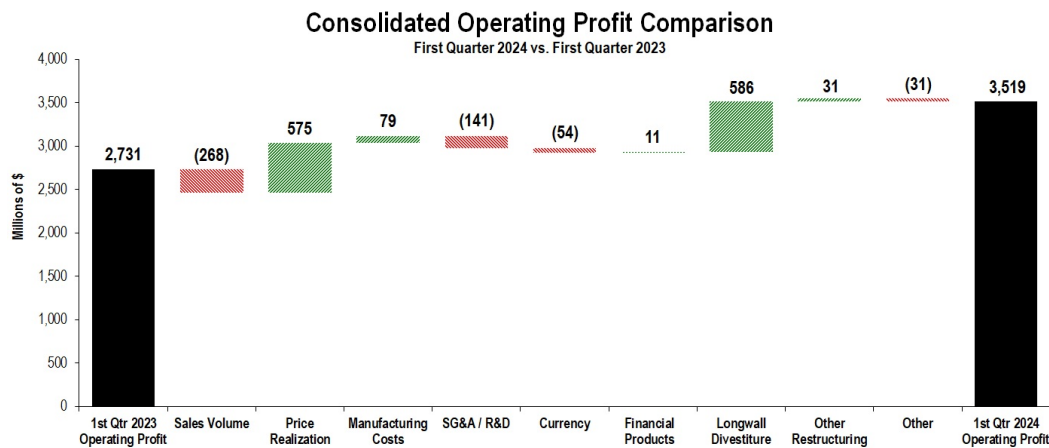
(Millions of dollars)	North America		Latin America		EAME		Asia/Pacific		External Sales and Revenues		Inter-Segment		Total Sales and Revenues	
	\$	% Chg	\$	% Chg	\$	% Chg	\$	% Chg	\$	% Chg	\$	% Chg	\$	% Chg
<b>First Quarter 2024</b>														
Construction Industries	\$ 3,833	6 %	\$ 595	(1 %)	\$ 996	(25 %)	\$ 993	(14 %)	\$ 6,417	(4 %)	\$ 7	(83 %)	\$ 6,424	(5 %)
Resource Industries	1,264	(3 %)	476	— %	465	(22 %)	891	(9 %)	3,096	(8 %)	97	43 %	3,193	(7 %)
Energy & Transportation	2,951	15 %	408	7 %	1,294	(7 %)	834	16 %	5,487	9 %	1,194	— %	6,681	7 %
All Other Segment	18	— %	(1)	— %	4	— %	13	— %	34	(3 %)	75	(1 %)	109	(2 %)
Corporate Items and Eliminations	(58)		(2)		(11)		(3)		(74)		(1,373)		(1,447)	
<b>Machinery, Energy &amp; Transportation Sales</b>	<b>8,008</b>	<b>7 %</b>	<b>1,476</b>	<b>2 %</b>	<b>2,748</b>	<b>(17 %)</b>	<b>2,728</b>	<b>(5 %)</b>	<b>14,960</b>	<b>(1 %)</b>	<b>—</b>	<b>— %</b>	<b>14,960</b>	<b>(1 %)</b>
<i>Financial Products Segment</i>	659	15 %	101	(3 %)	123	8 %	108	(1 %)	991 <sup>1</sup>	10 %	—	— %	991	10 %
Corporate Items and Eliminations	(94)		(18)		(19)		(21)		(152)		—		(152)	
<b>Financial Products Revenues</b>	<b>565</b>	<b>15 %</b>	<b>83</b>	<b>(3 %)</b>	<b>104</b>	<b>8 %</b>	<b>87</b>	<b>(2 %)</b>	<b>839</b>	<b>10 %</b>	<b>—</b>	<b>— %</b>	<b>839</b>	<b>10 %</b>
<b>Consolidated Sales and Revenues</b>	<b>\$ 8,573</b>	<b>8 %</b>	<b>\$ 1,559</b>	<b>1 %</b>	<b>\$ 2,852</b>	<b>(17 %)</b>	<b>\$ 2,815</b>	<b>(5 %)</b>	<b>\$ 15,799</b>	<b>— %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 15,799</b>	<b>— %</b>

**First Quarter 2023**

Construction Industries	\$ 3,608	\$ 599	\$ 1,336	\$ 1,161	\$ 6,704	\$ 42	\$ 6,746
Resource Industries	1,308	474	599	978	3,359	68	3,427
Energy & Transportation	2,572	380	1,384	719	5,055	1,109	6,254
All Other Segment	18	—	4	13	35	76	111
Corporate Items and Eliminations	(48)	—	(1)	(5)	(54)	(1,385)	(1,439)
<b>Machinery, Energy &amp; Transportation Sales</b>	<b>7,458</b>	<b>1,453</b>	<b>3,322</b>	<b>2,866</b>	<b>15,099</b>	<b>—</b>	<b>15,099</b>
<i>Financial Products Segment</i>	575	104	114	109	902 <sup>1</sup>	—	902
Corporate Items and Eliminations	(83)	(18)	(18)	(20)	(139)	—	(139)
<b>Financial Products Revenues</b>	<b>492</b>	<b>86</b>	<b>96</b>	<b>89</b>	<b>763</b>	<b>—</b>	<b>763</b>
<b>Consolidated Sales and Revenues</b>	<b>\$ 7,950</b>	<b>\$ 1,539</b>	<b>\$ 3,418</b>	<b>\$ 2,955</b>	<b>\$ 15,862</b>	<b>\$ —</b>	<b>\$ 15,862</b>

<sup>1</sup> Includes revenues from Machinery, Energy & Transportation of \$177 million and \$162 million in the first quarter of 2024 and 2023, respectively.

## CONSOLIDATED OPERATING PROFIT



The chart above graphically illustrates reasons for the change in consolidated operating profit between the first quarter of 2023 (at left) and the first quarter of 2024 (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 first quarter of 2024 was \$3.519 billion, an increase of \$788 million, or 29 percent, compared with \$2.731 billion in the first quarter of 2023. The increase was primarily due to the absence of the impact of the divestiture of the company's Longwall business in 2023 of \$586 million and favorable price realization of \$575 million, partially offset by the profit impact of lower sales volume of \$268 million.

Operating profit margin was 22.3 percent for the first quarter of 2024, compared with 17.2 percent for the first quarter of 2023.

### Profit (Loss) by Segment

(Millions of dollars)	First Quarter 2024	First Quarter 2023	\$ Change	% Change
Construction Industries	\$ 1,764	\$ 1,790	\$ (26)	(1 %)
Resource Industries	730	764	(34)	(4 %)
Energy & Transportation	1,301	1,057	244	23 %
All Other Segment	24	11	13	118 %
Corporate Items and Eliminations	(415)	(1,008)	593	
<b>Machinery, Energy &amp; Transportation</b>	<b>3,404</b>	<b>2,614</b>	<b>790</b>	<b>30 %</b>
Financial Products Segment	293	232	61	26 %
Corporate Items and Eliminations	(25)	25	(50)	
<b>Financial Products</b>	<b>268</b>	<b>257</b>	<b>11</b>	<b>4 %</b>
Consolidating Adjustments	(153)	(140)	(13)	
<b>Consolidated Operating Profit</b>	<b>\$ 3,519</b>	<b>\$ 2,731</b>	<b>\$ 788</b>	<b>29 %</b>

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

- Interest expense excluding Financial Products in the first quarter of 2024 was \$143 million, compared with \$129 million in the first quarter of 2023. The increase was due to higher average borrowing rates.
- Other income (expense) in the first quarter of 2024 was income of \$156 million, compared with income of \$32 million in the first quarter of 2023. The change was primarily driven by favorable impacts from foreign currency exchange.
- The effective tax rate for the first quarter of 2024 was 19.5 percent compared to 26.9 percent for the first quarter of 2023. Excluding the discrete items discussed below, the first quarter 2024 estimated annual tax rate was 22.5 percent compared with 23.0 percent for the first quarter of 2023.

The 2024 estimated annual tax rate excludes the impact of nontaxable gains of \$64 million for the divestiture of a non-U.S. mining entity along with a related tax benefit of \$54 million. The estimated annual tax rate in the first quarter of 2023 excluded the impact of the nondeductible loss of \$586 million related to the divestiture of the company's Longwall business. In addition, a discrete tax benefit of \$38 million was recorded in the first quarter of 2024, compared with a \$32 million benefit in the first quarter of 2023, for the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense.

Please see a reconciliation of GAAP to non-GAAP financial measures on pages 53-54.

### **Construction Industries**

Construction Industries' total sales were \$6.424 billion in the first quarter of 2024, a decrease of \$322 million, or 5 percent, compared with \$6.746 billion in the first quarter of 2023. The decrease was primarily due to lower sales volume of \$464 million, partially offset by favorable price realization of \$199 million. The decrease in sales volume was mainly driven by lower sales of equipment to end users.

- In North America, sales increased primarily due to favorable price realization.
- Sales in Latin America were about flat.
- In EAME, sales decreased mainly due to lower sales volume. Lower sales volume was primarily driven by lower sales of equipment to end users.
- Sales decreased in Asia/Pacific primarily due to lower sales volume. Lower sales volume was mainly driven by the impact from changes in dealer inventories. Dealer inventory increased more during the first quarter of 2023 than during the first quarter of 2024.

Construction Industries' segment profit was \$1.764 billion in the first quarter of 2024, a decrease of \$26 million, or 1 percent, compared with \$1.790 billion in the first quarter of 2023. The decrease was mainly due to the profit impact of lower sales volume of \$278 million, higher SG&A/R&D expenses of \$26 million and unfavorable other segment items of \$7 million, partially offset by favorable price realization of \$199 million and favorable manufacturing costs of \$86 million. Favorable manufacturing costs largely reflected lower freight.

Construction Industries' segment profit as a percent of total sales was 27.5 percent in the first quarter of 2024, compared with 26.5 percent in the first quarter of 2023.

### **Resource Industries**

Resource Industries' total sales were \$3.193 billion in the first quarter of 2024, a decrease of \$234 million, or 7 percent, compared with \$3.427 billion in the first quarter of 2023. The decrease was primarily due to lower sales volume of \$425 million, partially offset by favorable price realization of \$173 million. The decrease in sales volume was mainly driven by lower sales of equipment to end users.

Resource Industries' segment profit was \$730 million in the first quarter of 2024, a decrease of \$34 million, or 4 percent, compared with \$764 million in the first quarter of 2023. The decrease was mainly due to the profit impact of lower sales volume of \$217 million and unfavorable other segment items of \$24 million, partially offset by favorable price realization of \$173 million and favorable manufacturing costs of \$38 million. Unfavorable other segment items primarily consisted of unfavorable currency impacts. Favorable manufacturing costs largely reflected lower freight.

Resource Industries' segment profit as a percent of total sales was 22.9 percent in the first quarter of 2024, compared with 22.3 percent in the first quarter of 2023.

## Energy & Transportation

### Sales by Application

(Millions of dollars)	First Quarter 2024	First Quarter 2023	\$ Change	% Change
Oil and Gas	\$ 1,568	\$ 1,314	\$ 254	19 %
Power Generation	1,618	1,284	334	26 %
Industrial	989	1,255	(266)	(21 %)
Transportation	1,312	1,202	110	9 %
<b>External Sales</b>	<b>5,487</b>	<b>5,055</b>	<b>432</b>	<b>9 %</b>
Inter-segment	1,194	1,199	(5)	— %
<b>Total Sales</b>	<b>\$ 6,681</b>	<b>\$ 6,254</b>	<b>\$ 427</b>	<b>7 %</b>

Energy & Transportation's total sales were \$6.681 billion in the first quarter of 2024, an increase of \$427 million, or 7 percent, compared with \$6.254 billion in the first quarter of 2023. Sales increased across all applications except Industrial. The increase in sales was primarily due to higher sales volume of \$231 million and favorable price realization of \$202 million.

- Oil and Gas – Sales increased for turbines and turbine-related services. Sales also increased in reciprocating engines used in gas compression applications.
- Power Generation – Sales increased in large reciprocating engines, primarily data center applications.
- Industrial – Sales decreased primarily in EAME and North America.
- Transportation – Sales increased in rail services. International locomotive deliveries were also higher.

Energy & Transportation's segment profit was \$1.301 billion in the first quarter of 2024, an increase of \$244 million, or 23 percent, compared with \$1.057 billion in the first quarter of 2023. The increase was mainly due to favorable price realization of \$202 million.

Energy & Transportation's segment profit as a percent of total sales was 19.5 percent in the first quarter of 2024, compared with 16.9 percent in the first quarter of 2023.

### Financial Products Segment

Financial Products' segment revenues were \$991 million in the first quarter of 2024, an increase of \$89 million, or 10 percent, compared with \$902 million in the first quarter of 2023. The increase was primarily due to a \$69 million favorable impact from higher average financing rates across all regions and a \$32 million favorable impact from higher average **earning assets** driven by North America.

Financial Products' segment profit was \$293 million in the first quarter of 2024, an increase of \$61 million, or 26 percent, compared with \$232 million in the first quarter of 2023. The increase was mainly due to a \$33 million insurance settlement and a \$27 million favorable impact from equity securities.

At the end of the first quarter of 2024, past dues at Cat Financial were 1.78 percent, compared with 2.00 percent at the end of the first quarter of 2023. Write-offs, net of recoveries, were \$55 million for the first quarter of 2024, compared with \$10 million for the first quarter of 2023. As of March 31, 2024, Cat Financial's allowance for credit losses totaled \$281 million, or 1.01 percent of finance receivables, compared with \$331 million, or 1.18 percent of finance receivables at December 31, 2023.

### Corporate Items and Eliminations

Expense for corporate items and eliminations was \$440 million in the first quarter of 2024, a decrease of \$543 million from the first quarter of 2023, primarily driven by the absence of the impact of the divestiture of the company's Longwall business in 2023.



## **RESTRUCTURING COSTS**

In 2024, we expect to incur about \$300 million to \$450 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 \$25 million in 2024 compared with 2023.

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

## **GLOSSARY OF TERMS**

1. **Adjusted Operating Profit Margin** – Operating profit excluding restructuring income/costs as a percent 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 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 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** – Enterprise services include, but are not limited to, aftermarket parts, Financial Products revenues and other service-related revenues. Machinery, Energy & Transportation segments exclude most Financial Products revenues.

## **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 three months of 2024 and ended the first quarter with \$4.96 billion of cash, a decrease of \$2.02 billion from year-end 2023. In addition, ME&T has invested 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 \$2.19 billion as of March 31, 2024 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 three months of 2024 was \$2.05 billion, up \$479 million compared to the same period a year ago. The increase was primarily due to higher profit before taxes including reconciling adjustments and lower working capital requirements, excluding changes in accrued wages, salaries and benefits, which were a partial offset due to higher payments for short-term incentive compensation. Within working capital, changes in inventory favorably impacted cash flow as inventory increased less in the first quarter of 2024 compared to the prior year period, partially offset by unfavorable changes in accounts payable.

Total debt as of March 31, 2024 was \$37.85 billion, a decrease of \$25 million from year-end 2023. Debt related to ME&T decreased \$31 million in the first three months of 2024 while debt related to Financial Products increased \$14 million.

As of March 31, 2024, we had three global credit facilities with a syndicate of banks totaling \$10.50 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 March 31, 2024 was \$2.75 billion. Information on our Credit Facility is as follows:

- The 364-day facility of \$3.15 billion (of which \$825 million is available to ME&T) expires in August 2024.

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- The three-year facility, as amended in August 2023, of \$2.73 billion (of which \$715 million is available to ME&T) expires in August 2026.
- The five-year facility, as amended in August 2023, of \$4.62 billion (of which \$1.21 billion is available to ME&T) expires in August 2028.

At March 31, 2024, Caterpillar's consolidated net worth was \$17.70 billion, which was above the \$9.00 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 March 31, 2024, Cat Financial's covenant interest coverage ratio was 1.70 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 March 31, 2024, Cat Financial's six-month covenant leverage ratio was 6.90 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 March 31, 2024, 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 March 31, 2024 were:

(Millions of dollars)	March 31, 2024		
	Consolidated	Machinery, Energy & Transportation	Financial Products
Credit lines available:			
Global credit facilities	\$ 10,500	\$ 2,750	\$ 7,750
Other external	4,142	626	3,516
Total credit lines available	14,642	3,376	11,266
Less: Commercial paper outstanding	(3,016)	—	(3,016)
Less: Utilized credit	(763)	—	(763)
Available credit	\$ 10,863	\$ 3,376	\$ 7,487

The other external consolidated credit lines with banks as of March 31, 2024 totaled \$4.14 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 potential 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 \$1.77 billion in the first three months of 2024, compared with net cash provided of \$1.78 billion for the same period in 2023. The decrease was primarily due to changes in accrued wages, salaries, and employee benefits mostly due to higher payments for short term incentive compensation in 2024, partially offset by lower working capital requirements, excluding the impact of changes in accrued wages, salaries, and employee benefits. Within working capital, changes in inventories favorably impacted cash flow but were partially offset by changes in accounts payable, accounts receivable and customer advances.

Net cash provided by investing activities in the first three months of 2024 was \$1.23 billion, compared with net cash used of \$670 million in the first three months of 2023. The change was due to higher proceeds from maturities and sale of securities, primarily due to time deposit maturities in 2024, and lower investments in securities.

Net cash used for financing activities during the first three months of 2024 was \$5.12 billion, compared with net cash used of \$1.14 billion in the same period of 2023. The change was primarily due to higher share repurchases in the first three months of 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 \$502 million during the first three months of 2024, compared to \$414 million for the same period in 2023. We expect ME&T's capital expenditures in 2024 to be about \$2.0 billion to \$2.5 billion. We made \$113 million of contributions to our pension and other postretirement benefit plans during the first three months of 2024. We currently anticipate full-year 2024 contributions of approximately \$273 million. In comparison, we made \$208 million of contributions to our pension and other postretirement benefit plans during the first three months of 2023.

**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.

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 the first three months of 2024, we repurchased \$4.46 billion of Caterpillar common stock, with \$3.37 billion remaining under the 2022 Authorization as of March 31, 2024. Our basic shares outstanding as of March 31, 2024 were approximately 489 million.

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 April 2024, the Board of Directors approved maintaining our quarterly dividend representing \$1.30 per share, and we continue to expect our strong financial position to support the dividend. Dividends paid totaled \$648 million in the first three months of 2024.

## **Financial Products**

Net cash provided by operating activities was \$308 million in the first three months of 2024, compared with \$302 million for the same period in 2023. Net cash used for investing activities was \$291 million in the first three months of 2024, compared with net cash used of \$444 million for the same period in 2023. The change was primarily due to portfolio related activity. Net cash provided by financing activities was \$117 million in the first three months of 2024, compared with net cash used of \$43 million for the same period in 2023. The change was due to a higher net inflow from external borrowings and the absence of dividends paid to Caterpillar.

## **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 2023 Annual Report on Form 10-K. There have been no significant changes to our critical accounting estimates since our 2023 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 first quarter of 2024, the dollar amount of backlog believed to be firm was approximately \$27.9 billion, about \$0.4 billion higher than the fourth quarter of 2023. The order backlog increased primarily within the Energy and Transportation segment. Of the total backlog at March 31, 2024, approximately \$6.0 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 three significant items in order for our results to be meaningful to our readers. These items consist of (i) restructuring income related to the divestiture of a non-US mining entity, (ii) other restructuring income/costs and (iii) restructuring costs related to the divestiture of the company's Longwall business in 2023. 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 our period-over-period results.

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

	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Profit	Profit per Share
(Dollars in millions except per share data)						
<b>Three Months Ended March 31, 2024 - U.S. GAAP</b>	<b>\$ 3,519</b>	<b>22.3 %</b>	<b>\$ 3,532</b>	<b>\$ 688</b>	<b>\$ 2,856</b>	<b>\$ 5.75</b>
Restructuring (income) - non-US mining entity divestiture	(64)	(0.5) %	(64)	54	(118)	(0.24)
Other restructuring (income) costs	58	0.4 %	58	14	44	0.09
Three Months Ended March 31, 2024 - Adjusted	<u>\$ 3,513</u>	<u>22.2 %</u>	<u>\$ 3,526</u>	<u>\$ 756</u>	<u>\$ 2,782</u>	<u>\$ 5.60</u>
<b>Three Months Ended March 31, 2023 - U.S. GAAP</b>	<b>\$ 2,731</b>	<b>17.2 %</b>	<b>\$ 2,634</b>	<b>\$ 708</b>	<b>\$ 1,943</b>	<b>\$ 3.74</b>
Restructuring costs - Longwall divestiture	586	3.7 %	586	—	586	1.13
Other restructuring (income) costs	25	0.2 %	25	5	20	0.04
Three Months Ended March 31, 2023 - Adjusted	<u>\$ 3,342</u>	<u>21.1 %</u>	<u>\$ 3,245</u>	<u>\$ 713</u>	<u>\$ 2,549</u>	<u>\$ 4.91</u>

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, excluding discrete items for the three months ended March 31, 2024, and 2023 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) restructuring income related to the divestiture of a non-US mining entity, (ii) restructuring costs related to the divestiture of the company's Longwall business in 2023 and (iii) settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense. 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:

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
<b>Three Months Ended March 31, 2024 - U.S. GAAP</b>	<b>\$ 3,532</b>	<b>\$ 688</b>	<b>19.5 %</b>
Restructuring (income) - non-US mining entity divestiture	(64)	54	
Excess stock-based compensation	—	38	
Annual effective tax rate, excluding discrete items	\$ 3,468	\$ 780	22.5 %
Excess stock-based compensation	—	(38)	
Other restructuring (income) costs	58	14	
Three Months Ended March 31, 2024 - Adjusted	<u>\$ 3,526</u>	<u>\$ 756</u>	
<b>Three Months Ended March 31, 2023 - U.S. GAAP</b>	<b>\$ 2,634</b>	<b>\$ 708</b>	<b>26.9 %</b>
Restructuring costs - Longwall divestiture	586	—	
Excess stock-based compensation	—	32	
Annual effective tax rate, excluding discrete items	\$ 3,220	\$ 740	23.0 %
Excess stock-based compensation	—	(32)	
Other restructuring (income) costs	25	5	
Three Months Ended March 31, 2023 - Adjusted	<u>\$ 3,245</u>	<u>\$ 713</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)	Three Months Ended March 31,	
	2024	2023
ME&T net cash provided by operating activities <sup>1</sup>	\$ 1,771	\$ 1,779
ME&T capital expenditures	(502)	(414)
ME&T free cash flow	<u>\$ 1,269</u>	<u>\$ 1,365</u>

<sup>1</sup> See reconciliation of ME&T net cash provided by operating activities to consolidated net cash provided by operating activities on pages 60 - 61.



## **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 56 to 61 reconcile ME&T and Financial Products to Caterpillar Inc. consolidated financial information. Certain amounts for prior periods have been reclassified to conform to the current period presentation.

**Caterpillar Inc.**  
**Supplemental Data for Results of Operations**  
**For the Three Months Ended March 31, 2024**  
**(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	\$ 14,960	\$ 14,960	\$ —	\$ —
Revenues of Financial Products	839	—	1,029	(190) <sup>1</sup>
Total sales and revenues	15,799	14,960	1,029	(190)
<b>Operating costs:</b>				
Cost of goods sold	9,662	9,664	—	(2) <sup>2</sup>
Selling, general and administrative expenses	1,577	1,413	178	(14) <sup>2</sup>
Research and development expenses	520	520	—	—
Interest expense of Financial Products	298	—	298	—
Other operating (income) expenses	223	(41)	285	(21) <sup>2</sup>
Total operating costs	12,280	11,556	761	(37)
<b>Operating profit</b>	<b>3,519</b>	<b>3,404</b>	<b>268</b>	<b>(153)</b>
Interest expense excluding Financial Products	143	143	—	—
Other income (expense)	156	(20)	23	153 <sup>3</sup>
<b>Consolidated profit before taxes</b>	<b>3,532</b>	<b>3,241</b>	<b>291</b>	<b>—</b>
Provision (benefit) for income taxes	688	615	73	—
Profit of consolidated companies	2,844	2,626	218	—
Equity in profit (loss) of unconsolidated affiliated companies	10	10	—	—
<b>Profit of consolidated and affiliated companies</b>	<b>2,854</b>	<b>2,636</b>	<b>218</b>	<b>—</b>
Less: Profit (loss) attributable to noncontrolling interests	(2)	(3)	1	—
<b>Profit <sup>4</sup></b>	<b>\$ 2,856</b>	<b>\$ 2,639</b>	<b>\$ 217</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 Results of Operations**  
**For the Three Months Ended March 31, 2023**  
**(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	\$ 15,099	\$ 15,099	\$ —	\$ —
Revenues of Financial Products	763	—	935	(172) <sup>1</sup>
Total sales and revenues	15,862	15,099	935	(172)
<b>Operating costs:</b>				
Cost of goods sold	10,103	10,104	—	(1) <sup>2</sup>
Selling, general and administrative expenses	1,463	1,320	158	(15) <sup>2</sup>
Research and development expenses	472	472	—	—
Interest expense of Financial Products	217	—	217	—
Other operating (income) expenses	876	589	303	(16) <sup>2</sup>
Total operating costs	13,131	12,485	678	(32)
<b>Operating profit</b>	<b>2,731</b>	<b>2,614</b>	<b>257</b>	<b>(140)</b>
Interest expense excluding Financial Products	129	129	—	—
Other income (expense)	32	(14)	(19)	65 <sup>3</sup>
<b>Consolidated profit before taxes</b>	<b>2,634</b>	<b>2,471</b>	<b>238</b>	<b>(75)</b>
Provision (benefit) for income taxes	708	648	60	—
Profit of consolidated companies	1,926	1,823	178	(75)
Equity in profit (loss) of unconsolidated affiliated companies	16	19	—	(3) <sup>4</sup>
<b>Profit of consolidated and affiliated companies</b>	<b>1,942</b>	<b>1,842</b>	<b>178</b>	<b>(78)</b>
Less: Profit (loss) attributable to noncontrolling interests	(1)	—	2	(3) <sup>5</sup>
<b>Profit <sup>6</sup></b>	<b>\$ 1,943</b>	<b>\$ 1,842</b>	<b>\$ 176</b>	<b>\$ (75)</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> Elimination of equity profit (loss) earned from Financial Products' subsidiaries partially owned by ME&T subsidiaries.

<sup>5</sup> Elimination of noncontrolling interest profit (loss) recorded by Financial Products for subsidiaries partially owned by ME&T subsidiaries.

<sup>6</sup> Profit attributable to common shareholders.

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

	Supplemental Consolidating Data			
	Consolidated	Machinery, Energy & Transportation	Financial Products	Consolidating Adjustments
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 4,959	\$ 3,963	\$ 996	\$ —
Receivables – trade and other	9,296	3,814	658	4,824 <sup>1,2</sup>
Receivables – finance	9,446	—	14,509	(5,063) <sup>2</sup>
Prepaid expenses and other current assets	3,010	2,665	379	(34) <sup>3</sup>
Inventories	16,953	16,953	—	—
Total current assets	43,664	27,395	16,542	(273)
Property, plant and equipment – net	12,538	8,647	3,891	—
Long-term receivables – trade and other	1,200	538	57	605 <sup>1,2</sup>
Long-term receivables – finance	12,531	—	13,191	(660) <sup>2</sup>
Noncurrent deferred and refundable income taxes	2,860	3,382	138	(660) <sup>4</sup>
Intangible assets	516	516	—	—
Goodwill	5,277	5,277	—	—
Other assets	5,155	4,081	2,117	(1,043) <sup>5</sup>
<b>Total assets</b>	<b>\$ 83,741</b>	<b>\$ 49,836</b>	<b>\$ 35,936</b>	<b>\$ (2,031)</b>
<b>Liabilities</b>				
Current liabilities:				
Short-term borrowings	\$ 3,568	\$ —	\$ 3,568	\$ —
Accounts payable	7,778	7,699	337	(258) <sup>6,7</sup>
Accrued expenses	4,821	4,287	534	—
Accrued wages, salaries and employee benefits	1,291	1,262	29	—
Customer advances	2,194	2,173	2	19 <sup>7</sup>
Other current liabilities	3,265	2,601	725	(61) <sup>4,8</sup>
Long-term debt due within one year	9,454	1,045	8,409	—
Total current liabilities	32,371	19,067	13,604	(300)
Long-term debt due after one year	24,831	8,594	16,292	(55) <sup>9</sup>
Liability for postemployment benefits	4,068	4,068	—	—
Other liabilities	4,826	3,979	1,553	(706) <sup>4</sup>
<b>Total liabilities</b>	<b>66,096</b>	<b>35,708</b>	<b>31,449</b>	<b>(1,061)</b>
<b>Commitments and contingencies</b>				
<b>Shareholders' equity</b>				
Common stock	5,663	5,663	905	(905) <sup>10</sup>
Treasury stock	(40,039)	(40,039)	—	—
Profit employed in the business	54,108	49,422	4,674	12 <sup>10</sup>
Accumulated other comprehensive income (loss)	(2,093)	(926)	(1,167)	—
Noncontrolling interests	6	8	75	(77) <sup>10</sup>
<b>Total shareholders' equity</b>	<b>17,645</b>	<b>14,128</b>	<b>4,487</b>	<b>(970)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 83,741</b>	<b>\$ 49,836</b>	<b>\$ 35,936</b>	<b>\$ (2,031)</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 accrued expenses or 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.
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**Caterpillar Inc.**  
**Supplemental Data for Financial Position**  
**At December 31, 2023**  
**(Unaudited)**  
**(Millions of dollars)**

	Supplemental Consolidating Data			
	Consolidated	Machinery, Energy & Transportation	Financial Products	Consolidating Adjustments
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 6,978	\$ 6,106	\$ 872	\$ —
Receivables – trade and other	9,310	3,971	570	4,769 <sup>1,2</sup>
Receivables – finance	9,510	—	14,499	(4,989) <sup>2</sup>
Prepaid expenses and other current assets	4,586	4,327	341	(82) <sup>3</sup>
Inventories	16,565	16,565	—	—
Total current assets	46,949	30,969	16,282	(302)
Property, plant and equipment – net	12,680	8,694	3,986	—
Long-term receivables – trade and other	1,238	565	85	588 <sup>1,2</sup>
Long-term receivables – finance	12,664	—	13,299	(635) <sup>2</sup>
Noncurrent deferred and refundable income taxes	2,816	3,360	148	(692) <sup>4</sup>
Intangible assets	564	564	—	—
Goodwill	5,308	5,308	—	—
Other assets	5,257	4,218	2,082	(1,043) <sup>5</sup>
<b>Total assets</b>	<b>\$ 87,476</b>	<b>\$ 53,678</b>	<b>\$ 35,882</b>	<b>\$ (2,084)</b>
<b>Liabilities</b>				
Current liabilities:				
Short-term borrowings	\$ 4,643	\$ —	\$ 4,643	\$ —
Accounts payable	7,906	7,827	314	(235) <sup>6,7</sup>
Accrued expenses	4,958	4,361	597	—
Accrued wages, salaries and employee benefits	2,757	2,696	61	—
Customer advances	1,929	1,912	2	15 <sup>7</sup>
Dividends payable	649	649	—	—
Other current liabilities	3,123	2,583	647	(107) <sup>4,8</sup>
Long-term debt due within one year	8,763	1,044	7,719	—
Total current liabilities	34,728	21,072	13,983	(327)
Long-term debt due after one year	24,472	8,626	15,893	(47) <sup>9</sup>
Liability for postemployment benefits	4,098	4,098	—	—
Other liabilities	4,675	3,806	1,607	(738) <sup>4</sup>
<b>Total liabilities</b>	<b>67,973</b>	<b>37,602</b>	<b>31,483</b>	<b>(1,112)</b>
<b>Commitments and contingencies</b>				
<b>Shareholders' equity</b>				
Common stock	6,403	6,403	905	(905) <sup>10</sup>
Treasury stock	(36,339)	(36,339)	—	—
Profit employed in the business	51,250	46,783	4,457	10 <sup>10</sup>
Accumulated other comprehensive income (loss)	(1,820)	(783)	(1,037)	—
Noncontrolling interests	9	12	74	(77) <sup>10</sup>
<b>Total shareholders' equity</b>	<b>19,503</b>	<b>16,076</b>	<b>4,399</b>	<b>(972)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 87,476</b>	<b>\$ 53,678</b>	<b>\$ 35,882</b>	<b>\$ (2,084)</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 accrued expenses or 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.
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**Caterpillar Inc.**  
**Supplemental Data for Cash Flow**  
**For the Three Months Ended March 31, 2024**  
**(Unaudited)**  
**(Millions of dollars)**

	Supplemental Consolidating Data			
	Consolidated	Machinery, Energy & Transportation	Financial Products	Consolidating Adjustments
<b>Cash flow from operating activities:</b>				
Profit of consolidated and affiliated companies	\$ 2,854	\$ 2,636	\$ 218	\$ —
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation and amortization	524	328	196	—
Provision (benefit) for deferred income taxes	(54)	(23)	(31)	—
(Gain) loss on divestiture	(64)	(64)	—	—
Other	(5)	(16)	(120)	131 <sup>1</sup>
Changes in assets and liabilities, net of acquisitions and divestitures:				
Receivables – trade and other	(81)	111	(40)	(152) <sup>1,2</sup>
Inventories	(439)	(434)	—	(5) <sup>1</sup>
Accounts payable	203	179	30	(6) <sup>1</sup>
Accrued expenses	(38)	(47)	9	—
Accrued wages, salaries and employee benefits	(1,454)	(1,422)	(32)	—
Customer advances	279	279	—	—
Other assets – net	60	102	3	(45) <sup>1</sup>
Other liabilities – net	267	142	75	50 <sup>1</sup>
Net cash provided by (used for) operating activities	2,052	1,771	308	(27)
<b>Cash flow from investing activities:</b>				
Capital expenditures – excluding equipment leased to others	(500)	(493)	(8)	1 <sup>1</sup>
Expenditures for equipment leased to others	(236)	(9)	(233)	6 <sup>1</sup>
Proceeds from disposals of leased assets and property, plant and equipment	155	5	152	(2) <sup>1</sup>
Additions to finance receivables	(3,256)	—	(3,573)	317 <sup>2</sup>
Collections of finance receivables	3,140	—	3,572	(432) <sup>2</sup>
Net intercompany purchased receivables	—	—	(137)	137 <sup>2</sup>
Proceeds from sale of finance receivables	13	—	13	—
Net intercompany borrowings	—	—	3	(3) <sup>3</sup>
Proceeds from sale of businesses and investments (net of cash sold)	42	42	—	—
Proceeds from maturities and sale of securities	1,867	1,797	70	—
Investments in securities	(275)	(148)	(127)	—
Other – net	8	31	(23)	—
Net cash provided by (used for) investing activities	958	1,225	(291)	24
<b>Cash flow from financing activities:</b>				
Dividends paid	(648)	(648)	—	—
Common stock issued, including treasury shares reissued	(8)	(8)	—	—
Common shares repurchased	(4,455)	(4,455)	—	—
Net intercompany borrowings	—	(3)	—	3 <sup>3</sup>
Proceeds from debt issued (original maturities greater than three months)	2,731	—	2,731	—
Payments on debt (original maturities greater than three months)	(1,570)	(6)	(1,564)	—
Short-term borrowings – net (original maturities three months or less)	(1,050)	—	(1,050)	—
Net cash provided by (used for) financing activities	(5,000)	(5,120)	117	3
Effect of exchange rate changes on cash	(30)	(20)	(10)	—
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(2,020)</b>	<b>(2,144)</b>	<b>124</b>	<b>—</b>
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	\$ 4,965	\$ 3,967	\$ 998	\$ —



<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.

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**Caterpillar Inc.**  
**Supplemental Data for Cash Flow**  
**For the Three Months Ended March 31, 2023**  
**(Unaudited)**  
**(Millions of dollars)**

	Supplemental Consolidating Data			
	Consolidated	Machinery, Energy & Transportation	Financial Products	Consolidating Adjustments
<b>Cash flow from operating activities:</b>				
Profit of consolidated and affiliated companies	\$ 1,942	\$ 1,842	\$ 178	\$ (78) <sup>1,5</sup>
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation and amortization	532	342	190	—
Provision (benefit) for deferred income taxes	(191)	(169)	(22)	—
(Gain) loss on divestiture	572	572	—	—
Other	117	124	(143)	136 <sup>2</sup>
Changes in assets and liabilities, net of acquisitions and divestitures:				
Receivables – trade and other	(329)	205	14	(548) <sup>2,3</sup>
Inventories	(1,403)	(1,402)	—	(1) <sup>2</sup>
Accounts payable	477	465	34	(22) <sup>2</sup>
Accrued expenses	38	6	32	—
Accrued wages, salaries and employee benefits	(950)	(928)	(22)	—
Customer advances	365	365	—	—
Other assets – net	107	223	4	(120) <sup>2</sup>
Other liabilities – net	296	134	37	125 <sup>2</sup>
Net cash provided by (used for) operating activities	1,573	1,779	302	(508)
<b>Cash flow from investing activities:</b>				
Capital expenditures – excluding equipment leased to others	(422)	(414)	(9)	1 <sup>2</sup>
Expenditures for equipment leased to others	(328)	—	(330)	2 <sup>2</sup>
Proceeds from disposals of leased assets and property, plant and equipment	184	7	179	(2) <sup>2</sup>
Additions to finance receivables	(3,020)	—	(3,462)	442 <sup>3</sup>
Collections of finance receivables	3,169	—	3,437	(268) <sup>3</sup>
Net intercompany purchased receivables	—	—	(258)	258 <sup>3</sup>
Proceeds from sale of finance receivables	24	—	24	—
Net intercompany borrowings	—	—	2	(2) <sup>4</sup>
Investments and acquisitions (net of cash acquired)	(5)	(5)	—	—
Proceeds from sale of businesses and investments (net of cash sold)	(14)	(14)	—	—
Proceeds from sale of securities	239	162	77	—
Investments in securities	(536)	(433)	(103)	—
Other – net	26	27	(1)	—
Net cash provided by (used for) investing activities	(683)	(670)	(444)	431
<b>Cash flow from financing activities:</b>				
Dividends paid	(620)	(620)	(75)	75 <sup>5</sup>
Common stock issued, including treasury shares reissued	(25)	(25)	—	—
Common shares repurchased	(400)	(400)	—	—
Net intercompany borrowings	—	(2)	—	2 <sup>4</sup>
Proceeds from debt issued (original maturities greater than three months)	1,517	—	1,517	—
Payments on debt (original maturities greater than three months)	(1,475)	(90)	(1,385)	—
Short-term borrowings – net (original maturities three months or less)	(103)	(3)	(100)	—
Net cash provided by (used for) financing activities	(1,106)	(1,140)	(43)	77
Effect of exchange rate changes on cash	(1)	4	(5)	—
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(217)</b>	<b>(27)</b>	<b>(190)</b>	<b>—</b>
Cash, cash equivalents and restricted cash at beginning of period	7,013	6,049	964	—
Cash, cash equivalents and restricted cash at end of period	\$ 6,796	\$ 6,022	\$ 774	\$ —

- <sup>1</sup> Elimination of equity profit earned from Financial Products' subsidiaries partially owned by ME&T subsidiaries.
- <sup>2</sup> Elimination of non-cash adjustments and changes in assets and liabilities related to consolidated reporting.
- <sup>3</sup> Reclassification of Financial Products' cash flow activity from investing to operating for receivables that arose from the sale of inventory.
- <sup>4</sup> Elimination of net proceeds and payments to/from ME&T and Financial Products.
- <sup>5</sup> Elimination of dividend activity between Financial Products and ME&T.
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## **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, 2023, 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 first quarter of 2024, 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, 2023.

### 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>
January 1-31, 2024	1,807,341	\$ 290.48	1,807,341	\$ 7.300
February 1-29, 2024	9,087,832	\$ 317.80	9,087,832 <sup>2</sup>	\$ 3.520
March 1-31, 2024	433,314	\$ 346.15	433,314	\$ 3.370
<b>Total</b>	<b>11,328,487</b>	<b>\$ 314.53</b>	<b>11,328,487</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. As of March 31, 2024, approximately \$3.4 billion remained available under the 2022 Authorization.

<sup>2</sup> Includes shares acquired pursuant to the accelerated share repurchase agreements entered into during the fourth quarter of 2023 and first quarter of 2024.

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

As of March 31, 2024, we had 32 employee stock purchase plans (the “EIP Plans”) that are administered outside the United States for our non-U.S. employees, which had approximately 15,000 active participants in the aggregate. During the first quarter of 2024, approximately 54,000 shares of Caterpillar common stock were purchased by the EIP Plans pursuant to the terms of such plans.

### Item 5. Other Information

On February 29, 2024, Cheryl Johnson, the Company's Chief Human Resources Officer, 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) August 29, 2024 and (2) the date on which an aggregate of 3,016 shares of our common stock have been sold under the plan.

**Item 6. Exhibits**

10.1	<a href="#">Form of Restricted Stock Unit Award pursuant to the 2023 Long-Term Incentive Plan *</a>
10.2	<a href="#">Form of Restricted Stock Unit Award for Directors pursuant to the 2023 Long-Term Incentive Plan *</a>
10.3	<a href="#">Form of Nonqualified Stock Options Award pursuant to the 2023 Long-Term Incentive Plan *</a>
10.4	<a href="#">Form of Performance-Based Restricted Stock Unit Award pursuant to the 2023 Long-Term Incentive Plan *</a>
10.5	<a href="#">Consulting Agreement between Suzette M. Long and Caterpillar Inc., dated January 29, 2024</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)

\*Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 6 of this report.

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.

May 1, 2024	<div><div>/s/ D. James Umpleby III</div><div>D. James Umpleby III</div></div>	Chairman of the Board and Chief Executive Officer
May 1, 2024	<div><div>/s/ Andrew R.J. Bonfield</div><div>Andrew R.J. Bonfield</div></div>	Chief Financial Officer
May 1, 2024	<div><div>/s/ Derek Owens</div><div>Derek Owens</div></div>	Chief Legal Officer and General Counsel
May 1, 2024	<div><div>/s/ William E. Schaupp</div><div>William E. Schaupp</div></div>	Vice President and Chief Accounting Officer

**Caterpillar Inc.  
2023 Long-Term Incentive Plan  
Restricted Stock Unit Award Notice**

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%%FIRST\_NAME\_MIDDLE\_NAME\_LAST\_NAME%%-%

**Grant Date:** %%OPTION\_DATE,'Month DD, YYYY'%%-%

**Grant Number:** %%OPTION\_NUMBER%%-%

**Units Granted:** %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%

The Board of Directors of Caterpillar Inc. (the "Company") has granted you the number of restricted stock units ("RSUs") specified above on the date specified above (the "Grant Date") pursuant to, and subject to the restrictions, terms and conditions set forth in, the Caterpillar Inc. 2023 Long-Term Incentive Plan (the "Plan"). This Award Notice and the Plan specify the material terms and provisions applicable to such restricted stock unit award (the "RSU Award"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

**Vesting**

Except to the extent the RSUs are forfeited upon your termination of employment as provided below, the RSUs will become vested in the amounts and on the vesting date(s) specified below (each such date, a "Vesting Date").

**Vesting Date      Units Vesting**

%%VEST\_DATE\_PERIOD1,'Month DD, YYYY'%%-%    %%SHARES\_PERIOD1%%-%

%%VEST\_DATE\_PERIOD2,'Month DD, YYYY'%%-%    %%SHARES\_PERIOD2%%-%

%%VEST\_DATE\_PERIOD3,'Month DD, YYYY'%%-%    %%SHARES\_PERIOD3%%-%

As soon as administratively practicable, but not later than 60 days, after the applicable Vesting Date, the Company shall issue or deliver to you, subject to the conditions of this Award Notice, unrestricted shares of Common Stock equal to the number of RSUs that become vested, rounded up or down to the nearest whole number, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements.

If you terminate employment prior to the date the RSUs have become fully vested for any reason other than Long-Service Separation, death or in connection with a Change in Control (as described more fully below), the unvested RSUs will be forfeited. Your RSU Award is also subject to certain additional forfeiture conditions set forth in the Plan and this Award Notice.

**Voting Rights**

During the period between the Grant Date and the date any RSUs become vested and the shares subject to such RSUs are issued or delivered to you (the "Restriction Period"), you are not entitled to any voting rights with respect to such RSUs. From and after the date shares are actually issued or delivered, you then will have full voting rights with respect to those shares.

**Dividend Equivalents; Dividends**

On each date that a cash dividend is paid to holders of Common Stock, an amount equal to the cash dividend that is paid on each share of Common Stock, multiplied by the number of RSUs that remain unvested and outstanding as of the dividend payment date (the "Dividend Equivalent Amount") shall be credited for your benefit. Unless otherwise determined by the Board or Committee in its discretion, the aggregate Dividend Equivalent Amount, if any, credited to you shall be converted into an additional number of RSUs determined by dividing the Dividend Equivalent Amount by the Fair Market Value of a share of Common Stock on the dividend payment date (the "Dividend Equivalent RSUs"). The Dividend Equivalent RSUs, if any, will vest on the same Vesting Date corresponding to the underlying RSUs with respect to which the Dividend Equivalent RSUs were credited, and will otherwise be subject to the same conditions applicable to the underlying RSUs, including, without limitation, the provisions governing time and form of settlement; *provided however, that* Dividend Equivalent RSUs will not accrue on Dividend Equivalent RSUs. Unless expressly provided otherwise, as used elsewhere in this Award Notice "RSUs" shall include any Dividend Equivalent RSUs that have been credited to you. From and after the



date shares of Common Stock are actually issued or delivered upon settlement of the RSUs, you then will have dividend rights with respect to those shares.

### **Termination of Employment**

Your termination of employment with the Company prior to the date the RSUs become fully vested will impact the unvested RSUs as follows:

- **Long-Service Separation**

If your employment with the Company terminates at least six months after the Grant Date by reason of Long-Service Separation (as defined below), your unvested RSUs will continue to become vested as of each Vesting Date as though your employment with the Company had continued through the last scheduled Vesting Date, and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the applicable Vesting Date. For purposes of this RSU Award, "Long-Service Separation" means termination of employment for any reason other than for Cause after attainment of age 55 with 5 or more years of continuous service with the Company, as determined by the Company in its sole discretion.

- **Death**

If your employment with the Company terminates by reason of death, your unvested RSUs will become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to your beneficiary or your estate (as applicable), as soon as administratively practicable, but not later than 2½ months, following the date of your death.

- **Change in Control**

In the event of a Change in Control prior to the end of the Restriction Period pursuant to which your RSU Award is effectively continued, assumed or replaced by the surviving or acquiring corporation in such Change in Control (with appropriate adjustments to the number and kind of shares, in each case, that preserve the material terms and conditions of the outstanding RSU Award as in effect immediately prior to the Change in Control) and your employment is terminated either by the Company or its successor without Cause or by you for Good Reason, as defined in the Plan, within the 24-month period commencing on the date of the Change in Control, your unvested RSUs will immediately become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following (1) the applicable Vesting Date; or (2) the date which is six months after the date of your termination of employment, if such date is earlier than the applicable Vesting Date; provided that if you are or will become eligible for Long-Service Separation during the Restriction Period and the Change in Control is not a "change in control event," within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"), then the unvested RSUs will immediately become fully vested, as provided above, but the shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days following the applicable Vesting Date. In the event of a vesting acceleration event upon a Change in Control pursuant to Section 4.9(a)(ii) or (iii) of the Plan, the shares of Common Stock (or cash amount, as applicable), less any shares (or cash amount, as applicable) withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the date of the Change in Control, provided that if the RSUs are non-qualified deferred compensation subject to Code Section 409A and the Change in Control is not a "change in control event" within the meaning of U.S. Treas. Reg. §1.409A-3(i)(5), the RSUs will vest in accordance with Section 4.9(a)(ii) of the Plan, but the vested portion of the RSUs shall instead be settled in cash (in an amount calculated consistent with the methodology described in Section 4.9(a)(iii)), less any amount withheld to satisfy any applicable income and payroll tax withholding requirements, as soon as administratively practicable, but not later than 60 days following the applicable Vesting Date.

- **Other**

If your employment with the Company terminates prior to the date the RSUs become fully vested for any reason other than Long-Service Separation, death or in connection with a Change in Control, all unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited.

For purposes of this RSU Award, references to employment with the Company shall also mean employment with a Subsidiary. The extent to which you shall be considered employed during any periods during which you are on a leave of absence shall be determined in accordance with Company policy.

#### **Disability**

Upon a determination by the Company's head of Total Rewards that you have a Disability (as defined below), your unvested RSUs will become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the date of such determination. For purposes of this RSU Award, "Disability" means that you are unable to engage in any substantial gainful business activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company's head of Total Rewards, based upon medical evidence.

#### **Transferability of Award**

Subject to certain exceptions set forth in the Plan, the RSU Award may not be assigned, transferred, pledged or hypothecated in any way. The RSU Award is not subject to execution, attachment or similar process. Any attempt at such, contrary to the provisions of the Plan, will be null and void and without effect. Note that once RSUs vest and shares of Common Stock are actually issued or delivered, you will have the ability to transfer those shares.

#### **Designation of Beneficiary**

To the extent permitted by the Company and the stock plan administrator, you may designate a beneficiary (or beneficiaries) to whom any shares of Common Stock that are issued to your stock plan account with the Company's stock plan administrator upon the vesting of the RSUs will be paid upon your death. If you do not designate a beneficiary, such shares will be paid to your estate or to such other payee determined in accordance with procedures established by the Company's stock plan administrator.

#### **Administration of the Plan**

The RSU Award shall at all times be subject to the terms and provisions of the Plan and the Plan shall be administered in accordance with the terms of, and as provided in, the Plan. In the event of conflict between the terms and provisions of this Award Notice and the terms and provisions of the Plan, the provisions of the Plan shall control.

#### **Code Section 409A**

It is intended that this Award Notice and the administration of the RSU Award comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated, and other official guidance issued thereunder ("Code Section 409A"), to the extent applicable. The Plan and this Award Notice shall be interpreted and construed on a basis consistent with such intent. Notwithstanding anything contained herein to the contrary, no shares may be issued or delivered unless in compliance with Code Section 409A to the extent that Code Section 409A applies. To the extent this Award Notice provides for the RSU Award to be settled by reference to your termination of employment, your employment shall be deemed to have terminated upon your "separation from service," within the meaning of Code Section 409A. The Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Notice (and thus the terms of the RSU Award) without your consent solely in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A. Your acceptance of this RSU Award constitutes acknowledgement and consent to such rights of the Committee. This provision does not create an obligation on the part of the Company to modify the terms of this Award Notice or the Plan and does not guarantee that this RSU Award or the delivery of shares of Common Stock upon settlement of the RSU Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Award Notice shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on

matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Award Notice, and neither the Company nor any of its Subsidiaries or affiliates will have any liability under any circumstances to you or any other party if the RSU Award, the delivery of shares of Common Stock upon vesting/settlement of the RSU Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto.

#### **Tax Impact**

Please refer to the Plan prospectus and support materials for a general description of the tax consequences of an RSU Award. You may also wish to consult with your personal tax advisor regarding how the RSU Award impacts your individual tax situation. Nothing contained in this Award Notice or in the Plan prospectus shall be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this Award Notice.

#### **Withholding**

The distribution of shares of Common Stock in connection with the vesting of the RSU Award is a taxable event in many taxing jurisdictions. In some countries, including the United States, the Company is required to withhold taxes upon the taxable event. To satisfy this withholding obligation, you hereby authorize the Company to withhold a number of shares to satisfy the withholding obligation from the shares otherwise to be issued or delivered to you under the RSU Award. The Company may withhold or account for tax withholding obligations by considering statutory withholding amounts or other withholding rates, including up to the maximum rate applicable in your jurisdiction(s). Alternatively, by your acceptance of this RSU Award, you hereby authorize the Company (or your employer), or their respective agents, to select any of the following methods to satisfy withholding obligations upon a taxable event applicable to your RSU Award (i) a cash payment by you to the Company, (ii) your delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously issued whole shares of Common Stock having an aggregate Fair Market Value equal to the amount necessary to satisfy any such obligation, (iii) withholding from proceeds from the sale of shares of Common Stock acquired upon vesting of the RSU Award through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or (iv) any other method of withholding determined by the Company and permitted by applicable laws and the Plan; provided, however, that if you are subject to Section 16 of the Exchange Act, you shall be permitted to select among the methods set forth in (i) through (iv) above in lieu of the net share withholding method set forth in the immediately preceding sentence. Notwithstanding the foregoing, the net share withholding method described above will not be used for social security, FICA or other employment tax-related withholding obligations that become payable in a year prior to the year that shares are issued or delivered to you and, instead, you authorize the Company (or your employer) to use a method determined appropriate by the Company and permitted by applicable laws and the Plan.

#### **Compliance with Securities Laws**

The RSU Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the RSU Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the issuance or delivery of shares hereunder, the shares of Common Stock subject to the RSU Award shall not be issued or delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

#### **Adjustment of Shares**

Provisions are made within the Plan covering the effect of stock dividends, stock splits, changes in par value, changes in kind of stock, sale, merger, recapitalization, reorganization, etc.

#### **Awards Subject to Forfeiture, Clawback and Setoff**

The RSU Award is subject to certain forfeiture conditions set forth in the Plan, including pursuant to any policy adopted by the Company as contemplated under the Plan, which in the event such conditions are determined to have occurred, may result in immediate forfeiture and cancellation of your outstanding RSU Award or an

obligation to repay the Company any amounts that become payable under your RSU Award. Also, you hereby agree that the Company generally may deduct from and set off against any amounts the Company owes to you, including amounts payable in connection with this RSU Award, such amounts you may owe to the Company. To satisfy any recoupment obligation arising under the foregoing provisions, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any shares of Common Stock or other amounts acquired pursuant to the RSU Award to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company upon the Company's enforcement of any clawback or compensation recovery policy.

**Effect on Other Benefits**

The RSU Award is not intended to and shall not impact the coverage of or the amount of any other employee benefit plans in which you participate that are sponsored by the Company or any of its Subsidiaries or affiliates.

**Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Award Confers No Rights to Continued Employment**

In no event shall the granting of the RSU Award or its acceptance by you, or any provision of the Award Notice or the Plan, give or be deemed to give you any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate your employment at any time.

**Decisions of Board or Committee**

The Board or the Committee shall have the right to resolve all questions which may arise in connection with the RSU Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this RSU Award shall be final, binding and conclusive.

**Successors**

This Award Notice shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall acquire any rights hereunder in accordance with this Award Notice or the Plan.

**Severability**

The invalidity or unenforceability of any particular provision of this Award Notice shall not affect the other provisions hereof and this Award Notice shall be construed in all respects as if such invalid or unenforceable provision was omitted.

**Governing Law & Venue**

This Award Notice, the RSU Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws. You expressly consent to the exclusive jurisdiction of the federal and state courts serving Irving, Texas for all lawsuits and actions arising out of or relating to the RSU Award and this Award Notice, and you expressly waive any defense that such courts lack personal jurisdiction over you. All such lawsuits and actions shall be tried in the federal or state courts serving Irving, Texas to the exclusion of all other courts.

**Entire Agreement**

This Award Notice and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof, and except as provided herein, may not be modified adversely to your interest except by means of a writing signed by you and the Company.

**Acceptance of Award**

You are required to electronically accept this Award Notice within your stock plan account with the Company's stock plan administrator according to the procedures then in effect in order to receive the RSU Award. Your acceptance of this Award Notice constitutes acknowledgement of receipt of the Plan and this RSU Award and consent to the terms of the Plan and this Award Notice as described in the Plan and this Award Notice. You have at least 14 calendar days to consider this Award Notice before accepting it, but you may voluntarily waive this period and accept sooner. Please be advised that you may consult with an attorney of your own choosing to seek independent advice before accepting this RSU Award. By accepting this Award Notice, you acknowledge that you have accepted it knowingly and voluntarily and with the full knowledge and understanding of its provisions after being given the opportunity to consult with counsel.

**Notices**

All notices, requests or other communications provided for in this Award Notice shall be made, if to the Company, to Caterpillar Inc., Equity Compensation Administration, 100 N.E. Adams Street, Peoria, IL 61629-4440 (or, if applicable, to any updated address provided by the Company for such purposes), and if to you, to your last known mailing address on file with the Company's stock plan administrator. All notices, requests or other communications provided for in this Award Notice shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mail or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

**Confidentiality**

If you disclose or make use of any "confidential information" (as defined below) for your own purpose or for the benefit of any person or entity, except as may be necessary in the ordinary course of your employment with the Company or any of its Subsidiaries, all of your unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited. For this purpose, "confidential information" means information that could cause harm to the Company, its Subsidiaries or its shareholders if disclosed to unauthorized users especially those outside of the Company and its Subsidiaries.

**Post-Employment Restrictions**

By accepting this RSU Award, you agree that until 12 months following your termination of employment, you will not directly or indirectly, without the prior written consent of Caterpillar Inc., do any of the following:

- i. solicit any business competitive with any Company business from any person or entity who: (a) was a provider or customer to the Company within the 18 months before your termination of employment date and (b) with whom you had contact to further the Company's business or for whom you performed services, or supervised the provision of services for, during your employment;
- ii. hire, employ, recruit or solicit any employee of or consultant to the Company who possesses confidential information of the Company;
- iii. induce or influence any employee, consultant, customer or provider to the Company to terminate his, her or its employment or other relationship with the Company;
- iv. engage or participate in, or in any way render services or assistance to, any business that competes, directly or indirectly, with any Company product or service that you participated in, engaged in, or had confidential information regarding, in any geographic territory over which you had responsibilities, during the 18 months before your termination of employment date; or
- v. assist anyone in any of the activities listed above.

If you engage in any of the activities listed above without the prior written consent of Caterpillar Inc. within the first 12 months following your termination of employment, all unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited. For avoidance of doubt, any RSUs that would have continued to vest following your termination of employment due to Long Service Separation shall be forfeited and no further shares of Common Stock associated with this RSU Award will be issued or delivered to you.

The post-employment restrictions above shall not apply to you and will not be enforced by the Company to the extent any laws, rules, codes of professional responsibility or conduct, professional standards or regulations applicable to you and your employment with the Company prohibit such restrictions.

If you reside or work in the State of California, only subsection (ii) above is applicable to you. If you reside or work in the State of Colorado, you further acknowledge that the Company provided you with a separate notice advising you of the above post-employment restrictions in accordance with CRS § 8-2-113.

If you reside or work in the District of Columbia, the District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

For purposes of this Post-Employment Restrictions section, "Company" also includes each and all of the Company's parents, Subsidiaries, and affiliates.

**Further Information**

For more detailed information about the Plan, please refer to the Plan prospectus or the Plan itself. Copies of these documents can be obtained on the Company's intranet site. If you do not have intranet access or have any questions regarding the administration of Caterpillar's equity compensation program, please contact [executivecompensation@cat.com](mailto:executivecompensation@cat.com).

**Caterpillar Inc.**  
**2023 Long-Term Incentive Plan**  
**Restricted Stock Unit Award Notice**

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%%FIRST\_NAME\_MIDDLE\_NAME\_LAST\_NAME%%-%

**Grant Date:** %%OPTION\_DATE,'Month DD, YYYY'%%-%

**Grant Number:** %%OPTION\_NUMBER%%-%

**Units Granted:** %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%

**Vesting Date:** %%VEST\_DATE\_PERIOD1,'Month DD, YYYY'%%-%

The Board of Directors of Caterpillar Inc. (the "Company") has granted you the number of restricted stock units ("RSUs") specified above on the date specified above (the "Grant Date") pursuant to, and subject to the restrictions, terms and conditions set forth in, the Caterpillar Inc. 2023 Long-Term Incentive Plan (the "Plan"). This Award Notice and the Plan specify the material terms and provisions applicable to such restricted stock unit award (the "RSU Award"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

**Vesting**

The RSU Award will become fully vested on the vesting date specified above (the "Vesting Date"). As soon as administratively practicable, but not later than 60 days, after the Vesting Date, the Company shall issue or deliver to you, subject to the conditions of this Award Notice, unrestricted shares of Common Stock equal to the number of RSUs that become vested, rounded up or down to the nearest whole number, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements.

With limited exception as described more fully below, if your service on the Caterpillar Inc. Board of Directors (the "Board") terminates prior to the Vesting Date, the RSU Award will be forfeited. Your RSU Award is also subject to certain additional forfeiture conditions set forth in the Plan and this Award Notice.

**Voting Rights**

During the period between the Grant Date and the date the shares subject to such RSUs are issued or delivered to you (the "Restriction Period"), you are not entitled to any voting rights with respect to such RSUs. From and after the date shares are actually issued or delivered, you then will have full voting rights with respect to those shares.

**Dividend Equivalents; Dividends**

On each date that a cash dividend is paid to holders of Common Stock, an amount equal to the cash dividend that is paid on each share of Common Stock, multiplied by the number of RSUs that remain unvested and outstanding as of the dividend payment date (the "Dividend Equivalent Amount") shall be credited for your benefit. Unless otherwise determined by the Board or Committee in its discretion, the aggregate Dividend Equivalent Amount, if any, credited to you shall be converted into an additional number of RSUs determined by dividing the Dividend Equivalent Amount by the Fair Market Value of a share of Common Stock on the dividend payment date (the "Dividend Equivalent RSUs"). The Dividend Equivalent RSUs, if any, will vest on the same Vesting Date corresponding to the underlying RSUs with respect to which the Dividend Equivalent RSUs were credited, and will otherwise be subject to the same conditions applicable to the underlying RSUs, including, without limitation, the provisions governing time and form of settlement; *provided however, that* Dividend Equivalent RSUs will not accrue on Dividend Equivalent RSUs. Unless expressly provided otherwise, as used elsewhere in this Award Notice "RSUs" shall include any Dividend Equivalent RSUs that have been credited to you. From and after the date shares of Common Stock are actually issued or delivered upon settlement of the RSUs, you then will have dividend rights with respect to those shares.

**Termination of Service as Director**

Your termination of service on the Board prior to the Vesting Date will impact the unvested RSUs as follows:

- **Six-Month Continuous Service Period**

If your service on the Board terminates at least six months after the Grant Date, the RSU Award will continue to become vested as of the Vesting Date as though your service on the Board had continued

through the Vesting Date, and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the Vesting Date.

- **Death**

If your service on the Board terminates by reason of death, the RSU Award will become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to your beneficiary or your estate (as applicable), as soon as administratively practicable, but not later than 2½ months, following the date of your death.

- **Change in Control**

In the event of a Change in Control prior to the end of the Restriction Period pursuant to which your RSU Award is effectively continued, assumed or replaced by the surviving or acquiring corporation in such Change in Control (with appropriate adjustments to the number and kind of shares, in each case, that preserve the material terms and conditions of the outstanding RSU Award as in effect immediately prior to the Change in Control) and your service on the Board ceases in connection with such Change in Control, the RSU Award will immediately become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the Vesting Date. In the event of a vesting acceleration event upon a Change in Control pursuant to Section 4.9(a)(ii) or (iii) of the Plan, the shares of Common Stock (or cash amount, as applicable), less any shares (or cash amount, as applicable) withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the date of the Change in Control, provided that if the RSUs are non-qualified deferred compensation subject to Code Section 409A and the Change in Control is not a “change in control event” within the meaning of U.S. Treas. Reg. §1.409A-3(i)(5), the RSUs will vest in accordance with Section 4.9(a)(ii) of the Plan, but the vested portion of the RSUs shall instead be settled in cash (in an amount calculated consistent with the methodology described in Section 4.9(a)(iii)), less any amount withheld to satisfy any applicable income and payroll tax withholding requirements, as soon as administratively practicable, but not later than 60 days following the applicable Vesting Date.

- **Other**

If your service on the Board terminates prior to the Vesting Date for any reason other than as described above, all unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited.

#### **Disability**

Upon a determination by the Company’s head of Total Rewards that you have a Disability (as defined below), the RSU Award will become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than 60 days, following the date of such determination. For purposes of this RSU Award, “Disability” means that you are unable to engage in any substantial gainful business activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company’s head of Total Rewards, based upon medical evidence.

#### **Transferability of Award**

Subject to certain exceptions set forth in the Plan, the RSU Award may not be assigned, transferred, pledged or hypothecated in any way. The RSU Award is not subject to execution, attachment or similar process. Any attempt at such, contrary to the provisions of the Plan, will be null and void and without effect. Note that once RSUs vest and shares of Common Stock are actually issued or delivered, you will have the ability to transfer those shares.

#### **Designation of Beneficiary**

To the extent permitted by the Company and the stock plan administrator, you may designate a beneficiary (or beneficiaries) to whom any shares of Common Stock that are issued to your stock plan account with the Company’s stock plan administrator upon the vesting of the RSUs will be paid upon your death. If you do not



designate a beneficiary, such shares will be paid to your estate or to such other payee determined in accordance with procedures established by the Company's stock plan administrator.

#### **Administration of the Plan**

The RSU Award shall at all times be subject to the terms and provisions of the Plan and the Plan shall be administered in accordance with the terms of, and as provided in, the Plan. In the event of conflict between the terms and provisions of this Award Notice and the terms and provisions of the Plan, the provisions of the Plan shall control.

#### **Code Section 409A**

It is intended that this Award Notice and the administration of the RSU Award comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated, and other official guidance issued thereunder ("Code Section 409A"), to the extent applicable. The Plan and this Award Notice shall be interpreted and construed on a basis consistent with such intent. Notwithstanding anything contained herein to the contrary, no shares may be issued or delivered unless in compliance with Code Section 409A to the extent that Code Section 409A applies. To the extent this Award Notice provides for the RSU Award to be settled by reference to your termination of service, your service shall be deemed to have terminated upon your "separation from service," within the meaning of Code Section 409A. The Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Notice (and thus the terms of the RSU Award) without your consent solely in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A. Your acceptance of this RSU Award constitutes acknowledgement and consent to such rights of the Committee. This provision does not create an obligation on the part of the Company to modify the terms of this Award Notice or the Plan and does not guarantee that this RSU Award or the delivery of shares of Common Stock upon settlement of the RSU Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Award Notice shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Award Notice, and neither the Company nor any of its Subsidiaries or affiliates will have any liability under any circumstances to you or any other party if the RSU Award, the delivery of shares of Common Stock upon vesting/settlement of the RSU Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto.

#### **Tax Impact**

Please refer to the Plan prospectus and support materials for a general description of the tax consequences of an RSU Award. You may also wish to consult with your personal tax advisor regarding how the RSU Award impacts your individual tax situation. Nothing contained in this Award Notice or in the Plan prospectus shall be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this Award Notice.

#### **Withholding**

The distribution of shares of Common Stock in connection with the vesting of the RSU Award is a taxable event in many taxing jurisdictions. At your election, the Company may withhold taxes upon the taxable event. To satisfy this withholding obligation, you hereby authorize the Company to withhold a number of shares to satisfy the withholding obligation from the shares otherwise to be issued or delivered to you under the RSU Award. The Company may withhold or account for tax withholding obligations by considering statutory withholding amounts or other withholding rates, including up to the maximum rate applicable in your jurisdiction(s). Alternatively, you may select any of the following methods to satisfy withholding obligations upon a taxable event applicable to your RSU Award in lieu of the net share withholding method described in the immediately preceding sentence: (i) a cash payment by you to the Company, (ii) your delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously issued whole shares of Common Stock having an aggregate Fair Market Value equal to the amount necessary to satisfy any such obligation or (iii) any other method of withholding determined by the Company and permitted by applicable laws and the Plan. Notwithstanding the foregoing, the net share withholding method described above will not be used for any tax-related withholding obligations that become payable in a year prior to the year that shares are issued or delivered

to you and, instead, you authorize the Company to use a method determined appropriate by the Company and permitted by applicable laws and the Plan.

**Compliance with Securities Laws**

The RSU Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the RSU Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the issuance or delivery of shares hereunder, the shares of Common Stock subject to the RSU Award shall not be issued or delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

**Adjustment of Shares**

Provisions are made within the Plan covering the effect of stock dividends, stock splits, changes in par value, changes in kind of stock, sale, merger, recapitalization, reorganization, etc.

**Awards Subject to Forfeiture, Clawback and Setoff**

The RSU Award is subject to certain forfeiture conditions set forth in the Plan, including pursuant to any policy adopted by the Company as contemplated under the Plan, which in the event such conditions are determined to have occurred, may result in immediate forfeiture and cancellation of your outstanding RSU Award or an obligation to repay the Company any amounts that become payable under your RSU Award. Also, you hereby agree that the Company generally may deduct from and set off against any amounts the Company owes to you, including amounts payable in connection with this RSU Award, such amounts you may owe to the Company. To satisfy any recoupment obligation arising under the foregoing provisions, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any shares of Common Stock or other amounts acquired pursuant to the RSU Award to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company upon the Company's enforcement of any clawback or compensation recovery policy.

**Effect on Other Benefits**

The RSU Award is not intended to and shall not impact the coverage of or the amount of any other benefit plans in which you participate that are sponsored by the Company or any of its Subsidiaries or affiliates.

**Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Award Confers No Rights to Continued Service on the Board**

In no event shall the granting of the RSU Award or its acceptance by you, or any provision of the Award Notice or the Plan, give or be deemed to give you any right to continued service on the Board.

**Decisions of Board or Committee**

The Board or the Committee shall have the right to resolve all questions which may arise in connection with the RSU Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this RSU Award shall be final, binding and conclusive.

**Successors**

This Award Notice shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall acquire any rights hereunder in accordance with this Award Notice or the Plan.

**Severability**

The invalidity or unenforceability of any particular provision of this Award Notice shall not affect the other provisions hereof and this Award Notice shall be construed in all respects as if such invalid or unenforceable provision was omitted.

**Governing Law & Venue**

This Award Notice, the RSU Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws. You expressly consent to the exclusive jurisdiction of the federal and state courts serving Irving, Texas for all lawsuits and actions arising out of or relating to the RSU Award and this Award Notice, and you expressly waive any defense that such courts lack personal jurisdiction over you. All such lawsuits and actions shall be tried in the federal or state courts serving Irving, Texas to the exclusion of all other courts.

**Entire Agreement**

This Award Notice and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof, and except as provided herein, may not be modified adversely to your interest except by means of a writing signed by you and the Company.

**Acceptance of Award**

You are required to accept this Award Notice within your stock plan account with the Company's stock plan administrator according to the procedures then in effect. Your acceptance of this Award Notice constitutes acknowledgement of receipt of the Plan and this RSU Award and consent to the terms of the Plan and this Award Notice as described in the Plan and this Award Notice.

**Notices**

All notices, requests or other communications provided for in this Award Notice shall be made, if to the Company, to Caterpillar Inc., Equity Compensation Administration, 100 N.E. Adams Street, Peoria, IL 61629-4440 (or, if applicable, to any updated address provided by the Company for such purposes), and if to you, to your last known mailing address on file with the Company's stock plan administrator. All notices, requests or other communications provided for in this Award Notice shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mail or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

**Confidentiality**

If you disclose or make use of any "confidential information" (as defined below) for your own purpose or for the benefit of any person or entity, except as may be necessary in the ordinary course of your service on the Board, all of your unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited. For this purpose, "confidential information" means information that could cause harm to the Company, its Subsidiaries or its shareholders if disclosed to unauthorized users especially those outside of the Company and its Subsidiaries.

**Further Information**

For more detailed information about the Plan, please refer to the Plan prospectus or the Plan itself. If you have any questions regarding the administration of Caterpillar's equity compensation program, please reach out to your Executive Compensation contact at Caterpillar or e-mail [executivecompensation@cat.com](mailto:executivecompensation@cat.com).

**Caterpillar Inc.**  
**2023 Long-Term Incentive Plan**  
**Nonqualified Stock Option Award Notice**

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%%FIRST\_NAME\_MIDDLE\_NAME\_LAST\_NAME%-%

**Grant Date:** %%OPTION\_DATE,'Month DD, YYYY'%-%  
**Grant Number:** %%OPTION\_NUMBER%-%  
**Units Granted:** %%TOTAL\_SHARES\_GRANTED,'999,999,999'%-%  
**Option Price:** %%OPTION\_PRICE,'\$999,999,999.99'%-%  
**Expiration Date:** %%EXPIRE\_DATE\_PERIOD1,'Month DD, YYYY'%-%

The Board of Directors of Caterpillar Inc. (the "Company") has granted you the number of nonqualified stock options ("NQSOs") specified above on the date specified above (the "Grant Date") pursuant to, and subject to the restrictions, terms and conditions set forth in, the Caterpillar Inc. 2023 Long-Term Incentive Plan (the "Plan") at the price specified above per share, which is the closing transaction price of a share of Company Common Stock as reported on the New York Stock Exchange on the Grant Date. This Award Notice and the Plan specify the material terms and provisions applicable to such nonqualified stock option award (the "Option Award"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

**Vesting**

Except to the extent the NQSOs are forfeited upon your termination of employment, as provided below, the NQSOs will become vested in the amounts and on the vesting date(s) specified below (each such date, a "Vesting Date").

<b><u>Vesting Date</u></b>	<b><u>NQSOs Vesting</u></b>
%%VEST_DATE_PERIOD1,'Month DD, YYYY'%-%	%%SHARES_PERIOD1%-%
%%VEST_DATE_PERIOD2,'Month DD, YYYY'%-%	%%SHARES_PERIOD2%-%
%%VEST_DATE_PERIOD3,'Month DD, YYYY'%-%	%%SHARES_PERIOD3%-%

If you terminate employment prior to the date the NQSOs have become fully vested for any reason other than Long-Service Separation, Disability, death or in connection with a Change in Control (as described more fully below), the unvested NQSOs will be forfeited. Your Option Award is also subject to certain additional forfeiture conditions set forth in the Plan and this Award Notice.

**Exercise of Award**

The Option Award may only be exercised through the Plan's designated administrator, currently E\*TRADE, or through such other means as the Company may designate. You may exercise the Option Award by providing notice of exercise, in a manner specified by the Company, setting forth the number of shares to be exercised, accompanied by full payment for the shares. The exercise price shall be payable at your election by: (1) tendering cash, (2) tendering previously acquired shares of Company Common Stock, (3) except as may be prohibited by applicable law, a broker-dealer, acceptable to the Company and to whom you submitted an irrevocable notice of exercise, tendering cash, (4) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered, or (5) any combination of (1), (2), (3) and (4). Notwithstanding the foregoing, the Company, in its sole discretion, may require you (or in the event of your death, your legal representative, as the case may be) exercise the Option Award by a means of a market sale transaction (either a "same-day sale" transaction or a "sell-to-cover" transaction).

The Option Award will expire unless exercised by the expiration date specified above (the "Expiration Date"), the tenth anniversary of the Grant Date. If the Expiration Date occurs during any period in which you are prohibited from trading Company Common Stock pursuant to the Company's insider trading policy or during a period when the exercise of the Option Award would violate applicable securities law (a "Blackout Period"), then the Option Award will not expire on the Expiration Date. Instead, the Option Award will not expire until the date that is 30 days after the expiration of the Blackout Period.

### **Voting Rights**

During the period between the Grant Date and the date you exercise your vested NQSOs and the shares subject to such NQSOs are issued or delivered to you (the “Restriction Period”), you are not entitled to any voting rights with respect to such NQSOs. From and after the date shares are actually issued or delivered, you then will have full voting rights with respect to those shares.

### **Dividends and Other Distributions**

During the Restriction Period, you will not receive or be credited with dividends or any other distributions (e.g., dividend equivalents) with respect to the NQSOs. From and after the date shares are actually issued or delivered, you then will have dividend rights with respect to those shares.

### **Termination of Employment**

Your termination of employment with the Company prior to the date the NQSOs become fully vested will impact the unvested NQSOs as follows:

- **Long-Service Separation**

If your employment with the Company terminates at least six months after the Grant Date by reason of Long-Service Separation (as defined below), your unvested NQSOs will continue to become vested and exercisable as of each Vesting Date as though your employment with the Company had continued through the last scheduled Vesting Date. In such event, your Option Award will remain exercisable until the Expiration Date. For purposes of this Option Award, “Long-Service Separation” means termination of employment after attainment of age 55 with 5 or more years of continuous service with the Company, as determined by the Company in its sole discretion.

- **Disability**

If your employment with the Company terminates by reason of Disability (as defined below), your unvested NQSOs will become fully vested. In such event, your Option Award will remain exercisable until the Expiration Date. For purposes of this Option Award, “Disability” means, unless otherwise provided for in an employment, change in control or similar agreement in effect between you and the Company or a Subsidiary, qualifying for long-term disability benefits under any long-term disability program sponsored by the Company or a Subsidiary in which you participate or, if you do not participate in any such program, your inability to engage in any substantial gainful business activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company’s head of Total Rewards, based upon medical evidence.

- **Death**

If your employment with the Company terminates by reason of death, your unvested NQSOs will become fully vested and your estate or your beneficiary (as applicable) will have until the Expiration Date to exercise the Option Award. If you die after your termination of employment when the Option Award is otherwise exercisable, the Option Award will remain exercisable by your estate or your beneficiary (as applicable) until: (a) the Expiration Date if your termination of employment was due to Long-Service Separation, Disability or in connection with a Change in Control; or (b) the earlier of: (1) the Expiration Date or (2) 38 months following your termination of employment if your termination of employment was for any reason other than Long-Service Separation, Disability or in connection with a Change in Control.

- **Change in Control**

In the event of a Change in Control prior to the date the NQSOs become fully vested pursuant to which your Option Award is effectively continued, assumed or replaced by the surviving or acquiring corporation in such Change in Control (with appropriate adjustments to the number and kind of shares, in each case, that preserve the material terms and conditions of the outstanding Option Award as in effect immediately prior to the Change in Control) and your employment is terminated either by the Company without Cause or by you for Good Reason, as defined in the Plan, within the 24-month period commencing on the date of the Change in Control, your unvested NQSOs will immediately become fully vested. In such event, your Option Award will remain exercisable until the Expiration Date.

- **Cause**

If your employment with the Company is terminated for Cause (as defined in the Plan), all of your unexercised NQSOs associated with the Option Award (whether vested or non-vested) shall expire immediately and all rights thereunder cease upon such termination.

- **Other**

If your employment with the Company terminates prior to the date the NQSOs become fully vested for any reason other than Long-Service Separation, Disability, death, Cause or in connection with a Change in Control, all unvested NQSOs associated with this Option Award shall be immediately forfeited to the Company. In such event, with respect to vested NQSOs, you will have until the earlier of (1) the Expiration Date or (2) the date which is 60 days following the date of your termination of employment to exercise the Option Award.

For purposes of this Option Award, references to employment with the Company shall also mean employment with a Subsidiary. The extent to which you shall be considered employed during any periods during which you are on a leave of absence shall be determined in accordance with Company policy.

**Transferability of Award**

Subject to certain exceptions set forth in the Plan, the Option Award is only exercisable by you (or your beneficiary, estate or representative, as applicable) and may not be assigned, transferred, pledged or hypothecated in any way. The Option Award is not subject to execution, attachment or similar process. Any attempt at such, contrary to the provisions of the Plan, will be null and void and without effect. Note that once your Option Award is exercised and shares of Common Stock are actually issued or delivered, you will have the ability to transfer those shares.

**Designation of Beneficiary**

Any vested and unexercised NQSOs will transfer to your estate upon your death. If you wish to designate a beneficiary for the NQSOs, contact [executivecompensation@cat.com](mailto:executivecompensation@cat.com) for additional information. To the extent permitted by the Company and the stock plan administrator, you may designate a beneficiary (or beneficiaries) to whom any shares of Common Stock issued to your stock plan account with the Company's stock plan administrator upon the exercise of the NQSOs will be paid upon your death. If you do not designate a beneficiary, such shares will be paid to your estate or to such other payee determined in accordance with procedures established by the Company's stock plan administrator.

**Administration of the Plan**

The Option Award shall, at all times, be subject to the terms and provisions of the Plan and the Plan shall be administered in accordance with the terms of, and as provided in, the Plan. In the event of conflict between the terms and provisions of this Award Notice and the terms and provisions of the Plan, the provisions of the Plan shall control.

**Code Section 409A**

It is intended that this Award Notice and the administration of the Option Award will be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued thereunder ("**Code Section 409A**"). The Plan and this Award Notice shall be interpreted and construed on a basis consistent with such intent. Notwithstanding anything contained herein to the contrary, the Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Notice (and thus the terms of the Option Award) without your consent solely in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A. Your acceptance of this Option Award constitutes acknowledgement and consent to such rights of the Committee. This provision does not create an obligation on the part of the Company to modify the terms of this Award Notice or the Plan and does not guarantee that this Option Award or the delivery of shares of Common Stock upon exercise of the Option Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Award Notice shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Award Notice, and neither the Company nor any of its Subsidiaries or affiliates will have any liability under any circumstances to you or any other party if the Option Award, the delivery of shares of Common Stock upon exercise of the Option Award or other payment or tax event hereunder that is

intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto.

#### **Tax Impact**

Please refer to the Plan prospectus and support materials for a general description of the tax consequences of an Option Award. You may also wish to consult with your personal tax advisor regarding how the Option Award impacts your individual tax situation. Nothing contained in this Award Notice or in the Plan prospectus shall be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this Award Notice.

#### **Withholding**

The exercise of an NQSO is a taxable event in many taxing jurisdictions. In some countries, including the United States, the Company is required to withhold taxes upon the taxable event. To satisfy this withholding obligation, you hereby authorize the Company to withhold a number of shares to satisfy the withholding obligation from the shares otherwise to be issued or delivered to you under the Option Award. The Company may withhold or account for tax withholding obligations by considering statutory withholding amounts or other withholding rates, including up to the maximum rate applicable in your jurisdiction. Alternatively, by your acceptance of this Option Award, you hereby authorize the Company (or your employer), or their respective agents, to select any of the following methods to satisfy withholding obligations upon a taxable event applicable to your Option Award (i) a cash payment by you to the Company, (ii) your delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously issued whole shares of Common Stock having an aggregate Fair Market Value equal to the amount necessary to satisfy any such obligation, (iii) withholding from proceeds from the sale of shares of Common Stock acquired upon exercise of the Options through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or (iv) any other method of withholding determined by the Company and permitted by applicable laws and the Plan; provided, however, that if you are subject to Section 16 of the Exchange Act, you shall be permitted to select among the methods set forth in subsection (i) through (iv) in lieu of the net share withholding method set forth in the immediately preceding sentence.

#### **Compliance with Securities Laws**

The Company will take steps required to achieve compliance with all applicable United States federal and state securities laws (and other laws, including registration requirements) and with the rules and practices of the stock exchanges upon which the stock of the Company is listed and the Option Award is subject to the requirements of such laws and rules. The Option Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Option Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the issuance or delivery of shares hereunder, the shares of Common Stock subject to the Option Award shall not be issued or delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

#### **Adjustment of Shares**

Provisions are made within the Plan covering the effect of stock dividends, stock splits, changes in par value, changes in kind of stock, sale, merger, recapitalization, reorganization, etc.

#### **Awards Subject to Forfeiture, Clawback and Setoff**

The Option Award (and its exercise) is subject to certain forfeiture conditions set forth in the Plan, including pursuant to any policy adopted by the Company as contemplated under the Plan, which, in the event such conditions are determined to have occurred, may result in immediate forfeiture and cancellation of your outstanding Option Award or an obligation to repay the Company any amounts that become payable under your Option Award. Also, you hereby agree that the Company generally may deduct from and set off against any amounts the Company owes to you, including amounts payable in connection with this Option Award, such amounts you may owe to the Company. To satisfy any recoupment obligation arising under the foregoing

provisions, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any shares of Common Stock or other amounts acquired pursuant to the Option Award to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company upon the Company's enforcement of any clawback or compensation recovery policy.

**Effect on Other Benefits**

The Option Award is not intended to and shall not impact the coverage of or the amount of any other employee benefit plans in which you participate that are sponsored by the Company or any of its Subsidiaries or affiliates.

**Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the NQSOs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Award Confers No Rights to Continued Employment**

In no event shall the granting of the Option Award or its acceptance by you, or any provision of the Award Notice or the Plan, give or be deemed to give you any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate your employment at any time.

**Decisions of Board or Committee**

The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Option Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Option Award shall be final, binding and conclusive.

**Successors**

This Award Notice shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall acquire any rights hereunder in accordance with this Award Notice or the Plan.

**Severability**

The invalidity or unenforceability of any particular provision of this Award Notice shall not affect the other provisions hereof and this Award Notice shall be construed in all respects as if such invalid or unenforceable provision was omitted.

**Governing Law & Venue**

This Award Notice, the Option Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws. You expressly consent to the exclusive jurisdiction of the federal and state courts serving Irving, Texas for all lawsuits and actions arising out of or relating to the Option Award and this Award Notice, and you expressly waive any defense that such courts lack personal jurisdiction over you. All such lawsuits and actions shall be tried in the federal or state courts serving Irving, Texas to the exclusion of all other courts.

**Entire Agreement**

This Award Notice and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof, and except as provided herein, may not be modified adversely to your interest except by means of a writing signed by you and the Company.



**Acceptance of Award**

You are required to electronically accept this Award Notice within your stock plan account with the Company's stock plan administrator according to the procedures then in effect in order to receive the Option Award. Your acceptance of this Award Notice constitutes acknowledgement of receipt of the Plan and this Option Award and consent to the terms of the Plan and this Award Notice as described in the Plan and this Award Notice. You have at least 14 calendar days to consider this Award Notice before accepting it, but you may voluntarily waive this period and accept sooner. Please be advised that you may consult with an attorney of your own choosing to seek independent advice before accepting this Option Award. By accepting this Award Notice, you acknowledge that you have accepted it knowingly and voluntarily and with the full knowledge and understanding of its provisions after being given the opportunity to consult with counsel.

**Notices**

All notices, requests or other communications provided for in this Award Notice shall be made, if to the Company, to Caterpillar Inc., Equity Compensation Administration, 100 N.E. Adams Street, Peoria, IL 61629-4440 (or, if applicable, to any updated address provided by the Company for such purposes), and if to you, to your last known mailing address on file with the Company's stock plan administrator. All notices, requests or other communications provided for in this Award Notice shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mail or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

**Confidentiality**

If you disclose or make use of any "confidential information" (as defined below) for your own purpose or for the benefit of any person or entity, except as may be necessary in the ordinary course of your employment with the Company or any of its Subsidiaries, all of your unexercised NQSOs associated with the Option Award (whether vested or non-vested) shall expire and all rights associated with such NQSOs will cease immediately. For this purpose, "confidential information" means information that could cause harm to the Company, its Subsidiaries or its shareholders if disclosed to unauthorized users especially those outside of the Company and its Subsidiaries.

**Post-Employment Restrictions**

By accepting this Option Award, you agree that until 12 months following your termination of employment, you will not directly or indirectly, without the prior written consent of Caterpillar Inc., do any of the following:

- i. solicit any business competitive with any Company business from any person or entity who: (a) was a provider or customer to the Company within the 18 months before your termination of employment date and (b) with whom you had contact to further the Company's business or for whom you performed services, or supervised the provision of services for, during your employment;
- ii. hire, employ, recruit or solicit any employee of or consultant to the Company who possesses confidential information of the Company;
- iii. induce or influence any employee, consultant, customer or provider to the Company to terminate his, her or its employment or other relationship with the Company;
- iv. engage or participate in, or in any way render services or assistance to, any business that competes, directly or indirectly, with any Company product or service that you participated in, engaged in, or had confidential information regarding, in any geographic territory over which you had responsibilities, during the 18 months before your termination of employment date; or
- v. assist anyone in any of the activities listed above.

If you engage in any of the activities listed above without the prior written consent of Caterpillar Inc. within the first 12 months following your termination of employment, all of your unexercised NQSOs associated with the Option Award (whether vested or non-vested) shall expire immediately and all rights thereunder cease upon such termination.

The post-employment restrictions above shall not apply to you and will not be enforced by the Company to the extent any laws, rules, codes of professional responsibility or conduct, professional standards or regulations applicable to you and your employment with the Company prohibit such restrictions.

If you reside or work in the State of California, only subsection (ii) above is applicable to you. If you reside or work in the State of Colorado, you further acknowledge that the Company provided you with a separate notice advising you of the above post-employment restrictions in accordance with CRS § 8-2-113.

If you reside or work in the District of Columbia, the District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

For purposes of this Post-Employment Restrictions section, "Company" also includes each and all of the Company's parents, Subsidiaries, and affiliates.

**Further Information**

For more detailed information about the Plan, please refer to the Plan prospectus or the Plan itself. Copies of these documents can be obtained on the Company's intranet site. If you do not have intranet access or have any questions regarding the administration of Caterpillar's equity compensation program, please contact [executivecompensation@cat.com](mailto:executivecompensation@cat.com).

**Caterpillar Inc.  
2023 Long-Term Incentive Plan  
Performance-Based Restricted Stock Unit Award Notice**

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%%FIRST\_NAME\_MIDDLE\_NAME\_LAST\_NAME%%-%

**Grant Date:** %%OPTION\_DATE,'Month DD, YYYY'%%-%

**Grant Number:** %%OPTION\_NUMBER%%-%

**Units Granted:** %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%

**Vesting Date:** %%VEST\_DATE\_PERIOD1,'Month DD, YYYY'%%-%

The Board of Directors of Caterpillar Inc. (the "Company") has granted you the number of restricted stock units ("RSUs") specified above ("Units Granted") on the date specified above (the "Grant Date") pursuant to, and subject to the restrictions, terms and conditions set forth in, the Caterpillar Inc. 2023 Long-Term Incentive Plan (the "Plan"). This Award Notice and the Plan specify the material terms and provisions applicable to such restricted stock unit award (the "RSU Award"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

**Vesting**

Except to the extent the RSUs are forfeited upon your termination of employment as provided below, the RSU Award will vest as of the vesting date specified above (the "Vesting Date") if and to the extent the Company achieves the performance goals established by the Committee (the "Performance Goals") for the following performance period (the "Performance Period").

**Performance Period Start Date:** %%GRANT\_USER\_DEFINED\_FIELD\_11%%-%

**Performance Period End Date:** %%GRANT\_USER\_DEFINED\_FIELD\_12%%-%

Appendix A to this Award Notice specifies the Performance Goals, the minimum performance required for vesting, range of vesting and relative weighting for each Performance Goal.

As soon as administratively practicable, but not later than two and one-half months, after the Performance Period End Date specified above, the Company shall issue or deliver to you, subject to the achievement of the Performance Goals and the other conditions of this Award Notice, unrestricted shares of Common Stock equal to the number of RSUs that become vested, rounded up or down to the nearest whole number, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements.

If you terminate employment prior to the date the RSUs have become fully vested for any reason other than Long-Service Separation, Disability, death or in connection with a Change in Control (as described more fully below), all of the unvested RSUs will be forfeited. Your RSU Award is also subject to certain additional forfeiture conditions set forth in the Plan and this Award Notice.

**Voting Rights**

During the period between the Grant Date and the date the RSUs become vested and the shares subject to such RSUs are issued or delivered to you (the "Restriction Period"), you are not entitled to any voting rights with respect to such RSUs. From and after the date shares are actually issued or delivered, you then will have full voting rights with respect to those shares.

**Dividend Equivalents; Dividends**

On each date that a cash dividend is paid to holders of Common Stock, an amount equal to the cash dividend that is paid on each share of Common Stock, multiplied by the number of Units Granted (the "Dividend Equivalent Amount") shall be credited for your benefit. Unless otherwise determined by the Board or Committee in its discretion, the aggregate Dividend Equivalent Amount, if any, credited to you shall be converted into an additional number of RSUs determined by dividing the Dividend Equivalent Amount by the Fair Market Value of

a share of Common Stock on the dividend payment date (the "Dividend Equivalent RSUs"). The Dividend Equivalent RSUs, if any, will vest on the Vesting Date, and will otherwise be subject to the same conditions applicable to the underlying RSUs, including, without limitation, the provisions governing time and form of settlement; *provided however, that* Dividend Equivalent RSUs will not accrue on Dividend Equivalent RSUs. Unless expressly provided otherwise, as used elsewhere in this Award Notice and Appendix A to this Award Notice, "RSUs" shall include any Dividend Equivalent RSUs that have been credited to you. From and after the date shares of Common Stock are actually issued or delivered upon settlement of the RSUs, you then will have dividend rights with respect to those shares.

#### **Termination of Employment**

If your employment with the Company terminates prior to the Vesting Date, all unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited, except as follows:

- **Long-Service Separation**

If your employment with the Company terminates at least six months after the Grant Date by reason of Long-Service Separation (as defined below), the RSU Award will remain outstanding and the RSUs will become vested if and to the extent the Performance Goals for the full Performance Period are achieved. For purposes of this RSU Award, "Long-Service Separation" means termination of employment for any reason other than for Cause after attainment of age 55 with 5 or more years of continuous service with the Company, as determined by the Company in its sole discretion.

- **Disability**

If your employment with the Company terminates by reason of Disability, the RSU Award will remain outstanding and the RSUs will become vested if and to the extent the Performance Goals are achieved. For purposes of this RSU Award, "Disability" means, unless otherwise provided for in an employment, change in control or similar agreement in effect between you and the Company or a Subsidiary, qualifying for long-term disability benefits under any long-term disability program sponsored by the Company or a Subsidiary in which you participate or, if you do not participate in any such program, your inability to engage in any substantial gainful business activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company's head of Total Rewards, based upon medical evidence.

- **Death**

If your employment with the Company terminates by reason of death, your unvested RSUs will become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to your beneficiary or your estate (as applicable), as soon as administratively practicable, but not later than 2½ months, following the date of your death.

- **Change in Control**

In the event of a Change in Control prior to the end of the Restriction Period pursuant to which your RSU Award is effectively continued, assumed or replaced by the surviving or acquiring corporation in such Change in Control (with appropriate adjustments to the number and kind of shares, in each case, that preserve the material terms and conditions of the outstanding RSU Award as in effect immediately prior to the Change in Control) and your employment is terminated either by the Company or its successor without Cause or by you for Good Reason, as defined in the Plan, within the 24-month period commencing on the date of the Change in Control, all of the RSUs will immediately become fully vested and shares of Common Stock, less any shares withheld to satisfy any applicable income and payroll tax withholding requirements, will be issued or delivered to you as soon as administratively practicable, but not later than two and one-half months, after your termination of employment.

For purposes of this RSU Award, references to employment with the Company shall also mean employment with a Subsidiary. The extent to which you shall be considered employed during any periods during which you are on a leave of absence shall be determined in accordance with Company policy.

**Transferability of Award**

Subject to certain exceptions set forth in the Plan, the RSU Award may not be assigned, transferred, pledged or hypothecated in any way. The RSU Award is not subject to execution, attachment or similar process. Any attempt at such, contrary to the provisions of the Plan, will be null and void and without effect. Note that once RSUs vest and shares of Common Stock are actually issued or delivered, you will have the ability to transfer those shares.

**Designation of Beneficiary**

To the extent permitted by the Company and the stock plan administrator, you may designate a beneficiary (or beneficiaries) to whom any shares of Common Stock that are issued to your stock plan account with the Company's stock plan administrator upon the vesting of the RSUs will be paid upon your death. If you do not designate a beneficiary, such shares will be paid to your estate or to such other payee determined in accordance with procedures established by the Company's stock plan administrator.

**Administration of the Plan**

The RSU Award shall, at all times, be subject to the terms and provisions of the Plan and the Plan shall be administered in accordance with the terms of, and as provided in, the Plan. In the event of conflict between the terms and provisions of this Award Notice and the terms and provisions of the Plan, the provisions of the Plan shall control.

**Code Section 409A**

It is intended that this Award Notice and the administration of the RSU Award comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated, and other official guidance issued thereunder ("Code Section 409A"), to the extent applicable. The Plan and this Award Notice shall be interpreted and construed on a basis consistent with such intent. Notwithstanding anything contained herein to the contrary, no shares may be issued or delivered unless in compliance with Code Section 409A to the extent that Code Section 409A applies. To the extent this Award Notice provides for the RSU Award to be settled by reference to your termination of employment, your employment shall be deemed to have terminated upon your "separation from service," within the meaning of Code Section 409A. The Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Notice (and thus the terms of the RSU Award) without your consent solely in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A. Your acceptance of this RSU Award constitutes acknowledgement and consent to such rights of the Committee. This provision does not create an obligation on the part of the Company to modify the terms of this Award Notice or the Plan and does not guarantee that this RSU Award or the delivery of shares of Common Stock upon settlement of the RSU Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Award Notice shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Award Notice, and neither the Company nor any of its Subsidiaries or affiliates will have any liability under any circumstances to you or any other party if the RSU Award, the delivery of shares of Common Stock upon vesting/settlement of the RSU Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto.

**Tax Impact**

Please refer to the Plan prospectus and support materials for a general description of the tax consequences of an RSU Award. You may also wish to consult with your personal tax advisor regarding how the RSU Award impacts your individual tax situation. Nothing contained in this Award Notice or in the Plan prospectus shall be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this Award Notice.

**Withholding**

The distribution of shares of Common Stock in connection with the vesting of the RSU Award is a taxable event in many taxing jurisdictions. In some countries, including the United States, the Company is required to withhold taxes upon the taxable event. To satisfy this withholding obligation, you hereby authorize the Company to withhold that number of shares that would satisfy the withholding obligation from the shares otherwise to be issued or delivered to you under the RSU Award. The Company may withhold or account for tax withholding by

considering statutory withholding amounts or other withholding rates, including up to the maximum rate applicable in your jurisdiction(s). Alternatively, by your acceptance of this RSU Award, you hereby authorize the Company (or your employer), or their respective agents, to select any of the following methods to satisfy withholding obligations upon a taxable event applicable to your RSU Award (i) a cash payment by you to the Company, (ii) your delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously issued whole shares of Common Stock having an aggregate Fair Market Value equal to the amount necessary to satisfy any such obligation, (iii) withholding from proceeds from the sale of shares of Common Stock acquired upon vesting of the RSU Award through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or (iv) any other method of withholding determined by the Company and permitted by applicable laws and the Plan; provided, however, that if you are subject to Section 16 of the Exchange Act, you shall be permitted to select among the methods set forth in (i) through (iv) above in lieu of the net share withholding method set forth in the immediately preceding sentence. Notwithstanding the foregoing, the net share withholding method described above will not be used for social security, FICA or other employment tax-related withholding obligations that become payable in a year prior to the year that shares are issued or delivered to you and, instead, you authorize the Company (or your employer) to use a method determined appropriate by the Company and permitted by applicable laws and the Plan.

#### **Compliance with Securities Laws**

The RSU Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the RSU Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the issuance or delivery of shares hereunder, the shares of Common Stock subject to the RSU Award shall not be issued or delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

#### **Adjustment of Shares**

Provisions are made within the Plan covering the effect of stock dividends, stock splits, changes in par value, changes in kind of stock, sale, merger, recapitalization, reorganization, etc.

#### **Awards Subject to Forfeiture, Clawback and Setoff**

The RSU Award is subject to certain forfeiture conditions set forth in the Plan, including pursuant to any policy adopted by the Company as contemplated under the Plan, which in the event such conditions are determined to have occurred, may result in immediate forfeiture and cancellation of your outstanding RSU Award or an obligation to repay the Company any amounts that become payable under your RSU Award. Also, you hereby agree that the Company generally may deduct from and set off against any amounts the Company owes to you, including amounts payable in connection with this RSU Award, such amounts you may owe to the Company. To satisfy any recoupment obligation arising under the foregoing provisions, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any shares of Common Stock or other amounts acquired pursuant to the RSU Award to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company upon the Company's enforcement of any clawback or compensation recovery policy.

#### **Effect on Other Benefits**

The RSU Award is not intended to and shall not impact the coverage of or the amount of any other employee benefit plans in which you participate that are sponsored by the Company or any of its Subsidiaries or affiliates.

#### **Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Award Confers No Rights to Continued Employment**

In no event shall the granting of the RSU Award or its acceptance by you, or any provision of the Award Notice or the Plan, give or be deemed to give you any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate your employment at any time.

**Decisions of Board or Committee**

The Board or the Committee shall have the right to resolve all questions which may arise in connection with the RSU Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this RSU Award shall be final, binding and conclusive.

**Successors**

This Award Notice shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall acquire any rights hereunder in accordance with this Award Notice or the Plan.

**Severability**

The invalidity or unenforceability of any particular provision of this Award Notice shall not affect the other provisions hereof and this Award Notice shall be construed in all respects as if such invalid or unenforceable provision was omitted.

**Governing Law & Venue**

This Award Notice, the RSU Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws. You expressly consent to the exclusive jurisdiction of the federal and state courts serving Irving, Texas for all lawsuits and actions arising out of or relating to the RSU Award and this Award Notice, and you expressly waive any defense that such courts lack personal jurisdiction over you. All such lawsuits and actions shall be tried in the federal or state courts serving Irving, Texas to the exclusion of all other courts.

**Entire Agreement**

This Award Notice and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof, and except as provided herein, may not be modified adversely to your interest except by means of a writing signed by you and the Company.

**Acceptance of Award**

You are required to electronically accept this Award Notice within your stock plan account with the Company's stock plan administrator according to the procedures then in effect in order to receive the RSU Award. Your acceptance of this Award Notice constitutes acknowledgement of receipt of the Plan and this RSU Award and consent to the terms of the Plan and this Award Notice as described in the Plan and this Award Notice. You have at least 14 calendar days to consider this Award Notice before accepting it, but you may voluntarily waive this period and accept sooner. Please be advised that you may consult with an attorney of your own choosing to seek independent advice before accepting this RSU Award. By accepting this Award Notice, you acknowledge that you have accepted it knowingly and voluntarily and with the full knowledge and understanding of its provisions after being given the opportunity to consult with counsel.

**Notices**

All notices, requests or other communications provided for in this Award Notice shall be made, if to the Company, to Caterpillar Inc., Equity Compensation Administration, 100 N.E. Adams Street, Peoria, IL 61629-4440 (or, if applicable, to any updated address provided by the Company for such purposes), and if to you, to your last known mailing address on file with the Company's stock plan administrator. All notices, requests or other communications provided for in this Award Notice shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mail or (d) by

express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

#### **Confidentiality**

If you disclose or make use of any "confidential information" (as defined below) for your own purpose or for the benefit of any person or entity, except as may be necessary in the ordinary course of your employment with the Company or any of its Subsidiaries, all of your unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited. For this purpose, "confidential information" means information that could cause harm to the Company, its Subsidiaries or its shareholders if disclosed to unauthorized users especially those outside of the Company and its Subsidiaries.

#### **Post-Employment Restrictions**

By accepting this RSU Award, you agree that until 12 months following your termination of employment, you will not directly or indirectly, without the prior written consent of Caterpillar Inc., do any of the following:

- i. solicit any business competitive with any Company business from any person or entity who: (a) was a provider or customer to the Company within the 18 months before your termination of employment date and (b) with whom you had contact to further the Company's business or for whom you performed services, or supervised the provision of services for, during your employment;
- ii. hire, employ, recruit or solicit any employee of or consultant to the Company who possesses confidential information of the Company;
- iii. induce or influence any employee, consultant, customer or provider to the Company to terminate his, her or its employment or other relationship with the Company;
- iv. engage or participate in, or in any way render services or assistance to, any business that competes, directly or indirectly, with any Company product or service that you participated in, engaged in, or had confidential information regarding, in any geographic territory over which you had responsibilities, during the 18 months before your termination of employment date; or
- v. assist anyone in any of the activities listed above.

If you engage in any of the activities listed above without the prior written consent of Caterpillar Inc. within the first 12 months following your termination of employment, all unvested RSUs subject to this RSU Award will lapse and shall be immediately forfeited. For avoidance of doubt, any RSUs that would have otherwise vested upon achievement of the Performance Goals following your termination of employment due to Long Service Separation shall be forfeited.

The post-employment restrictions above shall not apply to you and will not be enforced by the Company to the extent any laws, rules, codes of professional responsibility or conduct, professional standards or regulations applicable to you and your employment with the Company prohibit such restrictions.

If you reside or work in the State of California, only subsection (ii) above is applicable to you. If you reside or work in the State of Colorado, you further acknowledge that the Company provided you with a separate notice advising you of the above post-employment restrictions in accordance with CRS § 8-2-113.

If you reside or work in the District of Columbia, the District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

For purposes of this Post-Employment Restrictions section, "Company" also includes each and all of the Company's parents, Subsidiaries, and affiliates.



**Further Information**

For more detailed information about the Plan, please refer to the Plan prospectus or the Plan itself. Copies of these documents can be obtained on the Company's intranet site. If you do not have intranet access or have any questions regarding the administration of Caterpillar's equity compensation program, please contact [executivecompensation@cat.com](mailto:executivecompensation@cat.com).

Caterpillar: Confidential Green

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## **Appendix A**

### **Performance-Based Restricted Stock Unit Award**

**Grant Date:** %%OPTION\_DATE,'Month DD, YYYY'%%-%

**Grant Number:** %%OPTION\_NUMBER%%-%

**Performance Period Start Date:** %%GRANT\_USER\_DEFINED\_FIELD\_11%%-%

**Performance Period End Date:** %%GRANT\_USER\_DEFINED\_FIELD\_12%%-%

This Appendix A sets forth how the number of RSUs that will become eligible to vest on the Vesting Date will be determined. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and this Award Notice.

#### **Determination of RSUs Eligible for Vesting**

The number of RSUs eligible to vest on the Vesting Date shall be determined based on [ ].

### CONSULTING AGREEMENT

This Consulting Agreement (this "**Agreement**"), consisting of 5 pages, is entered into this 29<sup>th</sup> day of January, 2024, (the "Effective Date"), by and between **Suzette M. Long** ("**Consultant**") and **Caterpillar Inc.**, with its principal executive offices at 5205 N. O'Connor Blvd, Suite 100, Irving, Texas 75039 ("**Caterpillar**").

1. Services. During the time period beginning on the Effective date and ending on December 31, 2024 (the "**Consulting Period**"), Consultant agrees to perform certain services (the "**Services**") for Caterpillar, all as determined and directed from time to time by Caterpillar's Chairman & Chief Executive Officer. The Consulting Period may be extended by written agreement by both Consultant and Caterpillar.
2. Fee. In consideration for Consultant's performance of the Services, Caterpillar shall pay Consultant an aggregate fee of USD 30,000 (the "**Fee**"), payable monthly until expiration of the Consulting Period. Consultant shall be solely responsible to pay any and all taxes, including income tax, that may be payable in connection with the Fee. Caterpillar shall reimburse Consultant for reasonable expenses incurred for Caterpillar requested travel and other services in accordance with the Company's expense reimbursement policies; and upon Consultant submitting valid receipts for such expenses to the undersigned at the Caterpillar address listed above.
3. Caterpillar Confidential Information.
  - a. In association with the Services, Caterpillar may disclose certain business and technical information that Caterpillar considers to be confidential ("**Caterpillar Confidential Information**"). Caterpillar Confidential Information includes all business or technical information disclosed to Consultant, directly or indirectly, in writing, orally or visually, but does not include information that:
    - i. Was already in Consultant's possession prior to its receipt from Caterpillar without restriction on its use or disclosure;
    - ii. Is or becomes available to the general public through no act or fault of Consultant; or
    - iii. Is rightfully disclosed to Consultant by a third party without restriction on its use or disclosure.
  - b. Caterpillar makes no representation or warranty, express or implied, as to the accuracy of any information provided. Nothing in this Agreement shall be construed as granting or conferring to Consultant any rights by license or otherwise, either expressly or by implication, to the Caterpillar Confidential Information or any Caterpillar owned intellectual property.
  - c. Nothing contained in this Agreement shall prohibit Consultant from using any of Consultant's general knowledge or knowledge acquired under the Agreement to perform similar services for others (the "**Prior Works**"); provided, however, that in providing services to others, Consultant shall not use any of Caterpillar's Confidential Information, Caterpillar business methods, processes or any other Caterpillar information obtained under the Agreement.
4. Protection of Caterpillar Confidential Information. Consultant will: (i) take all necessary steps to protect any Caterpillar Confidential Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of like kind and accord

Caterpillar Confidential Information received by it from Caterpillar with the same degree of confidential treatment that it accords its similar proprietary and confidential business and technical information, which shall not be less than the care a reasonable business person would exercise under similar circumstances; and (ii) unless and until instructed in writing to the contrary by Caterpillar, Consultant shall neither: (a) use any Caterpillar Confidential Information except to conduct business with or on behalf of Caterpillar; nor (b) disclose or provide access to any of such Caterpillar Confidential Information to any person or company. Consultant shall, at the request of Caterpillar, return or destroy any media containing any Caterpillar Confidential Information.

5. Permitted Activities. Nothing in this Agreement shall prohibit or impede Consultant from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "Governmental Entity") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided that in each case such communications and disclosures are consistent with applicable law. Consultant understands and acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Consultant understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance will Consultant be authorized to disclose any information covered by attorney-client privilege or attorney work product of the Company or its affiliates without prior written consent of the Company's Chief Legal Officer and General Counsel or other officer designated by the Company. Consultant does not need the prior authorization of (or to give notice to) the Company regarding any communication, disclosure or activity permitted by this paragraph.
6. Compliance with Laws, Caterpillar Policies
  - a. Consultant agrees to perform the Services in full compliance with all applicable laws, regulations, orders, and other governmental requirements.
  - b. Consultant hereby acknowledges that, in performing the Services, he may be the recipient of material nonpublic information about Caterpillar. Consultant hereby agrees to comply with all applicable Caterpillar policies and procedures, including, without limitation, Caterpillar's Insider Trading Policy.
  - c. Consultant will not, directly or indirectly, without Caterpillar's prior written consent, do any of the following:
    - i. Solicit any business competitive with any Caterpillar business from any person or entity who: (a) was a provider or customer within the 18 months before the Effective Date and (b) with whom Consultant had contact to further Caterpillar's business or for whom Consultant performed services, or supervised the provision of services for;

- ii. Hire, employ, recruit or solicit any Caterpillar employee or consultant who possesses Caterpillar Confidential Information;
  - iii. Induce or influence any Caterpillar employee, consultant, customer or provider to terminate his, her or its employment or other relationship with Caterpillar;
  - iv. Engage or participate in, or in any way render services or assistance to, any business that competes, directly or indirectly, with any Caterpillar product or service that Consultant participated in, engaged in, or had Caterpillar Confidential Information regarding, in any geographic territory over which Consultant had responsibilities while employed by Caterpillar, during the 18 months before the Effective Date;
  - v. Assist anyone in any of the activities listed above.
- d. Consultant may serve as a director or otherwise seek and accept employment with any business that is not a direct competitor to Caterpillar with the understanding that should Consultant gain employment at other employers in the future, that Caterpillar has conflict of interest guidelines in effect that may impact its purchasing relationships and practices with such possible employers, as stated in Caterpillar's Purchasing Practices No. 49.
7. No Disclosure. Consultant shall not disclose to Caterpillar any confidential or proprietary information unless and until a separate written agreement has been entered into by Consultant and Caterpillar governing the terms and scope of such disclosure. Absent that written agreement, Caterpillar is under no obligation to keep any information provided by Consultant confidential no matter how marked and no matter any verbal indication of confidentiality by Consultant.
8. Prior Works. Consultant reserves all right, title and interest in and to any of the Prior Works that Consultant shall use in the performance of Services for Caterpillar. Consultant hereby grants Caterpillar a non-exclusive, worldwide, royalty-free, perpetual license (with right to sublicense) to use, make, sell, offer for sale, import, reproduce, distribute, display and create derivative works of any Prior Works utilized during the performance of Services.
9. Use of Caterpillar Materials in Performance of Services
- a. As used in this Agreement: "**Materials**" means any of the following in any form or media: (i) formulae, algorithms, processes, procedures and methods, (ii) designs, ideas, concepts, research, discoveries, formulations, inventions (whether or not patentable or reduced to practice) and invention disclosures, (iii) know how, trade secrets and proprietary information and methodologies, (iv) technology, (v) computer software (in both object and source code form), (vi) databases, (vii) expressions, works and factual and other compilations, (viii) protocols and specifications, (ix) visual, audio and audiovisual works (including art, illustrations, graphics, images, music, sound effects, recordings, lyrics, narration, text, animation, characters, designs and all other audio, visual, audiovisual and textual content), and (x) records of each of the foregoing, including documentation, design documents and analyses, studies, programming tools, plans, models, flow charts, reports, letters, memoranda and drawings.
  - b. Any Materials provided by Caterpillar to Consultant in connection with the performance of the Services will remain the sole and exclusive property of Caterpillar, other Caterpillar entities or their licensors, as applicable. After the termination of the Agreement, Consultant shall promptly return all such Materials to Caterpillar.

- c. All rights of ownership, including, but not limited to, the ownership of all copyrights, granted to Caterpillar in Section 9 shall include all drafts, notes and other preparatory documents, whether or not such drafts, notes and other preparatory documents have actually been physically delivered to Caterpillar.
  - d. Consultant shall execute all papers and perform such other proper acts as Caterpillar may deem necessary to perfect the rights, interests and titles granted under the Agreement without any additional fee, charge or compensation to Caterpillar but at the expense of Caterpillar.
10. No Use of Caterpillar Marks. Consultant shall not use trademarks, service marks, other designations or logos owned by Caterpillar, translations thereof or marks similar thereto, as part of its corporate name, trade name, d/b/a name, in the context of a domain name, in advertising, publicity, promotion, marketing, or any other activity except upon the prior written permission of Caterpillar.
11. Limitation of Liability. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, exemplary, punitive or reliance damages arising out of this Agreement or the Services on any theory of Liability, even if such party is advised of the possibility of such damages. Each party shall indemnify, defend, and hold harmless the other party, along with its affiliates, directors, officers, employees and agents from and against any and all suits, claims, demands, losses, damages, costs and expenses of any nature whatsoever, including without limitation litigation expenses, attorney's fees and liabilities incurred in connection therewith arising out of: (i) injury to, or death of, any person whatsoever or damage to property of any kind by whomever owned, caused in whole or in part by the acts or omissions of the party, any of its members, employees, agents or other persons directly or indirectly employed by, engaged by, or associated with the party; (ii) any third party claim arising from or related to any breach by a party of a representation, warranty, obligation, or covenant contained herein; (iii) this Agreement; or (iv) the party's participation in the Services.
12. Insurance. Consultant shall at all times maintain appropriate insurance coverage.
13. Relationship. Consultant's relationship to Caterpillar hereunder is one of independent contractor and nothing contained in this Agreement shall be construed to imply that Consultant is an employee or agent of Caterpillar for any purpose. Consultant shall have no right, power, or authority to create any obligation, expressed or implied, or to make any representation on behalf of Caterpillar. Consultant shall not use in advertising, publicity, promotion, marketing, or other activity, the existence of this Agreement, the work performed, or any name, trade name, trademark, service mark or other designation of, or owned by, Caterpillar.
14. Termination. This Agreement shall automatically terminate upon the expiration of the Consulting Period, provided, however, that either Party may terminate this Agreement upon written notice, effective as of the last day of the calendar month during which notice is given.
15. Miscellaneous.
- a. Consultant may not assign its obligations or engage others under this Agreement without Caterpillar providing prior written consent.
  - b. Consultant represents and warrants that the execution of this Agreement and performance of its obligations hereunder do not and will not violate any agreement to which it is a party or by which it is otherwise bound.

- c. Any dispute arising out of or in connection with this Agreement shall be governed by and construed under the laws of the State of Texas, without regard to conflict of laws principles thereof.
- d. Paragraphs 2 – 14 shall survive termination of this Agreement.

\*\*\*\*SIGNATURES OF THE PARTIES APPEAR ON THE FOLLOWING PAGE\*\*\*\*

**AGREED AND ACCEPTED**

**Consultant:**

**By: /s/ Suzette M. Long  
(Signature)**

**Name: Suzette M. Long  
(Print)**

**Date: 1/29/2024**

**Caterpillar:**

**By: /s/ Derek Owens  
(Signature)**

**Name: Derek Owens  
(Print)**

**Title: Chief Legal Officer & General Counsel**

**Date: 1/29/2024**

## SECTION 302 CERTIFICATION

I, D. James Umpleby III, 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.

May 1, 2024

/s/ D. James Umpleby III

Chief Executive Officer

D. James Umpleby III



## SECTION 302 CERTIFICATION

I, Andrew R.J. Bonfield, 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.

May 1, 2024

/s/ Andrew R.J. Bonfield

Chief Financial Officer

Andrew R.J. Bonfield

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Caterpillar Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 1, 2024      /s/ D. James Umpleby III      Chief Executive Officer  
D. James Umpleby III

May 1, 2024      /s/ Andrew R.J. Bonfield      Chief Financial Officer  
Andrew R.J. Bonfield

A signed original of this written statement required by Section 906 has been provided to Caterpillar Inc. and will be retained by Caterpillar Inc. and furnished to the Securities and Exchange Commission or its staff upon request.