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Fourth Quarter and Full Year 2022 Financial Review

January 31, 2023

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Forward-Looking Statements

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

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

A reconciliation of non-GAAP financial information can be found in our press release describing fourth-quarter 2022 financial results which is available on our website at www.caterpillar.com/earnings.

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Strong Performance

4Q 2022 EARNINGS RELEASE

THANK YOU
TO OUR
GLOBAL TEAM

HEALTHY DEMAND
ACROSS MOST
END MARKETS

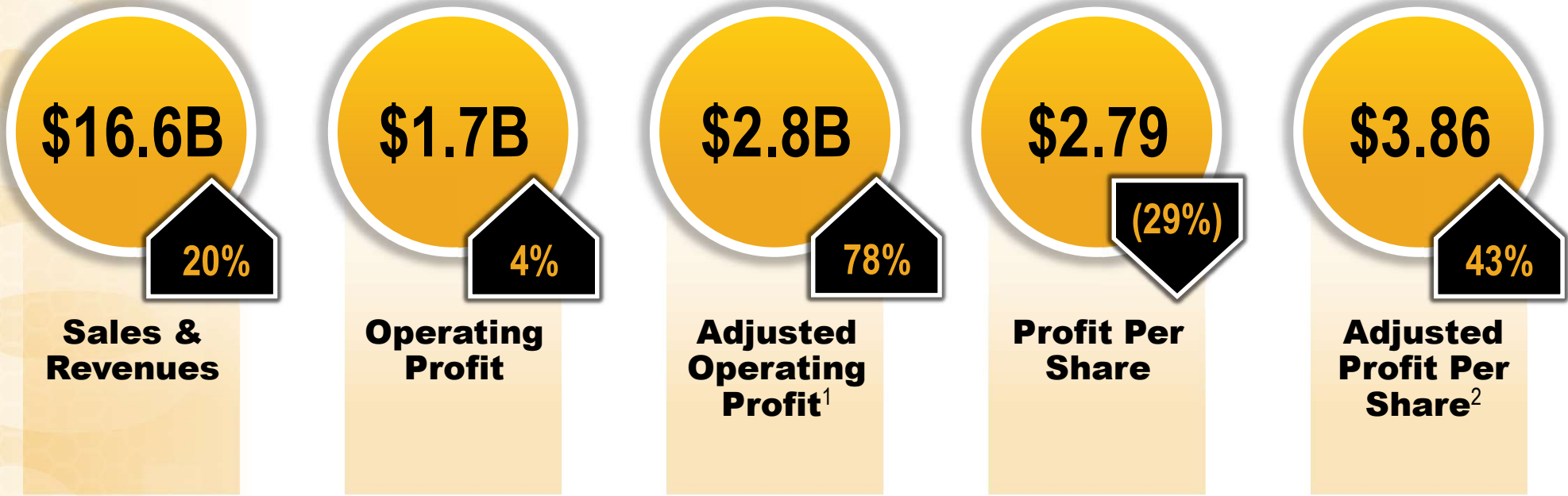
EXECUTING OUR
STRATEGY FOR
LONG-TERM
PROFITABLE
GROWTH

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Key Takeaways

Fourth Quarter 2022 vs Fourth Quarter 2021



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

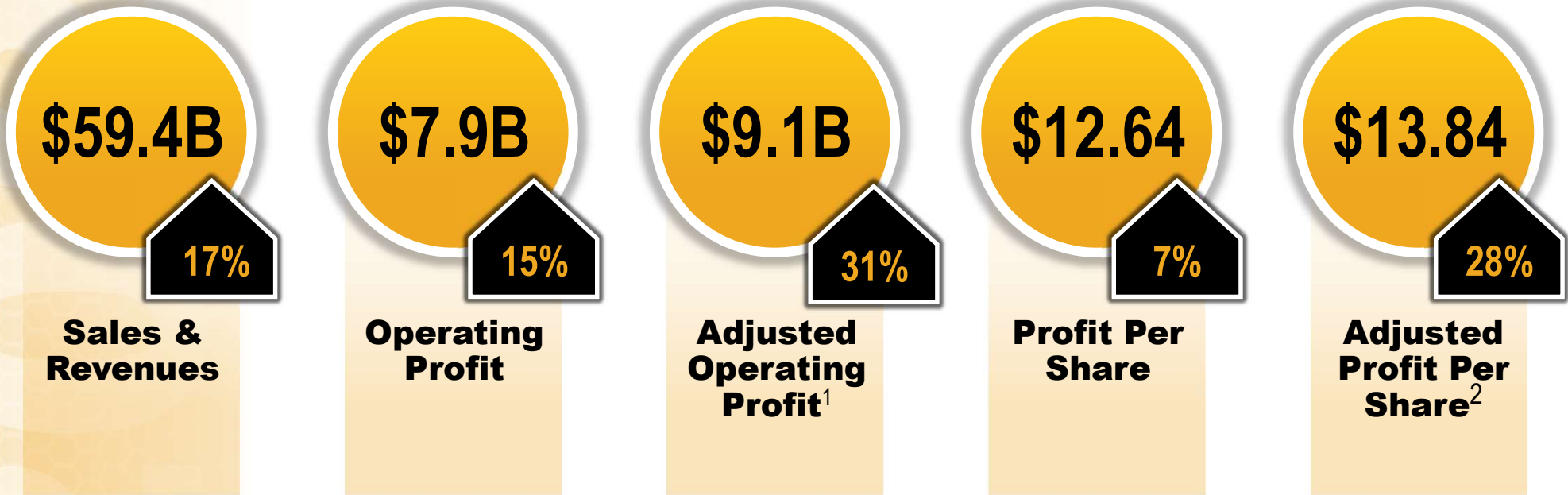
² Fourth-Quarter 2022 adjusted PPS excluded a goodwill impairment charge of \$1.71 per share, mark-to-market gains for remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.93 per share and restructuring expenses of \$0.29 per share. Fourth-Quarter 2021 adjusted PPS excluded mark-to-market gains for remeasurement of pension and OPEB plans of \$1.19 per share and restructuring income of \$0.03 per share.

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Key Takeaways

Full Year 2022 vs Full Year 2021



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

² 2022 adjusted PPS excluded a goodwill impairment charge of \$1.68 per share, mark-to-market gains for remeasurement of pension and OPEB plans of \$0.91 per share and restructuring expenses of \$0.43 per share. 2021 adjusted PPS excluded mark-to-market gains for remeasurement of pension and OPEB plans of \$1.17 per share and restructuring expenses of \$0.15 per share.

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ME&T Free Cash Flow¹ and Capital Deployment

4Q 2022 EARNINGS RELEASE

\$5.8B

2022 ME&T Free Cash Flow¹

In line with ME&T FCF¹ targets² for full year

\$6.7B

Returned to Shareholders in 2022

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

29 years

Dividend Aristocrat

Paid higher annual dividends to shareholders for 29 consecutive years

¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions and cash payments related to settlements with the U.S. Internal Revenue Service.

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

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End Market Commentary

4Q 2022 EARNINGS RELEASE



CONSTRUCTION INDUSTRIES



RESOURCE INDUSTRIES



ENERGY & TRANSPORTATION

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Sustainability

4Q 2022 EARNINGS RELEASE

First battery electric
large mining
truck prototype



Expanding autonomy to
Quarry & Aggregates



* Logos are registered trademarks of the companies listed on the screen

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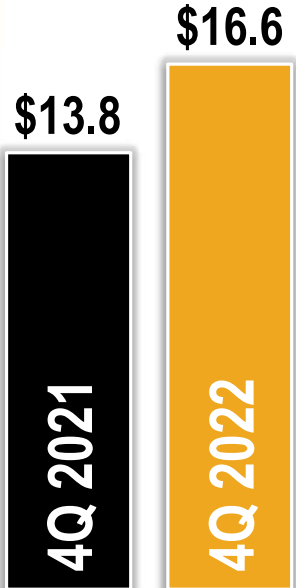
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Financial Results Summary

Fourth Quarter 2022 vs Fourth Quarter 2021

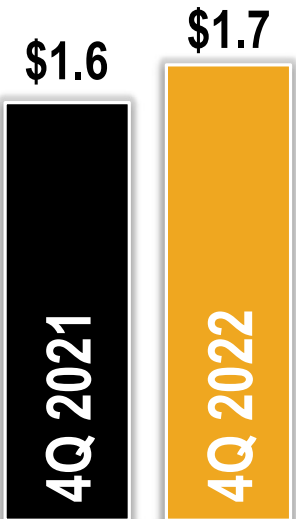
SALES & REVENUES

(in billions of dollars)



OPERATING PROFIT

(in billions of dollars)



ADJUSTED PROFIT PER SHARE¹

(in dollars)



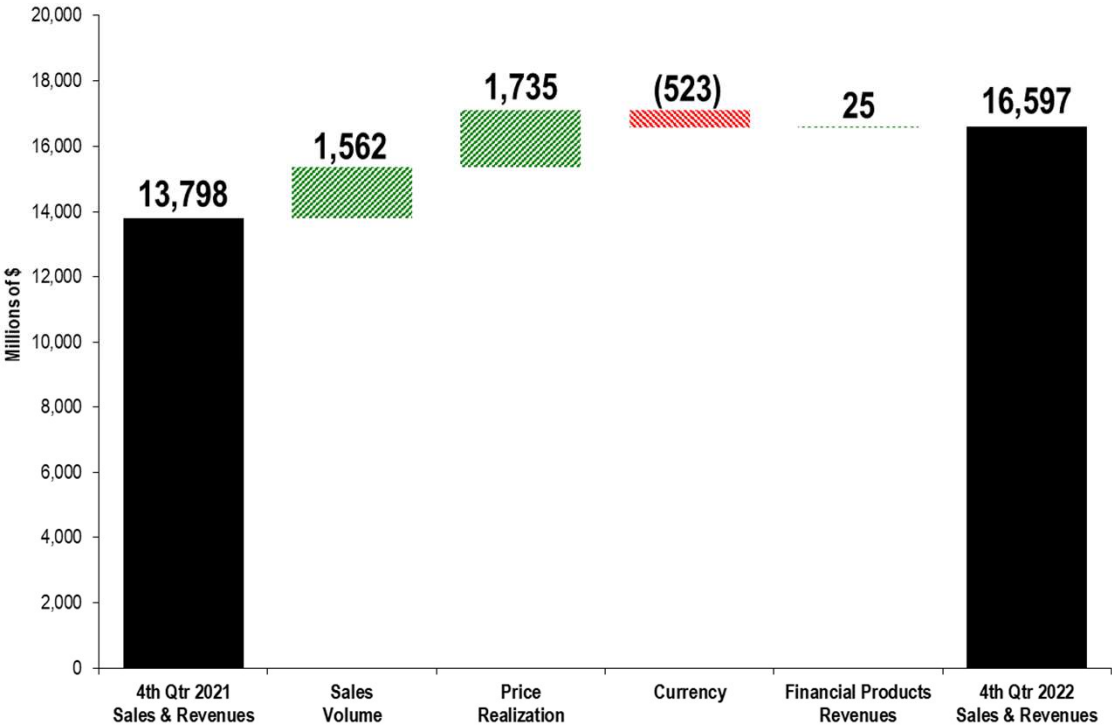
¹Fourth-Quarter 2022 adjusted PPS excluded a goodwill impairment charge of \$1.71 per share, mark-to-market gains for remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.93 per share and restructuring expenses of \$0.29 per share. Fourth-Quarter 2021 adjusted PPS excluded mark-to-market gains for remeasurement of pension and OPEB plans of \$1.19 per share and restructuring income of \$0.03 per share.

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Consolidated Sales and Revenues

Fourth Quarter 2022 vs Fourth Quarter 2021



4th Quarter Highlights

Sales & Revenues Increased \$2.8B or 20%

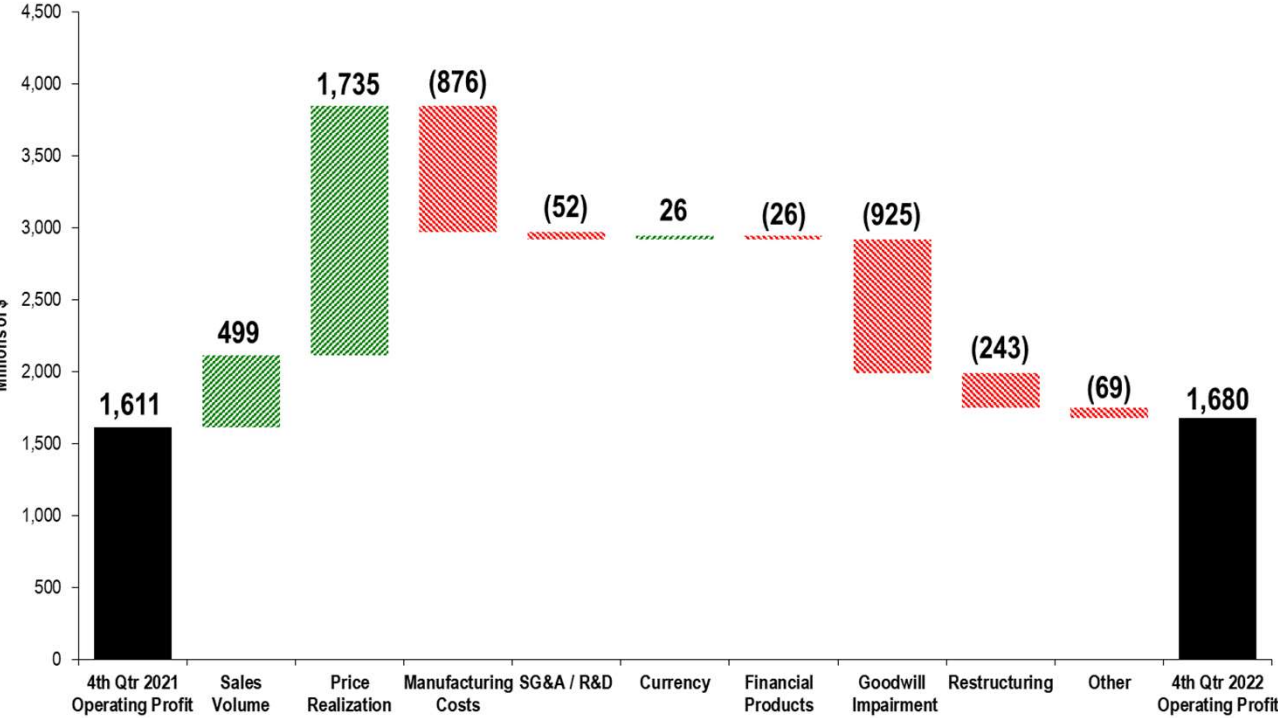
- Sales increased across the three primary segments
- Favorable impact from price realization and higher sales volume
- Partially offset by currency impacts

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Consolidated Operating Profit

Fourth Quarter 2022 vs Fourth Quarter 2021



4th Quarter Highlights

Operating Profit Increased \$69M or 4%

- Favorable price realization and increased sales volume
- Mostly offset by a goodwill impairment charge, higher manufacturing costs and restructuring expenses
- Unfavorable manufacturing costs reflected higher material costs, unfavorable cost absorption and period manufacturing costs

Operating Profit Margin of 10.1%

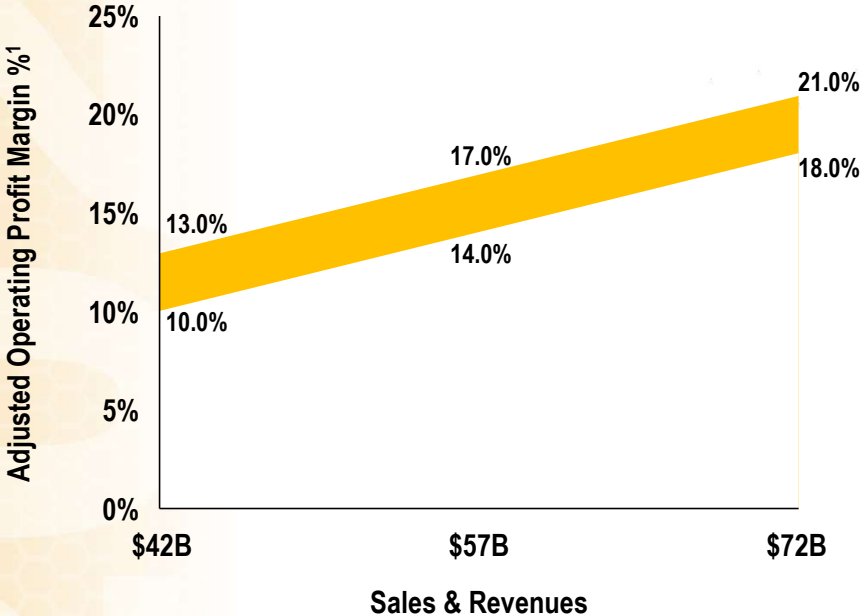
Adjusted Operating Profit Margin¹ of 17.0%

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

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2023 Adjusted Operating Profit Margin¹ Target



- Progressive adjusted operating profit margin¹ targets
- Updating curve for extraordinary inflation
- Curve reflects ~9% global inflation² for 2022
- Sales range updated from \$39-66B to \$42-72B
- Adjusted operating profit margin¹ range unchanged 10-13% at bottom and 18-21% at top

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

² Source: IMF.org; Projected 8.8% global inflation rate for full year 2022, average consumer prices.

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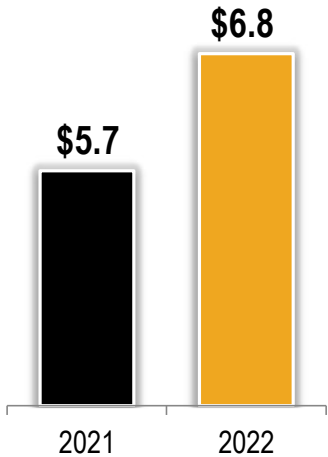


Construction Industries

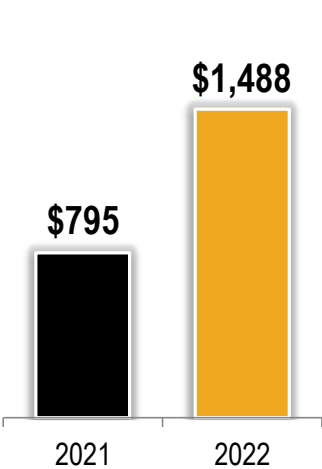
Fourth Quarter 2022 vs Fourth Quarter 2021

4Q 2022 EARNINGS RELEASE

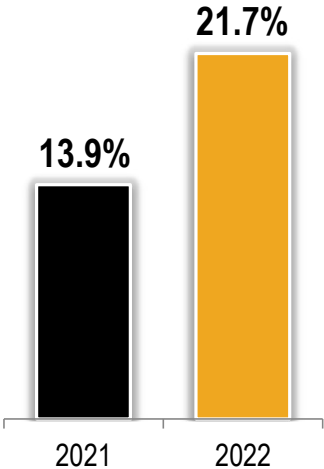
Total Sales*
(in billions of dollars)



Segment Profit
(in millions of dollars)



Segment Profit
as a percent of total sales*



* Includes inter-segment sales.

4th Quarter Highlights

Total Sales Increased \$1,109M or 19%

- **North America** – Favorable price realization and higher volume
- **Latin America** – Favorable price realization and higher volume
- **EAME** – Favorable price realization and higher volume, partially offset by unfavorable currency impacts
- **Asia/Pacific** – Unfavorable currency impacts and lower volume, partially offset by favorable price realization

Segment Profit Increased \$693M or 87%

- Favorable price realization and higher sales volume
- Partially offset by higher material costs, unfavorable cost absorption and increased freight

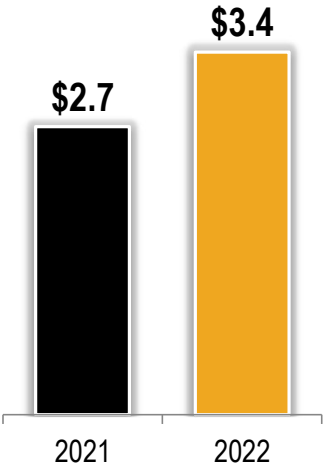
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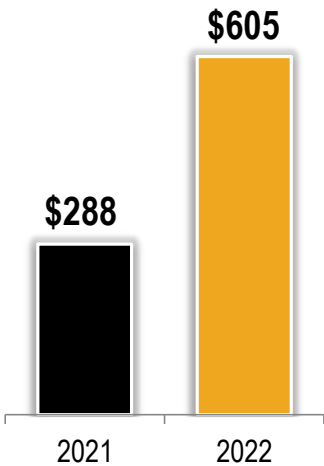
Resource Industries

Fourth Quarter 2022 vs Fourth Quarter 2021

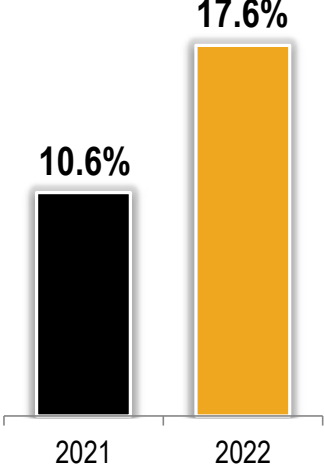
Total Sales*
(in billions of dollars)



Segment Profit
(in millions of dollars)



Segment Profit
as a percent of total sales*



* Includes inter-segment sales.

4th Quarter Highlights

Total Sales Increased \$717M or 26%

- Favorable price realization and higher sales volume

Segment Profit Increased \$317M or 110%

- Favorable price realization and higher sales volume
- Partially offset by increased material costs, freight and higher manufacturing costs

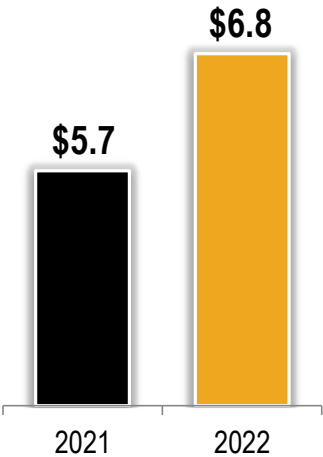
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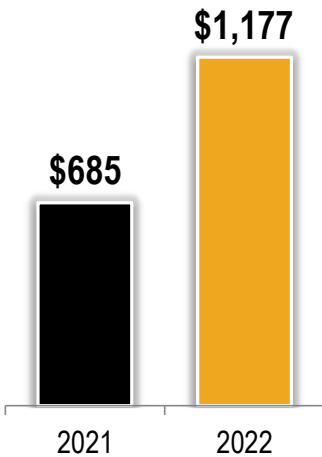
Energy & Transportation

Fourth Quarter 2022 vs Fourth Quarter 2021

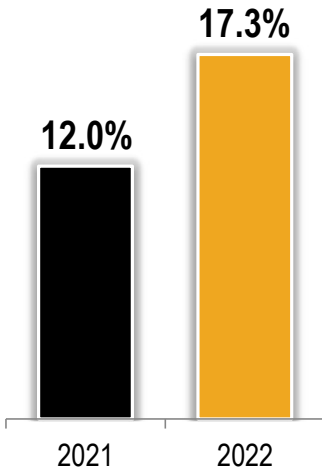
Total Sales*
(in billions of dollars)



Segment Profit
(in millions of dollars)



Segment Profit
as a percent of total sales*



* Includes inter-segment sales.

4th Quarter Highlights

Total Sales Increased \$1,095M or 19%

- **Oil and Gas** – Increase in turbines and turbine-related services, reciprocating engines and aftermarket parts
- **Power Generation** – Increase in reciprocating engines and turbine and turbine-related services
- **Industrial** – Increase in sales across all regions
- **Transportation** – Increase in marine applications, reciprocating engine aftermarket parts and rail services; these increases were partially offset by lower deliveries of locomotives

Segment Profit Increased \$492M or 72%

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

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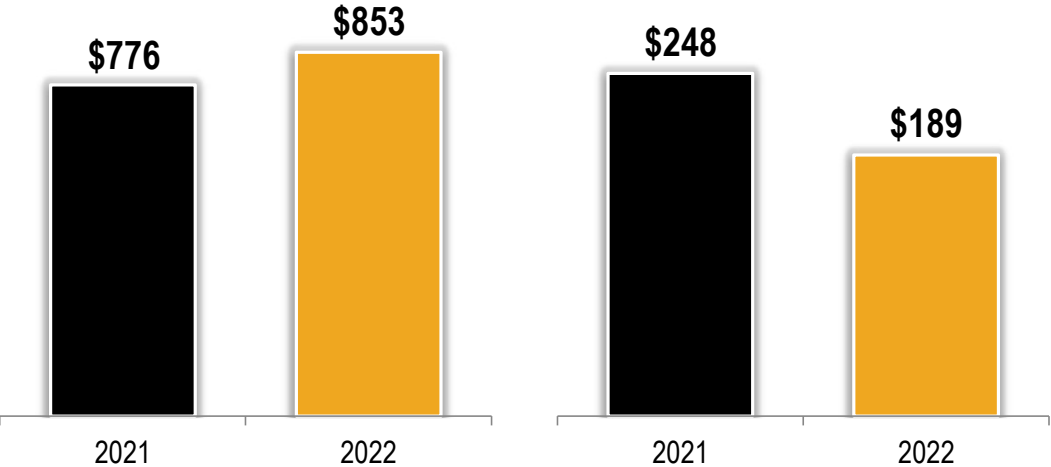


Financial Products

Fourth Quarter 2022 vs Fourth Quarter 2021

Total Revenues*
(in millions of dollars)

Segment Profit
(in millions of dollars)



* Includes inter-segment revenues.

4th Quarter Highlights

Total Revenues Increased \$77M or 10%

- Higher average financing rates across all regions

Segment Profit Decreased (\$59M) or (24%)

- Higher provision for credit losses and unfavorable impacts from equity securities

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ME&T Free Cash Flow¹ and Capital Deployment



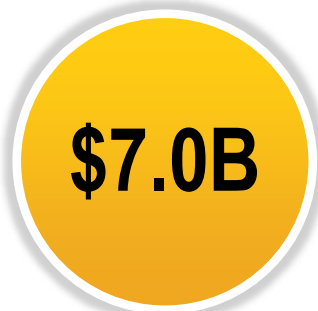
**4Q ME&T
Free Cash Flow¹**

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



**Returned to
Shareholders in 4Q 2022**

Through share repurchases
and dividends



**Enterprise Cash
Balance**

Liquidity remains strong

¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions and cash payments related to settlements with the U.S. Internal Revenue Service.

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Key Thoughts For Full-Year 2023

- Expect sales in 2023 to increase versus 2022 supported by favorable price
- Expect stronger sales to users in 2023 and no significant change in dealer inventory¹ by year-end
- Expect 2023 adj. operating profit² to increase versus 2022 and to be within our 2023 adj. operating profit² margin range³
- Expect price to more than offset manufacturing costs
- Anticipate increases in SG&A and R&D as we continue to invest in strategic initiatives
- Increased pension expenses in other income (expense) of about \$80M per quarter in 2023
- Restructuring expense expected to be about \$700 million
- Capex of about \$1.5 billion
- Estimated global tax rate of about 23%, excluding discrete items

¹ Dealers are independent businesses and control their own inventory.

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

³ 2023 adjusted operating profit margin target communicated during 4Q 2022 earnings call. Refer to slide 12 for more detail.

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Key Takeaways

4Q 2022 EARNINGS RELEASE

**STRONG FINANCIAL
PERFORMANCE**
IN 2022

**\$3.0B IN
ME&T FREE
CASH FLOW¹ IN
4Q 2022**

**SERVICES
REVENUES²
INCREASED TO
\$22 BILLION
IN 2022**

EXECUTING OUR STRATEGY
FOR LONG-TERM
**PROFITABLE
GROWTH**

¹ ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions and cash payments related to settlements with the U.S. Internal Revenue Service.

² ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

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Q&A

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2023 Caterpillar Earnings Call Schedule

4Q 2022 EARNINGS RELEASE

Earnings Quarter	Release Date	Call Time
1 st Quarter 2023	Thursday, April 27, 2023	8:30 a.m. Eastern
2 nd Quarter 2023	Tuesday, August 1, 2023	8:30 a.m. Eastern
3 rd Quarter 2023	Tuesday, October 31, 2023	8:30 a.m. Eastern

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Dealer Inventory and Order Backlog

Dealer Inventories¹	Increased	Decreased	Favorable
	\$0.7B	\$0.1B	\$0.8B
	4Q 2022 vs. 3Q 2022	4Q 2021 vs. 3Q 2021	4Q 2022 Impact on Total Sales

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

Order Backlog	Increased	Increased	Increased
	\$0.4B	\$1.6B	\$7.4B
	4Q 2022 vs. 3Q 2022	3Q 2022 vs. 2Q 2022	4Q 2022 vs. 4Q 2021

ME&T Services²	\$14B	\$18B	\$18B	\$16B	\$19B	\$22B
	2016 Baseline	2018	2019	2020	2021	2022

²ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

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Non-GAAP Financial Measures

4Q 2022 EARNINGS RELEASE

(Dollars in millions except per share data)

	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate	Profit	Profit per Share
Three Months Ended December 31, 2022 - U.S. GAAP	\$ 1,680	10.1 %	\$ 2,099	\$ 644	30.7 %	\$ 1,454	\$ 2.79
Goodwill impairment	925	5.6 %	925	36	3.9 %	889	1.71
Restructuring (income) costs	209	1.3 %	209	59	28.2 %	150	0.29
Pension/OPEB mark-to-market (gains) losses	—	— %	(606)	(124)	20.5 %	(482)	(0.93)
Three Months Ended December 31, 2022 - Adjusted	\$ 2,814	17.0 %	\$ 2,627	\$ 615	23.4 %	\$ 2,011	\$ 3.86
Three Months Ended December 31, 2021 - U.S. GAAP	\$ 1,611	11.7 %	\$ 2,562	\$ 429	16.7 %	\$ 2,120	\$ 3.91
Restructuring (income) costs	(34)	(0.2)%	(34)	(15)	44.1 %	(19)	(0.03)
Pension/OPEB mark-to-market (gains) losses	—	— %	(833)	(190)	22.8 %	(643)	(1.19)
Three Months Ended December 31, 2021 - Adjusted	\$ 1,577	11.4 %	\$ 1,695	\$ 224	13.2 %	\$ 1,458	\$ 2.69
Twelve Months Ended December 31, 2022 - U.S. GAAP	\$ 7,904	13.3 %	\$ 8,752	\$ 2,067	23.6 %	\$ 6,705	\$ 12.64
Goodwill impairment	925	1.6 %	925	36	3.9 %	889	1.68
Restructuring (income) costs	299	0.5 %	299	72	24.0 %	227	0.43
Pension/OPEB mark-to-market (gains) losses	—	— %	(606)	(124)	20.5 %	(482)	(0.91)
Twelve Months Ended December 31, 2022 - Adjusted	\$ 9,128	15.4 %	\$ 9,370	\$ 2,051	21.9 %	\$ 7,339	\$ 13.84
Twelve Months Ended December 31, 2021 - U.S. GAAP	\$ 6,878	13.5 %	\$ 8,204	\$ 1,742	21.2 %	\$ 6,489	\$ 11.83
Restructuring (income) costs	90	0.2 %	90	4	4.4 %	86	0.15
Pension/OPEB mark-to-market (gains) losses	—	— %	(833)	(190)	22.8 %	(643)	(1.17)
Twelve Months Ended December 31, 2021 - Adjusted	\$ 6,968	13.7 %	\$ 7,461	\$ 1,556	20.9 %	\$ 5,932	\$ 10.81

Note: Amounts may not add due to rounding.

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Reconciliation to U.S. GAAP

4Q 2022 EARNINGS RELEASE

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

(USD in billions)	2021	2022
ME&T cash flow from operations	\$ 7.2	\$ 6.4
ME&T capital expenditures	(1.1)	(1.3)
Payments made related to settlements with IRS	-	0.7
ME&T free cash flow	\$ 6.0	\$ 5.8

Note: Amounts may not add due to rounding.

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

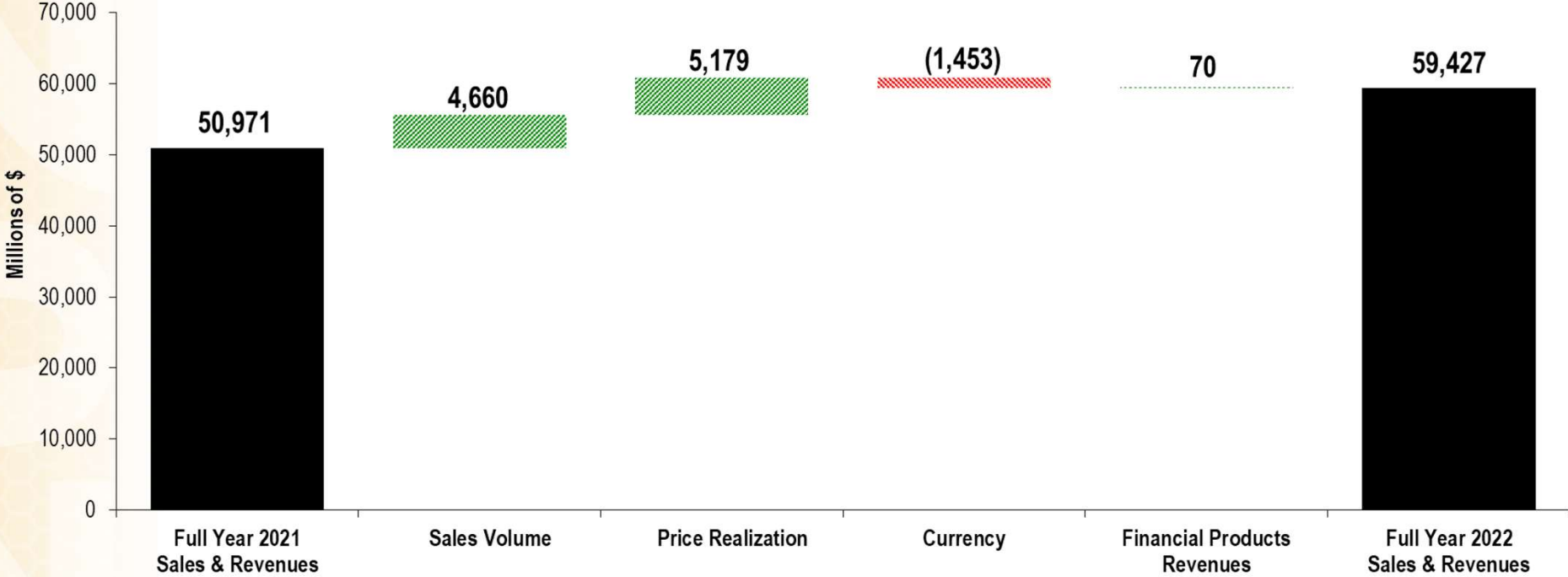
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Consolidated Full Year Sales and Revenues

4Q 2022 EARNINGS RELEASE

Full Year 2022 vs Full Year 2021



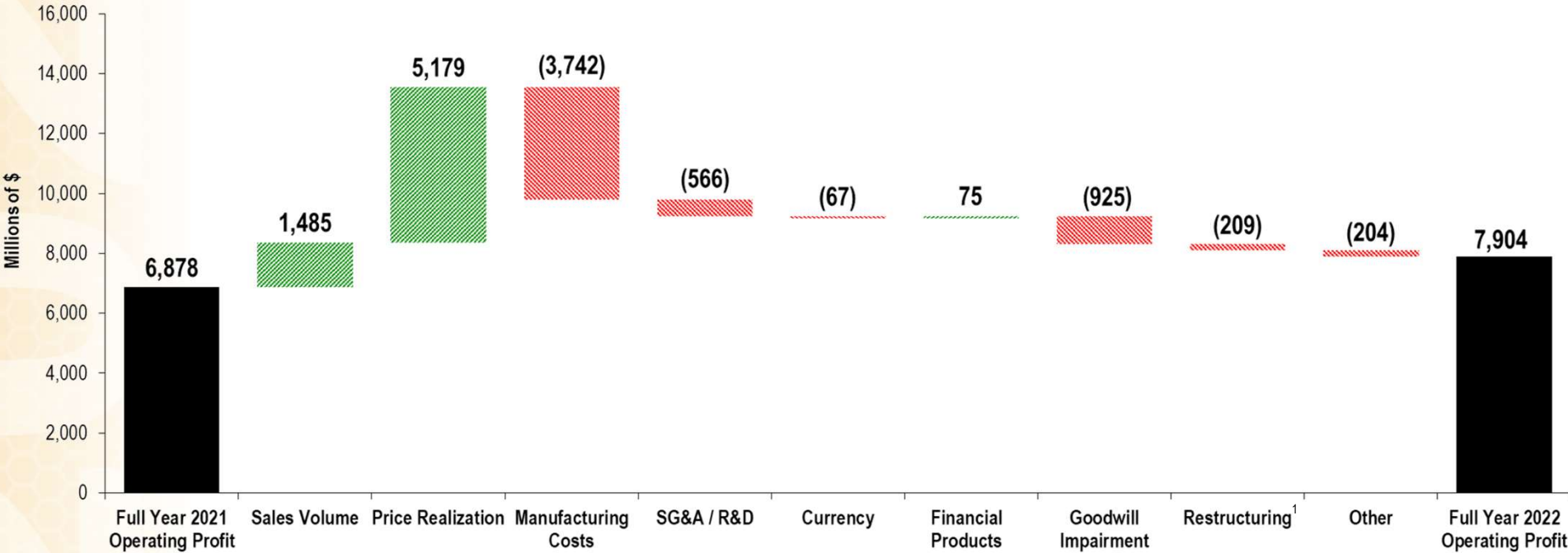
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Consolidated Full Year Operating Profit

Full Year 2022 vs Full Year 2021

4Q 2022 EARNINGS RELEASE



¹ Includes restructuring expenses for both ME&T and Financial Products

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