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 September 30, 2026

OR

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

For the transition period from to

Commission File Number: 1-768

CATERPILLAR INC.

(Exact name of registrant as specified in its charter)

Delaware	**37-0602744**
(State or other jurisdiction of incorporation)	(IRS Employer I.D. No.)
5205 N. O'Connor Boulevard, Suite 100, Irving, Texas	**75039**
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 September 30, 2026, 457,594,174 shares of common stock of the registrant were outstanding.

Table of Contents

Part I. Financial Information		
Item 1.	Financial Statements	3
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	52
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	84
Item 4.	Controls and Procedures	84
Part II. Other Information		
Item 1.	Legal Proceedings	85
Item 1A.	Risk Factors	85
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	85
Item 3.	Defaults Upon Senior Securities	*
Item 4.	Mine Safety Disclosures	*
Item 5.	Other Information	85
Item 6.	Exhibits	86

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

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended September 30,	
	2026	**2025**
Sales and revenues:		
Sales of Machinery, Power & Energy	$ 19,654	$ 16,726
Revenues of Financial Products	1,028	912
Total sales and revenues	20,682	17,638
Operating costs:		
Cost of goods sold	13,332	11,673
Selling, general and administrative expenses	1,797	1,822
Research and development expenses	596	555
Interest expense of Financial Products	384	346
Other operating (income) expenses	359	190
Total operating costs	16,468	14,586
Operating profit	4,214	3,052
Interest expense excluding Financial Products	129	133
Other income (expense)	135	208
Consolidated profit before taxes	4,220	3,127
Provision (benefit) for income taxes	968	836
Profit of consolidated companies	3,252	2,291
Equity in profit (loss) of unconsolidated affiliated companies	34	8
Profit of consolidated and affiliated companies	3,286	2,299
Less: Profit (loss) attributable to noncontrolling interests	(1)	(1)
Profit [1]	$ 3,287	$ 2,300
Profit per common share	$ 7.16	$ 4.91
Profit per common share – diluted [2]	$ 7.13	$ 4.88
Weighted-average common shares outstanding (millions)		
– Basic	459.1	468.6
– Diluted [2]	460.9	470.8

[1] Profit attributable to common shareholders.
[2] Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

See accompanying notes to Consolidated Financial Statements.

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

	Three Months Ended September 30,	
	2026	**2025**
Profit of consolidated and affiliated companies	$ 3,286	$ 2,299
Other comprehensive income (loss), net of tax (Note 13):		
Foreign currency translation	29	(30)
Pension and other postretirement benefits	—	—
Derivative financial instruments	11	(21)
Available-for-sale securities	(74)	12
Total other comprehensive income (loss), net of tax	(34)	(39)
Comprehensive income	3,252	2,260
Less: comprehensive income (loss) attributable to the noncontrolling interests	(1)	(1)
Comprehensive income attributable to shareholders	$ 3,253	$ 2,261

See accompanying notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2026	**2025**
Sales and revenues:		
Sales of Machinery, Power & Energy	$ 55,708	$ 45,778
Revenues of Financial Products	2,932	2,678
Total sales and revenues	58,640	48,456
Operating costs:		
Cost of goods sold	37,419	31,445
Selling, general and administrative expenses	5,631	5,109
Research and development expenses	1,749	1,586
Interest expense of Financial Products	1,091	1,008
Other operating (income) expenses	1,156	817
Total operating costs	47,046	39,965
Operating profit	11,594	8,491
Interest expense excluding Financial Products	398	375
Other income (expense)	793	399
Consolidated profit before taxes	11,989	8,515
Provision (benefit) for income taxes	2,693	2,056
Profit of consolidated companies	9,296	6,459
Equity in profit (loss) of unconsolidated affiliated companies	131	22
Profit of consolidated and affiliated companies	9,427	6,481
Less: Profit (loss) attributable to noncontrolling interests	(2)	(1)
Profit [1]	$ 9,429	$ 6,482
Profit per common share	$ 20.45	$ 13.76
Profit per common share – diluted [2]	$ 20.36	$ 13.69
Weighted-average common shares outstanding (millions)		
– Basic	461.0	471.3
– Diluted [2]	463.2	473.4

[1] Profit attributable to common shareholders.
[2] Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

See accompanying notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2026	**2025**
Profit of consolidated and affiliated companies	$ 9,427	$ 6,481
Other comprehensive income (loss), net of tax (Note 13):		
Foreign currency translation	(68)	593
Pension and other postretirement benefits	1	(2)
Derivative financial instruments	36	99
Available-for-sale securities	(98)	58
Total other comprehensive income (loss), net of tax	(129)	748
Comprehensive income	9,298	7,229
Less: comprehensive income (loss) attributable to the noncontrolling interests	(2)	(1)
Comprehensive income attributable to shareholders	$ 9,300	$ 7,230

See accompanying notes to Consolidated Financial Statements.

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

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 7,929	$ 9,980
Receivables – trade and other	13,440	10,920
Receivables – finance	11,051	10,649
Prepaid expenses and other current assets	3,200	2,801
Inventories	22,214	18,135
Total current assets	57,834	52,485
Property, plant and equipment – net	16,011	15,140
Long-term receivables – trade and other	3,348	2,142
Long-term receivables – finance	14,402	14,272
Noncurrent deferred and refundable income taxes	2,235	2,882
Intangible assets	409	241
Goodwill	5,905	5,321
Other assets	6,699	6,102
Total assets	$ 106,843	$ 98,585
Liabilities		
Current liabilities:		
Short-term borrowings:		
Financial Products	$ 4,855	$ 5,514
Accounts payable	10,573	8,968
Accrued expenses	6,038	5,587
Accrued wages, salaries and employee benefits	2,663	2,554
Customer advances	5,329	3,314
Dividends payable	—	703
Other current liabilities	3,028	2,798
Long-term debt due within one year:		
Machinery, Power & Energy	36	35
Financial Products	8,144	7,085
Total current liabilities	40,666	36,558
Long-term debt due after one year:		
Machinery, Power & Energy	10,614	10,678
Financial Products	21,552	20,018
Liability for postemployment benefits	3,610	3,838
Other liabilities	8,919	6,175
Total liabilities	85,361	77,267
Commitments and contingencies (Notes 11 and 14)		
Shareholders' equity		
Common stock of $1.00 par value:		
Authorized shares: 2,000,000,000 Issued shares: (9/30/26 and 12/31/25 – 814,894,624) at paid-in amount	6,658	7,181
Treasury stock: (9/30/26 – 357,300,450 shares; 12/31/25 – 349,607,292 shares) at cost	(56,702)	(49,539)
Profit employed in the business	73,428	65,448
Accumulated other comprehensive income (loss)	(1,901)	(1,772)
Noncontrolling interests	(1)	—
Total shareholders' equity	21,482	21,318
Total liabilities and shareholders' equity	$ 106,843	$ 98,585

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
Three Months Ended September 30, 2025						
Balance at June 30, 2025	$ 6,143	$ (47,958)	$ 62,160	$ (1,684)	$ 2	$ 18,663
Profit (loss) of consolidated and affiliated companies	—	—	2,300	—	(1)	2,299
Foreign currency translation, net of tax	—	—	—	(30)	—	(30)
Pension and other postretirement benefits, net of tax	—	—	—	—	—	—
Derivative financial instruments, net of tax	—	—	—	(21)	—	(21)
Available-for-sale securities, net of tax	—	—	—	12	—	12
Common shares issued from treasury stock for stock-based compensation: 348,672	—	19	—	—	—	19
Stock-based compensation expense	71	—	—	—	—	71
Common shares repurchased: 847,999 [1]	—	(362)	—	—	—	(362)
Other	9	(1)	—	—	—	8
Balance at September 30, 2025	$ 6,223	$ (48,302)	$ 64,460	$ (1,723)	$ 1	$ 20,659
Three Months Ended September 30, 2026						
Balance at June 30, 2026	$ 5,654	$ (54,533)	$ 70,141	$ (1,867)	$ (1)	$ 19,394
Profit (loss) of consolidated and affiliated companies	—	—	3,287	—	(1)	3,286
Foreign currency translation, net of tax	—	—	—	29	—	29
Pension and other postretirement benefits, net of tax	—	—	—	—	—	—
Derivative financial instruments, net of tax	—	—	—	11	—	11
Available-for-sale securities, net of tax	—	—	—	(74)	—	(74)
Common shares issued from treasury stock for stock-based compensation: 93,725	(6)	(4)	—	—	—	(10)
Stock-based compensation expense	81	—	—	—	—	81
Common shares repurchased: 2,174,443 [1]	—	(2,148)	—	—	—	(2,148)
Settlement of outstanding authorized accelerated share repurchases	925	—	—	—	—	925
Other	4	(17)	—	—	1	(12)
Balance at September 30, 2026	$ 6,658	$ (56,702)	$ 73,428	$ (1,901)	$ (1)	$ 21,482

[1] See Note 12 for additional information.

See accompanying notes to Consolidated Financial Statements.

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

	Common stock	Treasury stock	Profit employed in the business	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total
Nine Months Ended September 30, 2025						
Balance at December 31, 2024	$ 6,941	$ (44,331)	$ 59,352	$ (2,471)	$ 3	$ 19,494
Profit (loss) of consolidated and affiliated companies	—	—	6,482	—	(1)	6,481
Foreign currency translation, net of tax	—	—	—	593	—	593
Pension and other postretirement benefits, net of tax	—	—	—	(2)	—	(2)
Derivative financial instruments, net of tax	—	—	—	99	—	99
Available-for-sale securities, net of tax	—	—	—	58	—	58
Dividends declared [1]	—	—	(1,374)	—	—	(1,374)
Common shares issued from treasury stock for stock-based compensation: 1,077,027	(53)	13	—	—	—	(40)
Stock-based compensation expense	202	—	—	—	—	202
Common shares repurchased: 11,029,455 [2]	—	(3,950)	—	—	—	(3,950)
Outstanding authorized accelerated share repurchases	(900)	—	—	—	—	(900)
Other	33	(34)	—	—	(1)	(2)
Balance at September 30, 2025	$ 6,223	$ (48,302)	$ 64,460	$ (1,723)	$ 1	$ 20,659
Nine Months Ended September 30, 2026						
Balance at December 31, 2025	$ 7,181	$ (49,539)	$ 65,448	$ (1,772)	$ —	$ 21,318
Profit (loss) of consolidated and affiliated companies	—	—	9,429	—	(2)	9,427
Foreign currency translation, net of tax	—	—	—	(68)	—	(68)
Pension and other postretirement benefits, net of tax	—	—	—	1	—	1
Derivative financial instruments, net of tax	—	—	—	36	—	36
Available-for-sale securities, net of tax	—	—	—	(98)	—	(98)
Dividends declared [1]	—	—	(1,449)	—	—	(1,449)
Common shares issued from treasury stock for stock-based compensation: 1,453,399	(96)	(35)	—	—	—	(131)
Stock-based compensation expense	227	—	—	—	—	227
Common shares repurchased: 9,146,566 [2]	—	(7,070)	—	—	—	(7,070)
Outstanding authorized accelerated share repurchase	(675)	—	—	—	—	(675)
Other	21	(58)	—	—	1	(36)
Balance at September 30, 2026	$ 6,658	$ (56,702)	$ 73,428	$ (1,901)	$ (1)	$ 21,482

[1] Dividends per share of common stock of $3.14 and $2.92 were declared in the nine months ended September 30, 2026 and 2025, respectively.
[2] See Note 12 for additional information.

See accompanying notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30, 2026	2025
Cash flow from operating activities:		
Profit of consolidated and affiliated companies	$ 9,427	$ 6,481
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization	1,826	1,664
Provision (benefit) for deferred income taxes	630	300
(Gain) loss on divestiture	139	—
Other	249	509
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables – trade and other	(3,761)	(788)
Inventories	(4,118)	(2,015)
Accounts payable	1,752	1,086
Accrued expenses	354	51
Accrued wages, salaries and employee benefits	107	(296)
Customer advances	4,002	1,649
Other assets – net	(251)	(138)
Other liabilities – net	237	(355)
Net cash provided by (used for) operating activities	10,593	8,148
Cash flow from investing activities:		
Capital expenditures – excluding equipment leased to others	(2,012)	(1,923)
Expenditures for equipment leased to others	(1,214)	(1,021)
Proceeds from disposals of leased assets and property, plant and equipment	773	544
Additions to finance receivables	(13,123)	(10,964)
Collections of finance receivables	12,149	9,890
Proceeds from sale of finance receivables	56	26
Investments and acquisitions (net of cash acquired)	(893)	(26)
Proceeds from sale of businesses and investments (net of cash sold)	(92)	12
Proceeds from maturities and sale of securities	1,303	1,945
Investments in securities	(1,872)	(1,291)
Other – net	170	(19)
Net cash provided by (used for) investing activities	(4,755)	(2,827)
Cash flow from financing activities:		
Dividends paid	(2,148)	(2,043)
Common stock issued, and other stock compensation transactions, net	(131)	(39)
Payments to purchase common stock	(7,745)	(4,850)
Excise tax paid on purchases of common stock	(49)	(73)
Proceeds from debt issued (original maturities greater than three months):		
- Machinery, Power & Energy	—	1,976
- Financial Products	10,490	6,478
Payments on debt (original maturities greater than three months):		
- Machinery, Power & Energy	(30)	(43)
- Financial Products	(7,465)	(6,162)
Short-term borrowings – net (original maturities three months or less)	(748)	106
Net cash provided by (used for) financing activities	(7,826)	(4,650)
Effect of exchange rate changes on cash	(63)	(23)
Increase (decrease) in cash, cash equivalents and restricted cash	(2,051)	648
Cash, cash equivalents and restricted cash at beginning of period	9,986	6,896
Cash, cash equivalents and restricted cash at end of period	$ 7,935	$ 7,544

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, Power & Energy (MP&E) — The company defines MP&E as Caterpillar Inc. and its subsidiaries, excluding Financial Products. MP&E's information relates to the design, manufacturing and marketing of its products.

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.

B. Basis of presentation

In the opinion of management, the accompanying unaudited financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of (a) the consolidated results of operations for the three and nine months ended September 30, 2026 and 2025, (b) the consolidated comprehensive income for the three and nine months ended September 30, 2026 and 2025, (c) the consolidated financial position at September 30, 2026 and December 31, 2025, (d) the consolidated changes in shareholders' equity for the three and nine months ended September 30, 2026 and 2025 and (e) the consolidated cash flow for the nine months ended September 30, 2026 and 2025. 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, 2025 (2025 Form 10-K).

The December 31, 2025 financial position data included herein is derived from the audited consolidated financial statements included in the 2025 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.

Long-term receivables - trade and other in the Consolidated Statement of Financial Position includes $1.0 billion and $377 million at September 30, 2026 and December 31, 2025, respectively, for recoveries from overpayments made during the importation process. Current assets: Receivables - trade and other includes $195 million at September 30, 2026. There were no amounts included in Current assets: Receivables - trade and other at December 31, 2025. The recoveries are subject to review and processing by U.S. Customs and Border Protection (CBP), and timing of the recoveries is uncertain.

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) on goods imported into the United States were unauthorized. During 2025 and until CBP ceased collecting IEEPA tariffs in 2026, the company's total IEEPA tariff costs were approximately $1.0 billion.

During the three and nine months ended September 30, 2026, the company recorded $128 million and $520 million, respectively, of IEEPA tariff recoveries for claims submitted and accepted through the Consolidated Administration and Processing of Entries (CAPE) system. These recoveries were deemed probable and were recorded in Cost of goods sold within the Consolidated Statement of Results of Operations.

The company continues to assess the availability, timing and amounts of additional claim submissions for the remaining amounts paid under IEEPA, as these remain uncertain and were not deemed to be probable as of September 30, 2026.

2. New accounting guidance

A. Adoption of new accounting standards

We consider the applicability and impact of all ASUs. We determined that the ASUs effective January 1, 2026 were either not applicable or did not have a material impact on our financial statements.

B. Accounting standards issued but not yet adopted

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

Internal-use software costs (ASU 2025-06) — In September 2025, the FASB issued accounting guidance to modernize the accounting for internal-use software costs. Under this guidance, capitalization for internal-use software costs begins when management has authorized and committed to funding the project and it is probable the project will be completed, and the software will be used to perform the intended function. This guidance is effective January 1, 2028, with early adoption permitted, and can be applied on a prospective basis, a modified basis for in-process projects, or a retrospective basis. We are in the process of evaluating the effect of this new guidance on our financial statements.

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 $11,541 million, $9,402 million and $7,864 million as of September 30, 2026, December 31, 2025 and December 31, 2024, respectively. Long-term trade receivables from dealers and end users were $1,651 million, $1,006 million and $640 million as of September 30, 2026, December 31, 2025 and December 31, 2024, 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 milestone 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 $277 million, $297 million and $238 million as of September 30, 2026, December 31, 2025 and December 31, 2024, 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 $8,706 million, $4,678 million and $2,745 million as of September 30, 2026, December 31, 2025 and December 31, 2024, respectively. We reduce the contract liability when revenue is recognized. During the three and nine months ended September 30, 2026, we recognized $619 million and $1,886 million, respectively, of revenue that was recorded as a contract liability at the beginning of 2026. During the three and nine months ended September 30, 2025, we recognized $351 million and $1,496 million, respectively, of revenue that was recorded as a contract liability at the beginning of 2025.

We provide discounts to dealers through merchandising programs. We have numerous programs that are designed to promote the sale of our products. The most common dealer programs provide a discount when the dealer sells a product to a targeted end user. We report the estimated cost of these discounts as a reduction to the transaction price when we recognize the product sale. We accrue a corresponding post-sale discount reserve in the Consolidated Statement of Financial Position, which represents discounts we expect to pay on units sold. If discounts paid differ from those estimated, we report the difference as a change in the transaction price in the subsequent period when the final discount is paid. The change in revenue during the three and nine months ended September 30, 2026 related to prior period sales was inconsequential. As a result of differences between actual and estimated payments and changes in estimates, we recognized a decrease in revenue of $61 million and $515 million during the three and nine months ended September 30, 2025, respectively, related to prior period sales.

As of September 30, 2026, 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 $49.4 billion, with about one-third of the amount expected to be completed and revenue recognized in the twelve months following September 30, 2026. 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 $81 million and $227 million for the three and nine months ended September 30, 2026, respectively, and $71 million and $202 million for the three and nine months ended September 30, 2025, respectively.

The following table illustrates the type and fair value of the stock-based compensation awards granted during the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30, 2026		Nine Months Ended September 30, 2025	
	Shares Granted	Weighted-Average Fair Value Per Share	Shares Granted	Weighted-Average Fair Value Per Share
Stock options	126,660	$ 270.41	299,523	$ 106.04
RSUs	246,112	$ 764.57	477,750	$ 338.61
PRSUs	86,960	$ 925.49	201,934	$ 345.60

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 during the nine months ended September 30, 2026 and 2025:

	Grant Year	
	2026	2025
Weighted-average dividend yield	1.82%	2.13%
Weighted-average volatility	36.1%	30.5%
Range of volatilities	29.5% - 40.3%	26.6% - 32.6%
Range of risk-free interest rates	3.43% - 4.03%	4.13% - 4.40%
Weighted-average expected lives	7 years	7 years

The PRSUs granted in 2026 and 2025 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 during the nine months ended September 30, 2026 and 2025, respectively:

	Grant Year	
	2026	2025
Expected volatility of the Company's stock	36.7%	29.5%
Risk-free interest rate	3.46%	3.90%

As of September 30, 2026, total remaining unrecognized compensation expense related to non-vested stock-based compensation awards was $287 million, which will be amortized over the weighted-average remaining requisite service period of approximately 2.0 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 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 in the Consolidated Statement of Financial Position. On the date the derivative contract is entered into, we designate the derivative as (1) a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction or the variability of cash flow (cash flow hedge) or (3) an undesignated instrument. We record in current earnings changes in the fair value of a derivative that is qualified, designated and highly effective as a fair value hedge, along with the gain or loss on the hedged recognized asset or liability that is attributable to the hedged risk. For foreign exchange contracts designated as fair value hedges, the interim settlements are excluded from the effectiveness assessment and are recognized under a systematic and rational method over the life of the hedging instrument within Interest expense. We record in AOCI changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge, to the extent effective, in 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 in the Consolidated Statement of Cash Flow. We include cash flows from undesignated derivative financial instruments in the investing category in 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 in 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 MP&E 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 September 30, 2026, 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 MP&E foreign currency contracts are undesignated.

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

Interest rate risk

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

Our MP&E 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.

If we liquidate fixed-to-floating or floating-to-fixed interest rate contracts at MP&E or Financial Products, we amortize any deferred gains or losses into earnings over the remaining term of the previously 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 MP&E 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			
	September 30, 2026		December 31, 2025	
	Assets [1]	Liabilities [2]	Assets [1]	Liabilities [2]
Designated derivatives				
Foreign exchange contracts	$ 190	$ (196)	$ 364	$ (147)
Interest rate contracts	54	(302)	59	(99)
Total	$ 244	$ (498)	$ 423	$ (246)
Undesignated derivatives				
Foreign exchange contracts	$ 93	$ (37)	$ 62	$ (75)
Commodity contracts	48	(8)	10	(2)
Total return swap contracts	2	(15)	1	(2)
Total	$ 143	$ (60)	$ 73	$ (79)

[1] Assets are classified as Receivables - trade and other or Long-term receivables - trade and other.
[2] Liabilities are classified as Accrued expenses or Other liabilities.

The total notional amounts of the derivative instruments as of September 30, 2026 and December 31, 2025 were $32.1 billion and $29.3 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 September 30,					
	Gains (Losses) Recognized in the Consolidated Statement of Results of Operations [1]		Gains (Losses) Recognized in AOCI		Gains (Losses) Reclassified from AOCI [2]	
	2026	2025	2026	2025	2026	2025
Cash Flow Hedges						
Foreign exchange contracts	$ —	$ —	$ (7)	$ (46)	$ 8	$ (17)
Interest rate contracts	—	—	30	2	3	2
Fair Value Hedges						
Foreign exchange contracts	—	—	(5)	(3)	(6)	(4)
Interest rate contracts	(4)	(20)	—	—	—	—
Undesignated Hedges						
Foreign exchange contracts	32	18	—	—	—	—
Commodity contracts	61	11	—	—	—	—
Total return swap contracts	(69)	53	—	—	—	—
Total	$ 20	$ 62	$ 18	$ (47)	$ 5	$ (19)

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

[2] Foreign exchange contract gains (losses) are primarily included in Cost of goods sold. Interest rate contract gains (losses) are primarily included in Interest expense of Financial Products.

(Millions of dollars)	Nine Months Ended September 30,					
	Gains (Losses) Recognized in the Consolidated Statement of Results of Operations [1]		Gains (Losses) Recognized in AOCI		Gains (Losses) Reclassified from AOCI [2]	
	2026	2025	2026	2025	2026	2025
Cash Flow Hedges						
Foreign exchange contracts	$ —	$ —	$ (140)	$ 171	$ (125)	$ 55
Interest rate contracts	—	—	64	15	6	4
Fair Value Hedges						
Foreign exchange contracts	—	—	(13)	(5)	(13)	(5)
Interest rate contracts	(10)	(58)	—	—	—	—
Undesignated Hedges						
Foreign exchange contracts	88	(79)	—	—	—	—
Commodity contracts	99	16	—	—	—	—
Total return swap contracts	95	83	—	—	—	—
Total	$ 272	$ (38)	$ (89)	$ 181	$ (132)	$ 54

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

[2] Foreign exchange contract gains (losses) are primarily included in Other income (expense). Interest rate contract gains (losses) are primarily included in Interest expense of Financial Products.

The following amounts were recorded in 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	
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Long-term debt due within one year	$ 1,244	$ 602	$ (6)	$ 3
Long-term debt due after one year	6,803	5,513	(297)	(37)
Total	$ 8,047	$ 6,115	$ (303)	$ (34)

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

Collateral is typically not required of the counterparties or of our company under the master netting agreements. As of September 30, 2026 and December 31, 2025, 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)	September 30, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Gross Amounts Recognized	$ 387	$ (558)	$ 496	$ (325)
Financial Instruments Not Offset	(234)	234	(160)	160
Net Amount	$ 153	$ (324)	$ 336	$ (165)

6. Inventories

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

(Millions of dollars)	September 30, 2026	December 31, 2025
Raw materials	$ 9,460	$ 7,434
Work-in-process	2,319	1,598
Finished goods	9,988	8,725
Supplies	447	378
Total inventories	$ 22,214	$ 18,135

7. Intangible assets and goodwill

A. Intangible assets

Intangible assets were comprised of the following:

(Millions of dollars)	September 30, 2026		
	Gross Carrying Amount[1]	Accumulated Amortization[1]	Net
Customer relationships	$ 269	$ (123)	$ 146
Intellectual property	644	(406)	238
Other	86	(61)	25
Total finite-lived intangible assets	$ 999	$ (590)	$ 409

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	$ 2,012	$ (1,877)	$ 135
Intellectual property	479	(399)	80
Other	117	(91)	26
Total finite-lived intangible assets	$ 2,608	$ (2,367)	$ 241

[1] For the nine months ended September 30, 2026, $1.9 billion of intangible assets were fully amortized and have been removed.

During the first quarter of 2026, we acquired finite-lived intangible assets of $200 million due to the purchase of RPMGlobal. See Note 22 for details on the acquisition.

Amortization expense for the three and nine months ended September 30, 2026 was $21 million and $108 million, respectively. Amortization expense for the three and nine months ended September 30, 2025 was $41 million and $128 million, respectively.

Amortization expense related to intangible assets is expected to be:

(Millions of dollars)					
Remaining Three Months of 2026	2027	2028	2029	2030	Thereafter
$17	$67	$60	$57	$54	$154

B. Goodwill

No goodwill was impaired during the nine months ended September 30, 2026 or 2025.

The changes in carrying amount of goodwill by reportable segment for the nine months ended September 30, 2026 were as follows:

(Millions of dollars)	December 31, 2025	Acquisitions[3]	Other Adjustments [1]	September 30, 2026
Power & Energy				
Goodwill	$ 2,054	$ 33	$ (12)	$ 2,075
Construction Industries				
Goodwill	264	—	—	264
Impairments	(22)	—	—	(22)
Net goodwill	242	—	—	242
Resource Industries				
Goodwill	5,086	567	(4)	5,649
Impairments	(2,100)	—	—	(2,100)
Net goodwill	2,986	567	(4)	3,549
All Other [2]				
Goodwill	39	—	—	39
Consolidated total				
Goodwill	7,443	600	(16)	8,027
Impairments	(2,122)	—	—	(2,122)
Net goodwill	$ 5,321	$ 600	$ (16)	$ 5,905

[1] Other adjustments are comprised primarily of foreign currency translation.
[2] Includes All Other Segment (See Note 16).
[3] See Note 22 for details on the RPMGlobal acquisition.

8. Investments in debt and equity securities

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

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

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

Available-for-sale debt securities	September 30, 2026			December 31, 2025		
(Millions of dollars)	Cost Basis	Unrealized Pretax Net Gains (Losses)	Fair Value	Cost Basis	Unrealized Pretax Net Gains (Losses)	Fair Value
Government debt securities						
U.S. treasury bonds	$ 9	$ —	$ 9	$ 10	$ —	$ 10
Other U.S. and non-U.S. government bonds	59	—	59	72	2	74
Corporate debt securities						
Corporate bonds and other debt securities	2,921	(51)	2,870	2,457	23	2,480
Asset-backed securities	320	(1)	319	273	—	273
Mortgage-backed debt securities						
U.S. governmental agency	632	(49)	583	580	(8)	572
Residential	4	—	4	2	(1)	1
Commercial	157	(7)	150	141	(2)	139
Total available-for-sale debt securities	$ 4,102	$ (108)	$ 3,994	$ 3,535	$ 14	$ 3,549

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

	September 30, 2026					
	Less than 12 months [1]		12 months or more [1]		Total	
(Millions of dollars)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government debt securities						
Other U.S. and non-U.S. government bonds	$ —	$ —	$ 29	$ 1	$ 29	$ 1
Corporate debt securities						
Corporate bonds	2,232	38	385	15	2,617	53
Asset-backed securities	89	—	70	1	159	1
Mortgage-backed debt securities						
U.S. governmental agency	332	20	251	29	583	49
Residential	—	—	4	1	4	1
Commercial	62	2	86	5	148	7
Total	$ 2,715	$ 60	$ 825	$ 52	$ 3,540	$ 112

(Millions of dollars)	December 31, 2025					
	Less than 12 months [1]		12 months or more [1]		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government debt securities						
Other U.S. and non-U.S. government bonds	$ —	$ —	$ 17	$ —	$ 17	$ —
Corporate debt securities						
Corporate bonds	130	—	306	6	436	6
Asset-backed securities	38	—	43	1	81	1
Mortgage-backed debt securities						
U.S. governmental agency	3	—	307	15	310	15
Residential	—	—	1	1	1	1
Commercial	6	—	89	3	95	3
Total	$ 177	$ —	$ 763	$ 26	$ 940	$ 26

[1] 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 September 30, 2026.

The cost basis and fair value of available-for-sale debt securities at September 30, 2026, 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)	September 30, 2026	
	Cost Basis	Fair Value
Due in one year or less	$ 918	$ 916
Due after one year through five years	1,717	1,690
Due after five years through ten years	475	454
Due after ten years	199	197
U.S. governmental agency mortgage-backed securities	632	583
Residential mortgage-backed securities	4	4
Commercial mortgage-backed securities	157	150
Total debt securities – available-for-sale	$ 4,102	$ 3,994

For the three months ended September 30, 2026 and 2025, proceeds from available-for-sale debt securities were $351 million and $323 million, respectively. For the nine months ended September 30, 2026 and 2025, proceeds from available-for-sale debt securities were $1,019 million and $1,636 million, respectively.

For the three months ended September 30, 2026 and 2025, the net unrealized gains (losses) for equity securities held at September 30, 2026 and 2025 were $(25) million and $9 million, respectively. For the nine months ended September 30, 2026 and 2025, the net unrealized gains (losses) for equity securities held at September 30, 2026 and 2025 were $5 million and $36 million, respectively.

9. Postretirement benefits

A. Pension and postretirement benefit costs

(Millions of dollars)	U.S. Pension Benefits September 30, 2026	U.S. Pension Benefits September 30, 2025	Non-U.S. Pension Benefits September 30, 2026	Non-U.S. Pension Benefits September 30, 2025	Other Postretirement Benefits September 30, 2026	Other Postretirement Benefits September 30, 2025
For the three months ended:						
Components of net periodic benefit cost:						
Service cost	$ —	$ —	$ 12	$ 12	$ 14	$ 15
Interest cost	136	153	30	28	26	32
Expected return on plan assets	(176)	(180)	(44)	(42)	(2)	(3)
Amortization of prior service cost (credit)	—	—	1	—	—	(1)
Net periodic benefit cost (benefit) [1]	$ (40)	$ (27)	$ (1)	$ (2)	$ 38	$ 43
For the nine months ended:						
Components of net periodic benefit cost:						
Service cost	$ —	$ —	$ 36	$ 35	$ 42	$ 47
Interest cost	408	459	90	83	79	93
Expected return on plan assets	(528)	(540)	(132)	(122)	(8)	(7)
Amortization of prior service cost (credit)	—	—	2	—	—	(3)
Net periodic benefit cost (benefit) [1]	$ (120)	$ (81)	$ (4)	$ (4)	$ 113	$ 130

[1] The service cost component is included in Operating costs. All other components are included in Other income (expense).

We made $50 million and $332 million of contributions to our pension and other postretirement plans during the three and nine months ended September 30, 2026, respectively. We currently anticipate full-year 2026 contributions of approximately $360 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 September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
U.S. Plans [1]	$ 82	$ 185	$ 571	$ 529
Non-U.S. Plans	38	35	113	103
	$ 120	$ 220	$ 684	$ 632

[1] 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions of dollars)	2026	2025	2026	2025
Finance lease revenue	$ 119	$ 121	$ 358	$ 352
Operating lease revenue	315	299	948	907
Total	$ 434	$ 420	$ 1,306	$ 1,259

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 $631 million and $458 million at September 30, 2026 and December 31, 2025, 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 September 30, 2026 and December 31, 2025, the SPC's assets of $1.26 billion and $1.19 billion, respectively, were primarily comprised of loans to dealers, and the SPC's liabilities of $1.26 billion and $1.19 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 nine months ended September 30, 2026 and 2025, was as follows:

	Nine Months Ended September 30,	
(Millions of dollars)	**2026**	**2025**
Warranty liability, beginning of period	$ 1,626	$ 1,700
Reduction in liability (payments)	(640)	(613)
Increase in liability (new warranties)	808	564
Warranty liability, end of period	$ 1,794	$ 1,651

12. Profit per share

Computations of profit per share:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
(Dollars in millions except per share data)	**2026**	**2025**	**2026**	**2025**
Profit for the period (A) [1]	$ 3,287	$ 2,300	$ 9,429	$ 6,482
Determination of shares (in millions):				
Weighted-average number of common shares outstanding (B)	459.1	468.6	461.0	471.3
Shares issuable on exercise of stock awards, net of shares assumed to be purchased out of proceeds at average market price	1.8	2.2	2.2	2.1
Average common shares outstanding for fully diluted computation (C) [2]	460.9	470.8	463.2	473.4
Profit per share of common stock:				
Basic (A/B)	$ 7.16	$ 4.91	$ 20.45	$ 13.76
Diluted (A/C) [2]	$ 7.13	$ 4.88	$ 20.36	$ 13.69
Shares outstanding as of September 30, (in millions)			457.6	468.0

[1] Profit attributable to common shareholders.

[2] Diluted by assumed exercise of stock-based compensation awards using the treasury stock method.

For both the three and nine months ended September 30, 2026, we excluded 0.1 million of outstanding stock-based compensation awards from the computation of diluted profit per share because the effect would have been antidilutive. For the three months ended September 30, 2025, there were no antidilutive stock-based compensation awards outstanding. For the nine months ended September 30, 2025, we excluded 0.4 million of outstanding stock-based compensation awards from the computation of diluted profit per share because the effect would have been antidilutive.

For the three and nine months ended September 30, 2026, we repurchased 2.2 million and 9.1 million shares of Caterpillar common stock, respectively, at an aggregate cost of $2.1 billion and $7.1 billion, respectively. For the three and nine months ended September 30, 2025, we repurchased 0.8 million and 11.0 million shares of Caterpillar common stock, respectively, at an aggregate cost of $0.4 billion and $4.0 billion, respectively. We made these purchases through the combination of accelerated share repurchase (ASR) agreements with third-party financial institutions and open market transactions in 2026 and 2025.

In the first quarter of 2026, we entered into ASR agreements to repurchase an aggregate of $4.50 billion of common stock. We advanced the $4.50 billion and received approximately 4.8 million shares of Caterpillar common stock, approximately 70% of the estimated final number of shares to be repurchased, with a value of $3.15 billion. In the second quarter of 2026, we entered into ASR agreements to repurchase an aggregate of $1.00 billion of common stock. We advanced the $1.00 billion and received approximately 0.8 million shares of Caterpillar common stock, approximately 75% of the estimated final number of shares to be repurchased, with a value of $750 million. The final number of shares to ultimately be repurchased is 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 $1.60 billion was evaluated as unsettled forward contracts and was classified as a reduction to Common stock within the Consolidated Statement of Financial Position.

In the third quarter of 2026, upon final settlement of one of the first quarter 2026 ASR agreements and of the second quarter 2026 ASR agreements, we received approximately 0.7 million additional shares. In October 2026, upon final settlement of the remaining first quarter 2026 ASR agreement, we received approximately 0.4 million additional shares.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions of dollars)	**2026**	**2025**	**2026**	**2025**
Foreign currency translation				
Beginning balance	$ (1,850)	$ (1,687)	$ (1,753)	$ (2,310)
Gains (losses) on foreign currency translation	30	(29)	(65)	594
Less: Tax provision (benefit)	1	1	3	1
Net gains (losses) on foreign currency translation	29	(30)	(68)	593
(Gains) losses reclassified to earnings	—	—	—	—
Less: Tax provision (benefit)	—	—	—	—
Net (gains) losses reclassified to earnings	—	—	—	—
Other comprehensive income (loss), net of tax	29	(30)	(68)	593
Ending balance	$ (1,821)	$ (1,717)	$ (1,821)	$ (1,717)
Pension and other postretirement benefits				
Beginning balance	$ (69)	$ (63)	$ (70)	$ (61)
Current year prior service credit (cost)	—	—	—	—
Less: Tax provision (benefit)	—	—	—	—
Net current year prior service credit (cost)	—	—	—	—
Amortization of prior service (credit) cost	1	(1)	2	(3)
Less: Tax provision (benefit)	1	(1)	1	(1)
Net amortization of prior service (credit) cost	—	—	1	(2)
Other comprehensive income (loss), net of tax	—	—	1	(2)
Ending balance	$ (69)	$ (63)	$ (69)	$ (63)
Derivative financial instruments				
Beginning balance	$ 64	$ 74	$ 39	$ (46)
Gains (losses) deferred	18	(47)	(89)	181
Less: Tax provision (benefit)	3	(11)	(24)	44
Net gains (losses) deferred	15	(36)	(65)	137
(Gains) losses reclassified to earnings	(5)	19	132	(54)
Less: Tax provision (benefit)	(1)	4	31	(16)
Net (gains) losses reclassified to earnings	(4)	15	101	(38)
Other comprehensive income (loss), net of tax	11	(21)	36	99
Ending balance	$ 75	$ 53	$ 75	$ 53
Available-for-sale securities				
Beginning balance	$ (12)	$ (8)	$ 12	$ (54)
Gains (losses) deferred	(93)	15	(119)	70
Less: Tax provision (benefit)	(19)	3	(23)	15
Net gains (losses) deferred	(74)	12	(96)	55
(Gains) losses reclassified to earnings	—	—	(3)	3
Less: Tax provision (benefit)	—	—	(1)	—
Net (gains) losses reclassified to earnings	—	—	(2)	3
Other comprehensive income (loss), net of tax	(74)	12	(98)	58
Ending balance	$ (86)	$ 4	$ (86)	$ 4
Total AOCI ending balance at September 30,	$ (1,901)	$ (1,723)	$ (1,901)	$ (1,723)

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.

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

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.

15. Income taxes

The effective tax rate for the three months ended September 30, 2026 was 22.9 percent compared to 26.7 percent for the three months ended September 30, 2025. The company recorded a $54 million charge for an increase in the estimated annual tax rate and a $41 million charge to reflect changes in estimates related to prior years in the three months ended September 30, 2025. The effective tax rate for the nine months ended September 30, 2026 was 22.5 percent compared to 24.1 percent for the nine months ended September 30, 2025.

16. Segment information

A. Basis for segment information

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

Three of our operating segments, Power & Energy, Construction Industries, and Resource Industries 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.

Effective January 1, 2026, we made the following change to segment reporting. The change was made to reflect change in organizational accountabilities and refinements to our internal reporting.

- Responsibility for business strategy, product design, product management and development, manufacturing, marketing and sales and product support for diesel-electric, hybrid and battery-electric locomotives and components and other rail-related products and services, including remanufacturing and leasing moved from Power & Energy to Resource Industries.

Segment information for 2025 has been retrospectively adjusted to conform to the 2026 presentation.

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:

Power & Energy: A segment primarily responsible for supporting customers using reciprocating engines, turbines and related services across industries serving Power Generation, Oil and Gas and Industrial applications, including marine applications and 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 oil and gas industry; reciprocating engines, drivetrain and integrated systems and solutions supplied to the industrial industry as well as Caterpillar machines; and electrified powertrain and zero-emission power sources and service solutions. Responsibilities also include the remanufacturing of Caterpillar reciprocating engines and engine and machine components. Inter-segment sales are a source of revenue for this 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 as well as customers using locomotives and rail-related products and services. 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; wear and maintenance components and related parts; diesel-electric, hybrid and battery-electric locomotives and components and other rail-related products and services, including remanufacturing and leasing. In addition, Resource Industries 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 component design and manufacturing and research and development for hydraulic systems and cabs. 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 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, Power & Energy, 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; parts distribution; integrated logistics solutions; electronics and control systems; 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; research and development for automation, electronics and software for machines and engines and digital investments for new customer and dealer solutions that integrate data analytics with state-of-the-art digital technologies while transforming the buying experience. Results for the All Other Segment are included as a reconciling item between reportable segments and consolidated external reporting.

C. Segment measurement and reconciliations

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

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

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

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

- We value segment inventories and cost of sales using a current cost methodology.

- We amortize goodwill allocated to segments using a fixed amount based on a 20-year useful life. This methodology difference only impacts segment assets. We do not include goodwill amortization expense in segment profit. In addition, we have allocated to segments only a portion of goodwill for certain acquisitions made in 2011 or later.

- We generally manage currency exposures for operating segments, other than Financial Products, at the corporate level and do not include in segment profit or segment assets the effects of changes in exchange rates on results of operations and financial position within the year. We report the net difference created in the translation of revenues and costs between exchange rates used for U.S. GAAP reporting and exchange rates used for segment reporting as a methodology difference.

- We do not include stock-based compensation expense in segment profit.

- Postretirement benefit expenses are split; segments are generally responsible for service costs, with the remaining elements of net periodic benefit cost included as a methodology difference.

Reconciling items are created based on accounting differences between segment reporting and our consolidated external reporting. Please refer to pages 36-38 for financial information regarding significant reconciling items. Most of our reconciling items are self-explanatory given the above explanations. For the reconciliation of profit, we have grouped the reconciling items as follows:

- **Corporate costs:** These costs are related to corporate requirements primarily for compliance and legal functions for the benefit of the entire organization.

- **Restructuring income/costs:** May include costs for employee separation, long-lived asset impairments, contract terminations and (gains)/losses on divestitures. These costs are included in Other operating (income) expenses except for defined-benefit plan curtailment losses and special termination benefits, which are included in Other income (expense). Restructuring costs also include other exit-related costs, which may consist of accelerated depreciation, inventory write-downs, building demolition, equipment relocation and project management costs and LIFO inventory decrement benefits from inventory liquidations at closed facilities, all of which are primarily included in Cost of goods sold. See Note 20 for more information.

- **Methodology differences:** See previous discussion of significant accounting differences between segment reporting and consolidated external reporting.

- **Timing:** Timing differences in the recognition of costs between segment reporting and consolidated external reporting. For example, we report certain costs on the cash basis for segment reporting and the accrual basis for consolidated external reporting. Timing differences also include certain corporate-managed receivables and accruals that are recognized in periods different from the related operating costs included in segment profit.

The three and nine months ended September 30, 2026 and 2025, sales and revenues by geographic region reconciled to consolidated sales and revenues were as follows:

Sales and Revenues by Geographic Region

(Millions of dollars)	North America	Latin America	EAME	Asia/ Pacific	External Sales and Revenues	Inter-Segment Sales and Revenues	Total Sales and Revenues
Three Months Ended September 30, 2026							
Power & Energy	$ 4,395	$ 435	$ 1,580	$ 878	$ 7,288	$ 1,496	$ 8,784
Construction Industries	4,796	825	1,366	925	7,912	71	7,983
Resource Industries	2,180	759	674	916	4,529	86	4,615
Financial Products Segment	780	132	142	123	1,177 [1]	—	1,177
Total sales and revenues from reportable segments	12,151	2,151	3,762	2,842	20,906	1,653	22,559
All Other Segment	9	—	3	3	15	57	72
Corporate Items and Eliminations	(143)	(27)	(37)	(32)	(239)	(1,710)	(1,949)
Total Sales and Revenues	$ 12,017	$ 2,124	$ 3,728	$ 2,813	$ 20,682	$ —	$ 20,682
Three Months Ended September 30, 2025							
Power & Energy	$ 3,478	$ 496	$ 1,296	$ 911	$ 6,181	$ 1,282	$ 7,463
Construction Industries	3,912	654	1,217	904	6,687	73	6,760
Resource Industries	1,721	605	612	977	3,915	84	3,999
Financial Products Segment	722	118	130	106	1,076 [1]	—	1,076
Total sales and revenues from reportable segments	9,833	1,873	3,255	2,898	17,859	1,439	19,298
All Other Segment	5	—	2	3	10	63	73
Corporate Items and Eliminations	(157)	(23)	(26)	(25)	(231)	(1,502)	(1,733)
Total Sales and Revenues	$ 9,681	$ 1,850	$ 3,231	$ 2,876	$ 17,638	$ —	$ 17,638

[1] Includes revenues from Power & Energy, Construction Industries, Resource Industries, and All Other Segment of $ 218 million and $187 million for the three months ended September 30, 2026 and 2025, respectively.

Sales and Revenues by Geographic Region

(Millions of dollars)	North America	Latin America	EAME	Asia/ Pacific	External Sales and Revenues	Inter-Segment Sales and Revenues	Total Sales and Revenues
Nine Months Ended September 30, 2026							
Power & Energy	$ 12,077	$ 1,086	$ 4,069	$ 2,564	$ 19,796	$ 4,257	$ 24,053
Construction Industries	14,153	2,151	4,021	2,950	23,275	215	23,490
Resource Industries	6,246	2,002	1,947	2,612	12,807	253	13,060
Financial Products Segment	2,286	365	412	355	3,418 [1]	—	3,418
Total sales and revenues from reportable segments	34,762	5,604	10,449	8,481	59,296	4,725	64,021
All Other Segment	25	1	8	8	42	191	233
Corporate Items and Eliminations	(446)	(68)	(96)	(88)	(698)	(4,916)	(5,614)
Total Sales and Revenues	$ 34,341	$ 5,537	$ 10,361	$ 8,401	$ 58,640	$ —	$ 58,640
Nine Months Ended September 30, 2025							
Power & Energy	$ 9,328	$ 1,264	$ 3,628	$ 2,409	$ 16,629	$ 3,654	$ 20,283
Construction Industries	10,185	1,698	3,269	2,802	17,954	180	18,134
Resource Industries	4,999	1,803	1,706	2,782	11,290	256	11,546
Financial Products Segment	2,107	322	378	318	3,125 [1]	—	3,125
Total sales and revenues from reportable segments	26,619	5,087	8,981	8,311	48,998	4,090	53,088
All Other Segment	19	—	4	11	34	194	228
Corporate Items and Eliminations	(368)	(66)	(68)	(74)	(576)	(4,284)	(4,860)
Total Sales and Revenues	$ 26,270	$ 5,021	$ 8,917	$ 8,248	$ 48,456	$ —	$ 48,456

[1] Includes revenues from Power & Energy, Construction Industries, Resource Industries, and All Other Segment of $ 611 million and $522 million for the nine months ended September 30, 2026 and 2025, respectively.

For the three and nine months ended September 30, 2026 and 2025, Power & Energy external sales by end user application were as follows:

Power & Energy External Sales				
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions of dollars)	2026	2025	2026	2025
Power Generation	$ 3,421	$ 2,634	$ 9,336	$ 7,037
Oil and Gas	2,236	1,979	5,703	5,104
Industrial	1,631	1,568	4,757	4,488
Power & Energy External Sales	$ 7,288	$ 6,181	$ 19,796	$ 16,629

For the three and nine months ended September 30, 2026 and 2025, Resource Industries external sales by industry were as follows:

Resource Industries External Sales				
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions of dollars)	2026	2025	2026	2025
Mining, HC and Q&A*	$ 3,697	$ 3,036	$ 10,336	$ 8,901
Rail	832	879	2,471	2,389
Resource Industries External Sales	$ 4,529	$ 3,915	$ 12,807	$ 11,290

*Heavy Construction and Quarry & Aggregates (HC and Q&A)

Profit from Reportable Segments

(Millions of dollars)	Power & Energy	Construction Industries	Resource Industries	Financial Products Segment	Total from Reportable Segments
Three Months Ended September 30, 2026					
Sales and revenues	$ 8,784	$ 7,983	$ 4,615	$ 1,177	$ 22,559
Less [1]:					
Cost of goods sold	5,883	5,639	3,470	—	14,992
SG&A/R&D [2]	770	533	502	242	2,047
Other segment items [3]	(12)	(20)	21	671	660
Segment Profit	$ 2,143	$ 1,831	$ 622	$ 264	$ 4,860
Three Months Ended September 30, 2025					
Sales and revenues	$ 7,463	$ 6,760	$ 3,999	$ 1,076	$ 19,298
Less [1]:					
Cost of goods sold	5,101	4,874	2,994	—	12,969
SG&A/R&D [2]	724	472	461	215	1,872
Other segment items [3]	5	37	—	620	662
Segment Profit	$ 1,633	$ 1,377	$ 544	$ 241	$ 3,795

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

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

[3] Other segment items for each reportable segment primarily includes:

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

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

Profit from Reportable Segments

(Millions of dollars)	Power & Energy	Construction Industries	Resource Industries	Financial Products Segment	Total from Reportable Segments
Nine Months Ended September 30, 2026					
Sales and revenues	$ 24,053	$ 23,490	$ 13,060	$ 3,418	$ 64,021
Less [1]:					
Cost of goods sold	16,163	16,628	9,767	—	42,558
SG&A/R&D [2]	2,288	1,547	1,541	680	6,056
Other segment items [3]	(18)	2	59	1,901	1,944
Segment Profit	$ 5,620	$ 5,313	$ 1,693	$ 837	$ 13,463
Nine Months Ended September 30, 2025					
Sales and revenues	$ 20,283	$ 18,134	$ 11,546	$ 3,125	$ 53,088
Less [1]:					
Cost of goods sold	13,686	13,051	8,457	—	35,194
SG&A/R&D [2]	2,145	1,393	1,365	614	5,517
Other segment items [3]	(23)	45	(6)	1,807	1,823
Segment Profit	$ 4,475	$ 3,645	$ 1,730	$ 704	$ 10,554

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

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

[3] Other segment items for each reportable segment primarily includes:

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

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

Reconciliation of Consolidated profit before taxes:

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Total profit from reportable segments	$ 4,860	$ 3,795	$ 13,463	$ 10,554
Profit (loss) from All Other Segment	(2)	(6)	(45)	(25)
Cost centers	17	6	23	—
Corporate costs	(333)	(308)	(1,009)	(732)
Timing	(114)	(119)	313	(202)
Restructuring income (costs)	(41)	(37)	(284)	(126)
Methodology differences:				
Inventory/cost of sales	65	56	97	8
Postretirement benefit expense	82	(63)	(37)	(116)
Stock-based compensation expense	(70)	(66)	(202)	(196)
Financing costs	(13)	(54)	(75)	(168)
Currency	20	18	173	(131)
Other income/expense methodology differences	(214)	(89)	(366)	(317)
Other methodology differences	(37)	(6)	(62)	(34)
Total consolidated profit before taxes	$ 4,220	$ 3,127	$ 11,989	$ 8,515

Reconciliation of Assets:

(Millions of dollars)	September 30, 2026	December 31, 2025
Assets from reportable segments:		
Power & Energy	$ 7,352	$ 8,438
Construction Industries	6,383	5,442
Resource Industries	10,000	9,036
Financial Products Segment	44,782	41,476
Total assets from reportable segments	68,517	64,392
Assets from All Other Segment	1,562	1,516
Items not included in segment assets:		
Cash and cash equivalents	7,102	9,333
Deferred income taxes	2,096	2,749
Goodwill and intangible assets	4,743	4,669
Property, plant and equipment – net and other assets	5,185	4,689
Inventory methodology differences	(4,029)	(3,622)
Liabilities included in segment assets	21,051	15,330
Other	616	(471)
Total assets	$ 106,843	$ 98,585

Reconciliation of Depreciation and amortization:
(Millions of dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Depreciation and amortization from reportable segments:				
Power & Energy	$ 168	$ 132	$ 471	$ 369
Construction Industries	72	67	209	196
Resource Industries	83	100	290	296
Financial Products Segment	191	178	564	534
Total depreciation and amortization from reportable segments	514	477	1,534	1,395
Items not included in segment depreciation and amortization:				
All Other Segment	74	68	213	197
Cost centers	28	26	83	75
Other	(1)	(1)	(4)	(3)
Total depreciation and amortization	$ 615	$ 570	$ 1,826	$ 1,664

Reconciliation of Capital expenditures: (Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Capital expenditures from reportable segments:				
Power & Energy	$ 391	$ 368	$ 1,010	$ 982
Construction Industries	115	86	269	196
Resource Industries	151	162	449	383
Financial Products Segment	330	359	1,047	908
Total capital expenditures from reportable segments	987	975	2,775	2,469
Items not included in segment capital expenditures:				
All Other Segment	90	72	171	167
Cost centers	56	38	127	100
Timing	(68)	(6)	170	219
Other	(1)	(8)	(17)	(11)
Total capital expenditures	$ 1,064	$ 1,071	$ 3,226	$ 2,944

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 incorporate Caterpillar products. The average original term of Cat Financial's customer finance receivables portfolio was approximately 51 months with an average remaining term of approximately 28 months as of September 30, 2026.

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

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

During the three and nine months ended September 30, 2026, Cat Financial's forecasts reflected a continuation of global market uncertainty and actions by global central banks aimed at balancing economic growth and managing inflation. Cat Financial believes the economic forecasts employed represent reasonable and supportable forecasts, followed by a reversion to long-term trends.

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

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

In general, Cat Financial's Dealer portfolio segment has not historically experienced large increases or decreases in credit losses based on changes in economic conditions due to its close working relationships with the dealers and their financial strength. Therefore, Cat Financial made no adjustments to historical loss rates during the three and nine months ended September 30, 2026.

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

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

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

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

(Millions of dollars)	Three Months Ended September 30, 2026			Three Months Ended September 30, 2025		
	Customer	Dealer	Total	Customer	Dealer	Total
Beginning balance	$ 282	$ 4	$ 286	$ 281	$ 4	$ 285
Write-offs	(46)	—	(46)	(52)	—	(52)
Recoveries	18	—	18	12	—	12
Provision for credit losses [1]	65	2	67	32	—	32
Other	(1)	—	(1)	1	—	1
Ending balance	$ 318	$ 6	$ 324	$ 274	$ 4	$ 278
	Nine Months Ended September 30, 2026			Nine Months Ended September 30, 2025		
	Customer	Dealer	Total	Customer	Dealer	Total
Beginning balance	$ 273	$ 4	$ 277	$ 258	$ 4	$ 262
Write-offs	(134)	—	(134)	(109)	—	(109)
Recoveries	57	—	57	31	—	31
Provision for credit losses [1]	123	2	125	86	—	86
Other	(1)	—	(1)	8	—	8
Ending balance	$ 318	$ 6	$ 324	$ 274	$ 4	$ 278
Finance Receivables	$ 24,203	$ 1,528	$ 25,731	$ 23,066	$ 1,467	$ 24,533

[1] 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 September 30, 2026							
	2026	2025	2024	2023	2022	Prior	Revolving Finance Receivables	Total
North America	$ 1	$ 8	$ 6	$ 5	$ 2	$ 1	$ 3	$ 26
EAME	—	1	—	2	—	—	—	3
Asia/Pacific	—	5	1	1	—	—	—	7
Latin America	—	1	3	1	1	—	—	6
Mining	—	3	1	—	—	—	—	4
Total	$ 1	$ 18	$ 11	$ 9	$ 3	$ 1	$ 3	$ 46

	Three Months Ended September 30, 2025							
	2025	2024	2023	2022	2021	Prior	Revolving Finance Receivables	Total
North America	$ 1	$ 5	$ 7	$ 3	$ 2	$ 1	$ 2	$ 21
EAME	—	—	3	1	—	1	1	6
Asia/Pacific	1	3	1	—	—	—	—	5
Latin America	—	2	—	1	1	—	—	4
Mining	—	5	5	5	—	1	—	16
Total	$ 2	$ 15	$ 16	$ 10	$ 3	$ 3	$ 3	$ 52

	Nine Months Ended September 30, 2026							
	2026	2025	2024	2023	2022	Prior	Revolving Finance Receivables	Total
North America	$ 1	$ 16	$ 19	$ 18	$ 8	$ 6	$ 9	$ 77
EAME	—	4	2	3	1	1	—	11
Asia/Pacific	—	9	4	2	1	—	—	16
Latin America	1	4	7	5	3	1	1	22
Mining	—	7	1	—	—	—	—	8
Total	$ 2	$ 40	$ 33	$ 28	$ 13	$ 8	$ 10	$ 134

	Nine Months Ended September 30, 2025							
	2025	2024	2023	2022	2021	Prior	Revolving Finance Receivables	Total
North America	$ 1	$ 10	$ 18	$ 9	$ 6	$ 4	$ 6	$ 54
EAME	—	2	6	2	1	1	1	13
Asia/Pacific	1	4	3	1	1	—	—	10
Latin America	—	2	2	4	1	1	—	10
Mining	—	8	6	6	—	1	—	21
Power	—	—	—	—	—	1	—	1
Total	$ 2	$ 26	$ 35	$ 22	$ 9	$ 8	$ 7	$ 109

Credit quality of finance receivables

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

Customer

The aging analysis of Cat Financial's Customer portfolio segment by origination year was as follows:

(Millions of dollars)	September 30, 2026							
	2026	2025	2024	2023	2022	Prior	Revolving Finance Receivables	Total Finance Receivables
North America								
Current	$ 4,211	$ 4,201	$ 2,504	$ 1,083	$ 328	$ 65	$ 601	$ 12,993
31-60 days past due	24	38	33	21	8	1	6	131
61-90 days past due	5	14	11	6	2	1	2	41
91+ days past due	4	28	30	17	10	3	3	95
EAME								
Current	1,069	1,111	634	383	157	49	—	3,403
31-60 days past due	9	12	10	5	1	1	—	38
61-90 days past due	4	11	5	3	3	1	—	27
91+ days past due	2	10	13	10	6	3	—	44
Asia/Pacific								
Current	827	677	352	158	45	6	—	2,065
31-60 days past due	4	8	9	2	1	—	—	24
61-90 days past due	1	3	2	—	—	—	—	6
91+ days past due	1	3	5	1	—	—	—	10
Latin America								
Current	872	648	311	117	35	4	6	1,993
31-60 days past due	4	8	7	3	2	—	—	24
61-90 days past due	2	4	2	1	1	—	—	10
91+ days past due	—	11	11	5	2	—	—	29
Mining								
Current	685	621	470	314	179	74	23	2,366
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	—	—	—
Power								
Current	191	205	202	123	35	33	115	904
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	—	—	—
Totals by Aging Category								
Current	$ 7,855	$ 7,463	$ 4,473	$ 2,178	$ 779	$ 231	$ 745	$ 23,724
31-60 days past due	41	66	59	31	12	2	6	217
61-90 days past due	12	32	20	10	6	2	2	84
91+ days past due	7	52	59	33	18	6	3	178
Total Customer	$ 7,915	$ 7,613	$ 4,611	$ 2,252	$ 815	$ 241	$ 756	$ 24,203

(Millions of dollars)	December 31, 2025							
	2025	2024	2023	2022	2021	Prior	Revolving Finance Receivables	Total Finance Receivables
North America								
Current	$ 5,531	$ 3,634	$ 1,845	$ 743	$ 318	$ 20	$ 510	$ 12,601
31-60 days past due	30	42	28	18	6	1	4	129
61-90 days past due	11	14	10	5	3	—	2	45
91+ days past due	11	34	29	20	8	3	1	106
EAME								
Current	1,551	929	614	316	114	44	—	3,568
31-60 days past due	5	12	6	6	2	—	—	31
61-90 days past due	3	5	3	2	1	—	—	14
91+ days past due	5	9	12	6	3	2	—	37
Asia/Pacific								
Current	996	571	290	104	25	1	—	1,987
31-60 days past due	5	8	3	1	—	—	—	17
61-90 days past due	2	3	1	2	—	—	—	8
91+ days past due	1	1	2	2	—	—	—	6
Latin America								
Current	984	511	212	96	15	1	4	1,823
31-60 days past due	3	6	5	3	—	—	—	17
61-90 days past due	2	2	2	1	—	1	—	8
91+ days past due	1	10	7	4	1	—	—	23
Mining								
Current	765	698	484	278	106	46	—	2,377
31-60 days past due	3	—	—	—	—	—	—	3
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	1	1	8	—	—	—	—	10
Power								
Current	168	250	179	37	8	35	148	825
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	—	—	—
Totals by Aging Category								
Current	$ 9,995	$ 6,593	$ 3,624	$ 1,574	$ 586	$ 147	$ 662	$ 23,181
31-60 days past due	46	68	42	28	8	1	4	197
61-90 days past due	18	24	16	10	4	1	2	75
91+ days past due	19	55	58	32	12	5	1	182
Total Customer	$ 10,078	$ 6,740	$ 3,740	$ 1,644	$ 610	$ 154	$ 669	$ 23,635

Dealer

As of September 30, 2026 and December 31, 2025, Cat Financial's total amortized cost of finance receivables within the Dealer portfolio segment was current.

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

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

(Millions of dollars)	September 30, 2026		December 31, 2025	
	Amortized Cost		Amortized Cost	
	Non-accrual With an Allowance	91+ Still Accruing	Non-accrual With an Allowance	91+ Still Accruing
North America	$ 84	$ 14	$ 90	$ 20
EAME	42	7	35	5
Asia/Pacific	10	4	4	2
Latin America	31	1	24	1
Mining	1	—	10	—
Total	$ 168	$ 26	$ 163	$ 28

There were no finance receivables in Cat Financial's Dealer portfolio segment on non-accrual status as of September 30, 2026 and December 31, 2025.

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

During the three and nine months ended September 30, 2026 and 2025, there were no finance receivable modifications granted to borrowers experiencing financial difficulty in Cat Financial's Dealer portfolio segment.

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

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Amortized cost of finance receivables modified	$ 8	$ 19	$ 31	$ 37
Modifications as a percentage of Customer portfolio	0.03 %	0.08 %	0.13 %	0.16 %

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

(In months)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Weighted average extension to term of modified contracts	10	20	10	17
Weighted average payment deferral and/or interest only periods	7	5	7	6

After Cat Financial modifies a finance receivable, they continue to track its performance under its most recent modified terms. Defaults of loans modified in the prior twelve months were not significant during the three and nine months ended September 30, 2026 and 2025.

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

18. Fair value disclosures

A. Fair value measurements

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

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

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

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

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

Investments in debt and equity securities

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

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

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

Derivative financial instruments

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

See Note 5 for additional information.

Assets and liabilities measured on a recurring basis at fair value included in our Consolidated Statement of Financial Position as of September 30, 2026 and December 31, 2025 were as follows:

(Millions of dollars)	September 30, 2026				
	Level 1	Level 2	Level 3	Measured at NAV	Total Assets / Liabilities, at Fair Value
Assets					
Debt securities					
Government debt securities					
U.S. treasury bonds	$ 9	$ —	$ —	$ —	$ 9
Other U.S. and non-U.S. government bonds	—	59	—	—	59
Corporate debt securities					
Corporate bonds and other debt securities	—	2,870	—	—	2,870
Asset-backed securities	—	319	—	—	319
Mortgage-backed debt securities					
U.S. governmental agency	—	583	—	—	583
Residential	—	4	—	—	4
Commercial	—	150	—	—	150
Total debt securities	9	3,985	—	—	3,994
Equity securities					
Large capitalization value	322	—	—	—	322
Smaller company growth	67	—	—	—	67
REIT	—	—	—	179	179
Total equity securities	389	—	—	179	568
Derivative financial instruments - assets					
Foreign currency contracts - net	—	50	—	—	50
Commodity contracts - net	—	40	—	—	40
Total assets	$ 398	$ 4,075	$ —	$ 179	$ 4,652
Liabilities					
Derivative financial instruments - liabilities					
Interest rate contracts - net	$ —	$ 248	$ —	$ —	$ 248
Total return swap contracts - net	—	13	—	—	13
Total liabilities	$ —	$ 261	$ —	$ —	$ 261

(Millions of dollars)	December 31, 2025				
	Level 1	Level 2	Level 3	Measured at NAV	Total Assets / Liabilities, at Fair Value
Assets					
Debt securities					
Government debt securities					
U.S. treasury bonds	$ 10	$ —	$ —	$ —	$ 10
Other U.S. and non-U.S. government bonds	—	74	—	—	74
Corporate debt securities					
Corporate bonds and other debt securities	—	2,480	—	—	2,480
Asset-backed securities	—	273	—	—	273
Mortgage-backed debt securities					
U.S. governmental agency	—	572	—	—	572
Residential	—	1	—	—	1
Commercial	—	139	—	—	139
Total debt securities	10	3,539	—	—	3,549
Equity securities					
Large capitalization value	283	—	—	—	283
Smaller company growth	65	—	—	—	65
REIT	—	—	—	174	174
Total equity securities	348	—	—	174	522
Derivative financial instruments - assets					
Foreign currency contracts - net	—	204	—	—	204
Commodity contracts - net	—	8	—	—	8
Total assets	$ 358	$ 3,751	$ —	$ 174	$ 4,283
Liabilities					
Derivative financial instruments - liabilities					
Interest rate contracts - net	$ —	$ 40	$ —	$ —	$ 40
Total return swap contracts - net	—	1	—	—	1
Total liabilities	$ —	$ 41	$ —	$ —	$ 41

In addition to the amounts above, certain Cat Financial loans are subject to measurement at fair value on a non-recurring 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 the 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 $64 million and $63 million as of September 30, 2026 and December 31, 2025, respectively.

B. Fair values of financial instruments

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

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

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

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

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

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

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

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

(Millions of dollars)	September 30, 2026		December 31, 2025		Fair Value Levels	Reference
	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
Assets						
Finance receivables – net (excluding finance leases [1])	$ 18,800	$ 18,292	$ 17,922	$ 17,648	3	Note 17
Wholesale inventory receivables – net (excluding finance leases [1])	3,131	3,038	1,931	1,871	3	
Liabilities						
Long-term debt (including amounts due within one year)						
Machinery, Power & Energy	$ 10,650	$ 9,441	$ 10,713	$ 10,363	2	
Financial Products	29,696	29,536	27,103	27,204	2	

[1] Represents finance leases and failed sale leasebacks of $6,816 million and $7,189 million at September 30, 2026 and December 31, 2025, respectively.

19. Other income (expense)

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Investment and interest income	$ 138	$ 100	$ 395	$ 280
Foreign exchange gains (losses) [1]	(51)	(18)	(1)	(161)
License fee income	38	33	104	105
Net periodic pension and OPEB income (cost), excluding service cost	29	13	89	37
Gains (losses) on securities	(5)	20	33	51
Miscellaneous income (loss)	(14)	60	173	87
Total	$ 135	$ 208	$ 793	$ 399

[1] Includes gains (losses) from foreign exchange derivative contracts. See Note 5 for further details.

20. Restructuring income/costs

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

Restructuring costs for the three and nine months ended September 30, 2026 and 2025 were as follows:

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Employee separations [1]	$ 34	$ 32	$ 103	$ 59
Divestitures [1]	—	—	139	—
Other [2]	7	5	42	70
Total restructuring (income) costs	$ 41	$ 37	$ 284	$ 129

[1] Recognized in Other operating (income) expenses.

[2] Represents costs related to our restructuring programs, primarily for inventory write-downs and project management, which are primarily recognized in Cost of goods sold, and long-lived asset impairments, which are recognized in Other operating (income) expenses.

The restructuring costs for the nine months ended September 30, 2026 were related to restructuring actions across the company, including the divestiture of certain non-U.S. entities. The restructuring costs for the nine months ended September 30, 2025 were related to restructuring actions across the company.

In 2026 and 2025, 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 $1.19 billion and $936 million at September 30, 2026 and December 31, 2025, respectively.

22. Acquisitions

RPMGlobal

On February 17, 2026, Caterpillar completed the acquisition of RPMGlobal Holdings Limited (RPMGlobal), an Australian based software company. Headquartered in Brisbane, Australia, RPMGlobal is a leading provider of mining software solutions. RPMGlobal has deep domain expertise in mining technology enablement, providing global customers with data-driven software solutions at every stage of the mining lifecycle. The acquisition, within the Resource Industries segment, aligns with our strategy of providing customers with expanded product offerings including advanced technology solutions. The purchase price was approximately $733 million, net of $53 million of acquired cash.

We financed the transaction with available cash. As of the acquisition date, the tangible assets acquired were $78 million which were recorded at their fair values and primarily included cash of $53 million and receivables of $18 million. Finite-lived intangible assets acquired included $110 million related to developed intellectual property, customer relationships of $85 million and trade names of $5 million, each of which were recorded at their acquisition date fair value. These intangible assets will be amortized on a straight-line basis over a weighted-average useful life of approximately 10 years. Liabilities assumed as of the acquisition date were approximately $38 million. Goodwill of $546 million, of which $523 million is expected to be deductible for income tax purposes, represented the excess of the consideration transferred over the net assets acquired and is attributable to the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Factors that contributed to a purchase price resulting in the recognition of goodwill included RPMGlobal's strategic fit into our Resource Industries product portfolio and related cross-selling opportunities, the ability to provide enhanced technological solutions to mining customers and the acquired assembled workforce. These values represent a preliminary allocation of the purchase price subject to finalization of fair value appraisals and post-closing procedures. The results of the acquired business from the acquisition date are included in the accompanying consolidated financial statements and reported in the Resource Industries segment in Note 16. Assuming this transaction had been made at the beginning of any period presented, the consolidated pro forma results would not be materially different from reported results.

23. Subsequent event

On October 31, 2026, Caterpillar completed its previously announced acquisition of 100 percent of the equity in John Fabick Tractor Company (Fabick). The preliminary purchase price, which remains subject to working capital and other adjustments to be finalized post-acquisition, includes $1.24 billion cash paid at closing with a remaining estimated $165 million to be paid in cash after the expiration of certain holdback periods. The preliminary purchase price also includes pre-existing relationship transactions (primarily trade and finance receivables) which became effectively settled in the post-combination consolidated financial statements.

Headquartered in Fenton, Missouri, Fabick is a long-standing Caterpillar dealer with more than 100 years of trusted service and customer relationships across portions of Missouri, Illinois, the entire state of Wisconsin and the Upper Peninsula of Michigan. The acquisition reflects a customer-focused decision to support a seamless transition of Fabick ownership while maintaining strong service and local support for Caterpillar customers.

Due to the timing of the acquisition, the Company is still in the process of preparing the initial accounting for the business combination and therefore is unable to provide preliminary purchase price allocation information as of the date of this quarterly report on Form 10-Q. The assets acquired and liabilities assumed will be reflected in the consolidated financial statements and accompanying disclosures in the Company's upcoming annual report on Form 10-K for the year ended December 31, 2026.

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 2025 Form 10-K.

Highlights for the third quarter of 2026 include:

- Total sales and revenues for the third quarter of 2026 were $20.682 billion, an increase of $3.044 billion, or 17 percent, compared with $17.638 billion in the third quarter of 2025. Sales were higher across the three primary segments.
- Operating profit margin was 20.4 percent for the third quarter of 2026, compared with 17.3 percent for the third quarter of 2025. ***Adjusted operating profit margin*** was 20.6 percent for the third quarter of 2026, compared with 17.5 percent for the third quarter of 2025.
- Third-quarter 2026 profit per share was $7.13, and excluding the item in the table below, ***adjusted profit per share*** was $7.20. Third-quarter 2025 profit per share was $4.88, and excluding the item in the table below, adjusted profit per share was $4.95.
- Caterpillar ended the third quarter of 2026 with $7.9 billion of enterprise cash.

Highlights for the nine months ended September 30, 2026 include:

- Total sales and revenues were $58.640 billion for the nine months ended September 30, 2026, an increase of $10.184 billion, or 21 percent, compared with $48.456 billion for the nine months ended September 30, 2025.
- Operating profit margin was 19.8 percent for the nine months ended September 30, 2026, compared with 17.5 percent for the nine months ended September 30, 2025. Adjusted operating profit margin was 20.3 percent for the nine months ended September 30, 2026, compared with 17.8 percent for the nine months ended September 30, 2025.
- Profit per share for the nine months ended September 30, 2026, was $20.36, and excluding the items in the table below, adjusted profit per share was $20.90. Profit per share for the nine months ended September 30, 2025, was $13.69, and excluding the item in the table below, adjusted profit per share was $13.91.
- Enterprise operating cash flow was $10.6 billion for the nine months ended September 30, 2026.

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

(Dollars in millions except per share data)	Three Months Ended September 30, 2026		Three Months Ended September 30, 2025		Nine Months Ended September 30, 2026		Nine Months Ended September 30, 2025	
	Profit Before Taxes	Profit Per Share	Profit Before Taxes	Profit Per Share	Profit Before Taxes	Profit Per Share	Profit Before Taxes	Profit Per Share
Profit	**$ 4,220**	**$ 7.13**	**$ 3,127**	**$ 4.88**	**$ 11,989**	**$ 20.36**	**$ 8,515**	**$ 13.69**
Other restructuring (income) costs	41	0.07	37	0.07	145	0.24	126	0.22
Restructuring costs - divestiture of certain non-U.S. entities	—	—	—	—	139	0.30	—	—
Adjusted profit	$ 4,261	$ 7.20	$ 3,164	$ 4.95	$ 12,273	$ 20.90	$ 8,641	$ 13.91

A detailed reconciliation of GAAP to non-GAAP financial measures is included on pages 72-75.

Overview

Total sales and revenues for the third quarter of 2026 were $20.682 billion, an increase of $3.044 billion, or 17 percent, compared with $17.638 billion in the third quarter of 2025. The increase was primarily due to higher ***sales volume*** of $2.2 billion and favorable ***price realization*** of $663 million.

Third-quarter 2026 profit per share was $7.13, compared with third-quarter 2025 profit per share of $4.88. In the third quarter of 2026 and 2025, profit per share included restructuring costs. Profit for the third quarter of 2026 was $3.287 billion, an increase of $987 million, or 43 percent, compared with $2.300 billion for the third quarter of 2025. The increase was mainly due to the profit impact of higher sales volume.

Trends and Economic Conditions

Outlook for Key End Markets

In ***Power & Energy***, demand for both Oil & Gas and Power Generation remains strong in 2026 as compared to 2025. Backlog continues to grow due to strong order rates. We continue to anticipate growth in Power Generation for both reciprocating engines and turbines and turbine-related ***services***, driven by increasing energy demand to support the data center build-out related to cloud computing and generative Artificial Intelligence (AI). Additionally, prime power demand continues to trend higher for turbines and turbine-related services and for reciprocating engine products to support customers' need for power solutions. Oil & Gas is expected to grow moderately in 2026 as compared to 2025. Reciprocating engine sales are anticipated to increase, driven by strong demand in gas compression applications. We expect continued momentum in demand for reciprocating engine aftermarket parts. For turbines and turbine-related services used in Oil & Gas applications, sales are expected to grow while the backlog remains healthy, with solid order and inquiry activity. Demand for products in Industrial applications is expected to grow moderately in 2026 as compared to 2025.

In ***Construction Industries***, in 2026 as compared to 2025, we expect strong fourth-quarter and full-year growth in sales of equipment to end users, supported by healthy end markets. The outlook for North America remains positive, with construction spending at healthy levels. Non-residential construction investment continues to be supported by the Infrastructure Investment and Jobs Act (IIJA), critical infrastructure programs and data centers. We expect dealer rental fleet loading to remain strong; however, it will contribute less to growth in sales of equipment to end users in Construction Industries in the fourth quarter of 2026 than in the third quarter of 2026 due to strong rental fleet loading in the fourth quarter of 2025. In ***EAME***, Europe is expected to remain stable in 2026 as compared to 2025, supported by non-residential construction, while construction activity in Africa is projected to remain strong. The Middle East continues to face challenges, but we currently anticipate only a limited impact on sales of equipment to end users in EAME. In Asia/Pacific, outside of China, stable economic conditions are expected in 2026. In China, we anticipate moderate conditions, with growth in the above 10-ton excavator industry in 2026, off low levels of activity. Growth in ***Latin America*** is expected to continue.

In ***Resource Industries***, we are seeing continued positive momentum with robust order rates driving strong backlog growth. Customer product utilization is high, and the age of the fleet remains elevated. Most key commodities remain above investment thresholds, and customers are focused on the long term. We expect strong growth in sales of equipment to end users in 2026 as compared to 2025, primarily driven by rising demand for copper and gold, increasing activity in the Canadian oil sands and positive dynamics in Heavy Construction and Quarry and Aggregates. We expect strong growth in sales of equipment to end users in the fourth quarter of 2026 as compared to the fourth quarter of 2025, including a favorable impact from the timing of commissioning. We continue to expect rebuild activity in 2026 to increase moderately as compared to 2025. Rail services are anticipated to grow in 2026 as compared to 2025. We now expect locomotive deliveries to be slightly lower in 2026 as compared to 2025 due to the timing of deliveries.

Fourth-Quarter 2026 Company Trends and Expectations

We anticipate moderate sales and revenues growth in the fourth quarter of 2026 as compared to the fourth quarter of 2025.

In Power & Energy, we anticipate moderate sales growth in the fourth quarter of 2026 as compared to the fourth quarter of 2025 as we continue to ramp capacity. We expect higher sales volume, driven by continued strength in Power Generation, modest growth in Oil & Gas and moderate growth in Industrial applications as it continues to recover. We also expect favorable price realization in Power & Energy. In Construction Industries, we expect similar sales in the fourth quarter of 2026 compared to the fourth quarter of 2025. We expect favorable price realization will be offset by modestly lower sales volume. This is mainly driven by a typical seasonal dealer inventory decrease of roughly $1.6 billion in the fourth quarter of 2026, compared with a decrease of $600 million in the fourth quarter of 2025. Despite the drawdown, we continue to expect ***dealer inventories*** at the end of 2026 to be higher than at the end of 2025 in anticipation of strong sales of equipment to end users in 2027. We expect the dealer inventory decrease to be partially offset by continued strong sales of equipment to end users growth. In Resource Industries, we expect strong sales growth in the fourth quarter of 2026 as compared to the fourth quarter of 2025. We anticipate higher sales volume to be driven by higher sales of equipment to end users and services revenues growth. We also expect favorable price realization in Resource Industries.

In the fourth quarter of 2026 as compared to the fourth quarter of 2025, we expect favorable price realization and the profit impact of higher sales volume to be partially offset by unfavorable ***manufacturing costs***, excluding the impact of lower tariff costs, and higher selling, general & administrative (SG&A) and research and development (R&D) expenses.

In the fourth quarter of 2026 as compared to the fourth quarter of 2025, in Power & Energy, we anticipate favorable price realization and the profit impact of higher sales volume to be partially offset by unfavorable manufacturing costs. In Construction Industries, we anticipate favorable price realization to be partially offset by the profit impact of lower sales volume, unfavorable manufacturing costs, excluding the impact of lower tariff costs, and higher SG&A/R&D expenses. In Resource Industries, we anticipate favorable price realization and the profit impact of higher sales volume to be partially offset by unfavorable manufacturing costs.

We anticipate tariff costs, excluding IEEPA tariff recoveries, of around $600 million in the fourth quarter of 2026, similar to the third quarter of 2026 but roughly $200 million lower than the fourth quarter of 2025. We continue to expect about 50 percent of the tariff costs to be incurred in Construction Industries and 25 percent in both Power & Energy and Resource Industries.

Full-Year 2026 Company Trends and Expectations

Our strong execution through the first nine months of 2026 positions us well to meet our full-year outlook. We continue to expect sales and revenues growth in the mid-to-high teens for 2026 as compared to 2025. We expect strong growth in sales of equipment to end users across our three primary segments, driven by healthy end markets; strong order rates across our three primary segments, driving backlog growth; increased output from our capacity expansion plans, which remain on schedule; and strong services revenues growth.

Excluding IEEPA tariff recoveries of about $520 million, we continue to expect full-year 2026 tariff costs of around $2.2 billion. Our outlook does not include any additional IEEPA tariff recoveries in the fourth quarter of 2026.

In 2026 as compared to 2025, we expect the profit impact of higher sales volume and favorable price realization to be partially offset by unfavorable manufacturing costs and higher SG&A/R&D expenses.

In 2026, we now expect restructuring costs of about $300 million and capital expenditures of about $3.3 billion. We anticipate our estimated annual effective tax rate to be 23.0 percent, excluding discrete items.

Global Business Conditions

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

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the IEEPA on goods imported into the United States were unauthorized. During 2025 and until CBP ceased collecting IEEPA tariffs in 2026, the company's total IEEPA tariff costs were approximately $1.0 billion.

During the three and nine months ended September 30, 2026, the company recorded $128 million and $520 million, respectively, of IEEPA tariff recoveries for claims submitted and accepted through the CAPE system. These recoveries were deemed probable and were recorded in Cost of goods sold within the Consolidated Statement of Results of Operations.

The company continues to assess the availability, timing and amounts of additional claim submissions for the remaining amounts paid under IEEPA, as these remain uncertain and were not deemed to be probable as of September 30, 2026.

Risk Factors

Risk factors are disclosed within Item 1A. Risk Factors of the 2025 Form 10-K.

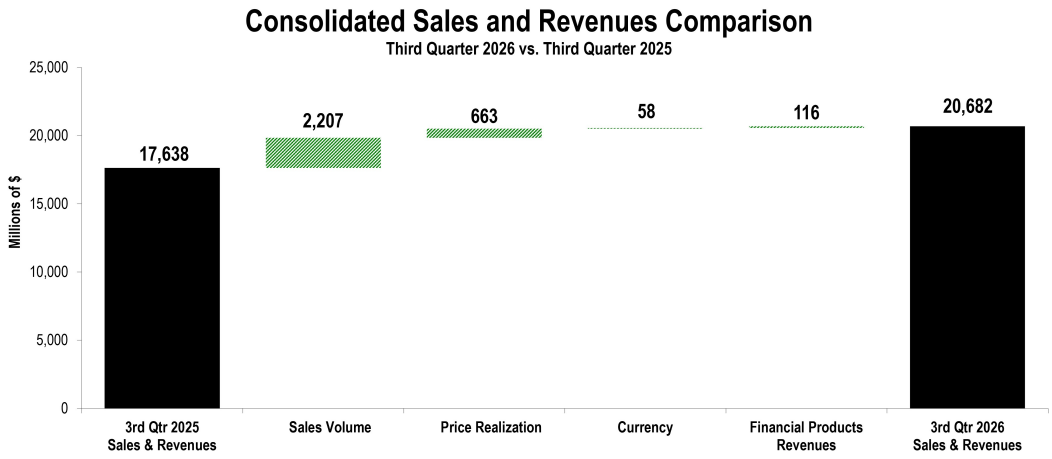
Notes:

- Glossary of terms is included on pages 66-68; first occurrence of terms shown in bold italics.
- Information on non-GAAP financial measures is included on pages 72-75.
- Certain amounts may not add due to rounding.

Consolidated Results of Operations

THREE MONTHS ENDED SEPTEMBER 30, 2026, COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 2025

CONSOLIDATED SALES AND REVENUES



The chart above graphically illustrates reasons for the change in consolidated sales and revenues between the third quarter of 2025 (at left) and the third quarter of 2026 (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 third quarter of 2026 were $20.682 billion, an increase of $3.044 billion, or 17 percent, compared with $17.638 billion in the third quarter of 2025. The increase was primarily due to higher sales volume of $2.2 billion and favorable price realization of $663 million. Higher sales volume was mainly driven by higher sales of equipment to end users.

Sales were higher across the three primary segments.

North America sales increased 25 percent due to higher sales volume and favorable price realization. The increase in sales volume was mainly driven by higher sales of equipment to end users.

Sales increased 15 percent in Latin America primarily due to higher sales volume. Higher sales volume was mainly driven by the impact from changes in dealer inventories.

EAME sales increased 16 percent mainly due to higher sales volume and favorable price realization. Higher sales volume was primarily driven by higher sales of equipment to end users.

Sales decreased 3 percent in Asia/Pacific due to lower sales volume and unfavorable price realization, partially offset by favorable ***currency*** impacts mainly related to the Japanese yen. Lower sales volume was mainly driven by the impact from changes in dealer inventories.

Total dealer inventory increased $800 million during the third quarter of 2026, compared with an increase of $600 million during the third quarter of 2025. Construction Industries' dealer inventory increased by $300 million during the third quarter of 2026, compared with a $600 million increase during the third quarter of 2025. 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

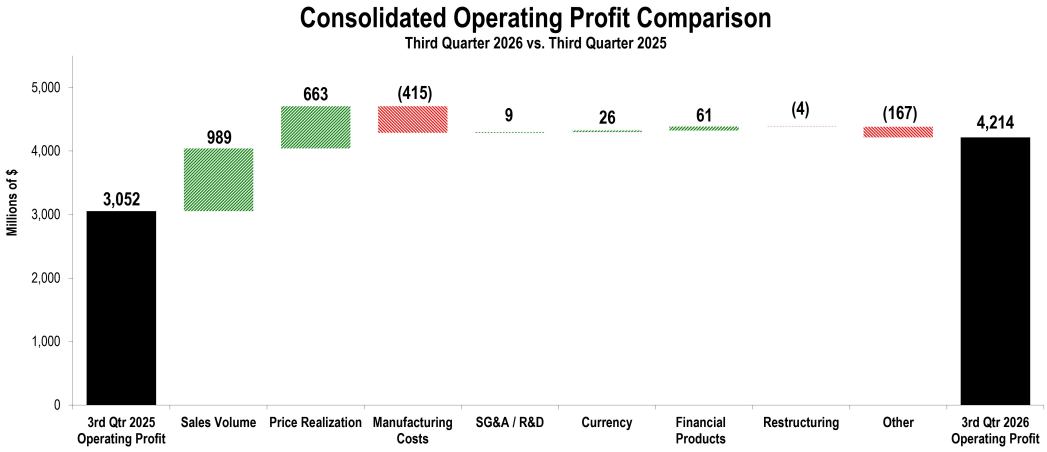
(Millions of dollars)	Third Quarter 2025	Sales Volume	Price Realization	Currency	Inter-Segment / Other	Third Quarter 2026	$ Change	% Change
Power & Energy	$ 7,463	$ 879	$ 216	$ 12	$ 214	$ 8,784	$ 1,321	18%
Construction Industries	6,760	874	349	2	(2)	7,983	1,223	18%
Resource Industries	3,999	478	96	40	2	4,615	616	15%
All Other Segment	73	5	—	—	(6)	72	(1)	(1%)
Corporate Items and Eliminations	(1,569)	(29)	2	4	(208)	(1,800)	(231)	
Machinery, Power & Energy Sales	16,726	2,207	663	58	—	19,654	2,928	18%
Financial Products Segment	1,076	—	—	—	101	1,177	101	9%
Corporate Items and Eliminations	(164)	—	—	—	15	(149)	15	
Financial Products Revenues	912	—	—	—	116	1,028	116	13%
Consolidated Sales and Revenues	$ 17,638	$ 2,207	$ 663	$ 58	$ 116	$ 20,682	$ 3,044	17%

Sales and Revenues by Geographic Region

(Millions of dollars)	North America $	North America % Chg	Latin America $	Latin America % Chg	EAME $	EAME % Chg	Asia/Pacific $	Asia/Pacific % Chg	External Sales and Revenues $	External Sales and Revenues % Chg	Inter-Segment $	Inter-Segment % Chg	Total Sales and Revenues $	Total Sales and Revenues % Chg
Third Quarter 2026														
Power & Energy	$ 4,395	26%	$ 435	(12%)	$ 1,580	22%	$ 878	(4%)	$ 7,288	18%	$ 1,496	17%	$ 8,784	18%
Construction Industries	4,796	23%	825	26%	1,366	12%	925	2%	7,912	18%	71	(3%)	7,983	18%
Resource Industries	2,180	27%	759	25%	674	10%	916	(6%)	4,529	16%	86	2%	4,615	15%
All Other Segment	9	80%	—	—%	3	50%	3	—%	15	50%	57	(10%)	72	(1%)
Corporate Items and Eliminations	(81)		2		(4)		(7)		(90)		(1,710)		(1,800)	
Machinery, Power & Energy Sales	11,299	25%	2,021	15%	3,619	16%	2,715	(3%)	19,654	18%	—	— %	19,654	18%
Financial Products Segment	780	8%	132	12%	142	9%	123	16%	1,177 [1]	9%	—	— %	1,177	9%
Corporate Items and Eliminations	(62)		(29)		(33)		(25)		(149)		—		(149)	
Financial Products Revenues	718	15%	103	12%	109	2%	98	13%	1,028	13%	—	— %	1,028	13%
Consolidated Sales and Revenues	$ 12,017	24%	$ 2,124	15%	$ 3,728	15%	$ 2,813	(2%)	$ 20,682	17%	$ —	— %	$ 20,682	17%
Third Quarter 2025														
Power & Energy	$ 3,478		$ 496		$ 1,296		$ 911		$ 6,181		$ 1,282		$ 7,463	
Construction Industries	3,912		654		1,217		904		6,687		73		6,760	
Resource Industries	1,721		605		612		977		3,915		84		3,999	
All Other Segment	5		—		2		3		10		63		73	
Corporate Items and Eliminations	(61)		3		(3)		(6)		(67)		(1,502)		(1,569)	
Machinery, Power & Energy Sales	9,055		1,758		3,124		2,789		16,726		—		16,726	
Financial Products Segment	722		118		130		106		1,076 [1]		—		1,076	
Corporate Items and Eliminations	(96)		(26)		(23)		(19)		(164)		—		(164)	
Financial Products Revenues	626		92		107		87		912		—		912	
Consolidated Sales and Revenues	$ 9,681		$ 1,850		$ 3,231		$ 2,876		$ 17,638		$ —		$ 17,638	

[1] Includes revenues from Machinery, Power & Energy of $218 million and $187 million in the third quarter of 2026 and 2025, respectively.

CONSOLIDATED OPERATING PROFIT



The chart above graphically illustrates reasons for the change in consolidated operating profit between the third quarter of 2025 (at left) and the third quarter of 2026 (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, Power & Energy's other operating (income) expenses.

Operating profit for the third quarter of 2026 was $4.214 billion, an increase of $1.162 billion, or 38 percent, compared with $3.052 billion in the third quarter of 2025. The increase was primarily due to the profit impact of higher sales volume.

Operating profit in the third quarter of 2026 included $128 million of International Emergency Economic Power Act (IEEPA) tariff recoveries.

Operating profit margin was 20.4 percent for the third quarter of 2026, compared with 17.3 percent for the third quarter of 2025.

Profit (Loss) by Segment **(Millions of dollars)**	**Third Quarter 2026**	**Third Quarter 2025**	**$ Change**	**% Change**
Power & Energy	$ 2,143	$ 1,633	$ 510	31%
Construction Industries	1,831	1,377	454	33%
Resource Industries	622	544	78	14%
All Other Segment	(2)	(6)	4	67%
Corporate Items and Eliminations	(450)	(546)	96	
Machinery, Power & Energy	4,144	3,002	1,142	38%
Financial Products Segment	264	241	23	10%
Corporate Items and Eliminations	(3)	(38)	35	
Financial Products	261	203	58	29%
Consolidating Adjustments	(191)	(153)	(38)	
Consolidated Operating Profit	$ 4,214	$ 3,052	$ 1,162	38%

Other Profit/Loss and Tax Items

- Interest expense excluding Financial Products in the third quarter of 2026 was $129 million, compared with $133 million in the third quarter of 2025.
- Other income (expense) in the third quarter of 2026 was income of $135 million, compared with income of $208 million in the third quarter of 2025. The change was primarily driven by unfavorable impacts from total return swap contracts, partially offset by favorable impacts from commodity hedges.
- The effective tax rate for the third quarter of 2026 was 22.9 percent compared to 26.7 percent for the third quarter of 2025. Excluding the discrete items discussed below, the estimated annual effective tax rate was 23.0 percent for the third quarter of 2026 compared with 24.0 percent for the third quarter of 2025.

  A discrete tax benefit of $3 million was recorded in the third quarter of 2026, compared with a $10 million benefit in the third quarter of 2025, for the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense.

  In the third quarter of 2025, the company also recorded a $54 million charge for an increase in the estimated annual effective tax rate through the first six months and a discrete tax charge of $41 million to reflect changes in estimates related to prior years.

  Please see a reconciliation of GAAP to non-GAAP financial measures on pages 72-75.

Power & Energy

Sales by Application (Millions of dollars)	Third Quarter 2026	Third Quarter 2025	$ Change	% Change
Power Generation	$ 3,421	$ 2,634	$ 787	30%
Oil and Gas	2,236	1,979	257	13%
Industrial	1,631	1,568	63	4%
External Sales	7,288	6,181	1,107	18%
Inter-segment	1,496	1,282	214	17%
Total Sales	$ 8,784	$ 7,463	$ 1,321	18%

Power & Energy's total sales were $8.784 billion in the third quarter of 2026, an increase of $1.321 billion, or 18 percent, compared with $7.463 billion in the third quarter of 2025. The increase was primarily due to higher sales volume of $879 million and favorable price realization of $216 million.

- Power Generation – Sales increased mainly in turbines and turbine-related services and in large reciprocating engines, primarily in data center applications.
- Oil and Gas – Sales increased primarily in reciprocating engine aftermarket parts and in reciprocating engines used in gas compression applications. Sales also increased in turbines and turbine-related services.
- Industrial – Sales increased mainly in North America.

Power & Energy's segment profit was $2.143 billion in the third quarter of 2026, an increase of $510 million, or 31 percent, compared with $1.633 billion in the third quarter of 2025. The increase was mainly due to the profit impact of higher sales volume.

Power & Energy's segment profit as a percent of total sales was 24.4 percent in the third quarter of 2026, compared with 21.9 percent in the third quarter of 2025.

Construction Industries

Construction Industries' total sales were $7.983 billion in the third quarter of 2026, an increase of $1.223 billion, or 18 percent, compared with $6.760 billion in the third quarter of 2025. The increase in sales was mainly due to higher sales volume of $874 million and favorable price realization of $349 million. Higher sales volume was primarily driven by higher sales of equipment to end users.

- In North America, sales increased due to higher sales volume and favorable price realization. Higher sales volume was mainly driven by higher sales of equipment to end users.
- Sales increased in Latin America mainly due to higher sales volume. Higher sales volume was primarily driven by the impact from changes in dealer inventories.
- In EAME, sales increased primarily due to favorable price realization and higher sales volume. Higher sales volume was mainly driven by higher sales of equipment to end users.
- Sales increased in Asia/Pacific due to higher sales volume, partially offset by unfavorable price realization and unfavorable currency impacts primarily related to the Japanese yen. Higher sales volume was mainly driven by the impact from changes in dealer inventories.

Construction Industries' segment profit was $1.831 billion in the third quarter of 2026, an increase of $454 million, or 33 percent, compared with $1.377 billion in the third quarter of 2025. The increase was primarily due to the profit impact of higher sales volume of $356 million and favorable price realization of $349 million, partially offset by unfavorable manufacturing costs of $252 million. Unfavorable manufacturing costs included the impact of higher freight.

Construction Industries' segment profit as a percent of total sales was 22.9 percent in the third quarter of 2026, compared with 20.4 percent in the third quarter of 2025.

Resource Industries

Sales by Industry (Millions of dollars)	Third Quarter 2026	Third Quarter 2025	$ Change	% Change
Mining, HC and Q&A*	$ 3,697	$ 3,036	$ 661	22%
Rail	832	879	(47)	(5%)
External Sales	4,529	3,915	614	16%
Inter-segment	86	84	2	2%
Total Sales	$ 4,615	$ 3,999	$ 616	15%

*Heavy Construction and Quarry & Aggregates (HC and Q&A)

Resource Industries' total sales were $4.615 billion in the third quarter of 2026, an increase of $616 million, or 15 percent, compared with $3.999 billion in the third quarter of 2025. The increase was primarily due to higher sales volume of $478 million and favorable price realization of $96 million.

- Mining, Heavy Construction and Quarry & Aggregates – Sales increased primarily due to the impact from changes in dealer inventories.
- Rail – Sales decreased primarily due to lower international locomotive deliveries, partially offset by an increase in rail services.

Resource Industries' segment profit was $622 million in the third quarter of 2026, an increase of $78 million, or 14 percent, compared with $544 million in the third quarter of 2025. The increase was mainly due to the profit impact of higher sales volume of $181 million and favorable price realization of $96 million, partially offset by unfavorable manufacturing costs of $208 million. Unfavorable manufacturing costs primarily reflected higher material costs, including tariffs.

Resource Industries' segment profit as a percent of total sales was 13.5 percent in the third quarter of 2026, compared with 13.6 percent in the third quarter of 2025.

Financial Products Segment

Financial Products' segment revenues were $1.177 billion in the third quarter of 2026, an increase of $101 million, or 9 percent, compared with $1.076 billion in the third quarter of 2025. The increase was primarily due to a favorable impact from higher average ***earning assets*** of $125 million across all regions, partially offset by an unfavorable impact from lower average financing rates of $38 million across all regions except Asia/Pacific.

Financial Products' segment profit was $264 million in the third quarter of 2026, an increase of $23 million, or 10 percent, compared with $241 million in the third quarter of 2025. The increase was mainly due to a favorable impact from higher average earning assets of $52 million, partially offset by higher provision for credit losses at Cat Financial of $34 million.

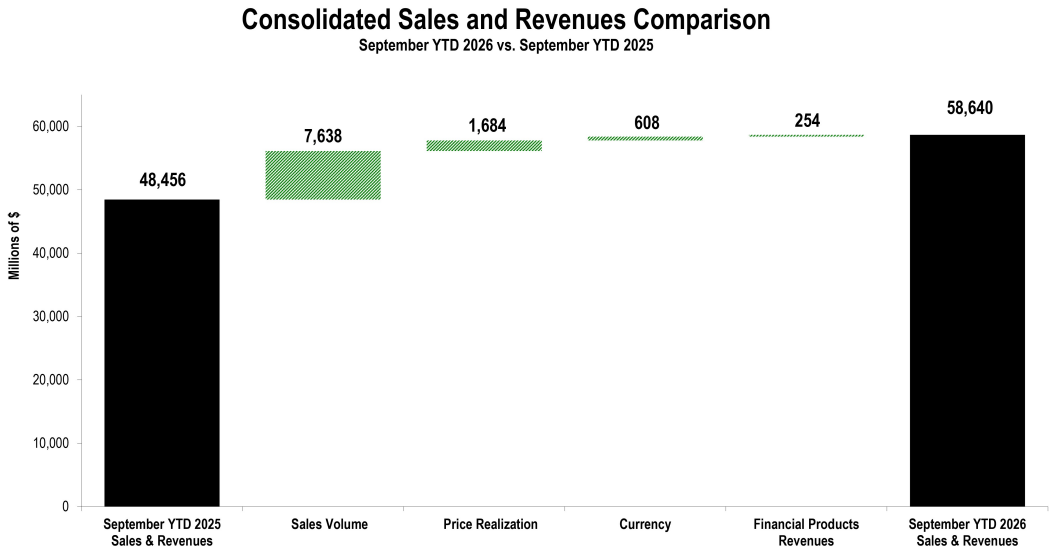
At the end of the third quarter of 2026, past dues at Cat Financial were 1.31 percent, compared with 1.47 percent at the end of the third quarter of 2025. Write-offs, net of recoveries, were $28 million for the third quarter of 2026 compared with $40 million for the third quarter of 2025. As of September 30, 2026, Cat Financial's allowance for credit losses totaled $332 million, or 0.91 percent of finance receivables, compared with $294 million, or 0.84 percent of finance receivables at June 30, 2026. The allowance for credit losses at year-end 2025 was $284 million, or 0.86 percent of finance receivables.

Corporate Items and Eliminations

Expense for corporate items and eliminations was $453 million in the third quarter of 2026, a decrease of $131 million from the third quarter of 2025. This decrease was primarily due to a favorable change in fair value adjustments related to deferred compensation plans.

NINE MONTHS ENDED SEPTEMBER 30, 2026 COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 2025

CONSOLIDATED SALES AND REVENUES



The chart above graphically illustrates reasons for the change in consolidated sales and revenues between the nine months ended September 30, 2025 (at left) and the nine months ended September 30, 2026 (at right). Caterpillar management utilizes these charts internally to visually communicate with the company's board of directors and employees.

Total sales and revenues were $58.640 billion for the nine months ended September 30, 2026, an increase of $10.184 billion, or 21 percent, compared with $48.456 billion for the nine months ended September 30, 2025. The increase was primarily due to higher sales volume of $7.6 billion and favorable price realization of $1.7 billion. The increase in sales volume was mainly driven by higher sales of equipment to end users.

Sales were higher across the three primary segments.

North America sales increased 32 percent primarily due to higher sales volume. The increase in sales volume was mainly driven by higher sales of equipment to end users.

Sales increased 10 percent in Latin America mainly due to higher sales volume. The increase in sales volume was primarily driven by the impact from changes in dealer inventories.

EAME sales increased 17 percent primarily due to higher sales volume and favorable price realization. The increase in sales volume was mainly driven by higher sales of equipment to end users.

Sales increased 2 percent in Asia/Pacific due to favorable currency impacts primarily related to the Australian dollar and favorable price realization, partially offset by lower sales volume. The decrease in sales volume was primarily driven by the impact from changes in dealer inventories.

Total dealer inventory increased $3.5 billion during the nine months ended September 30, 2026, compared with an increase of $900 million during the nine months ended September 30, 2025. Construction Industries' dealer inventory increased $2.3 billion during the nine months ended September 30, 2026, compared with an increase of $300 million during the nine months ended September 30, 2025. 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

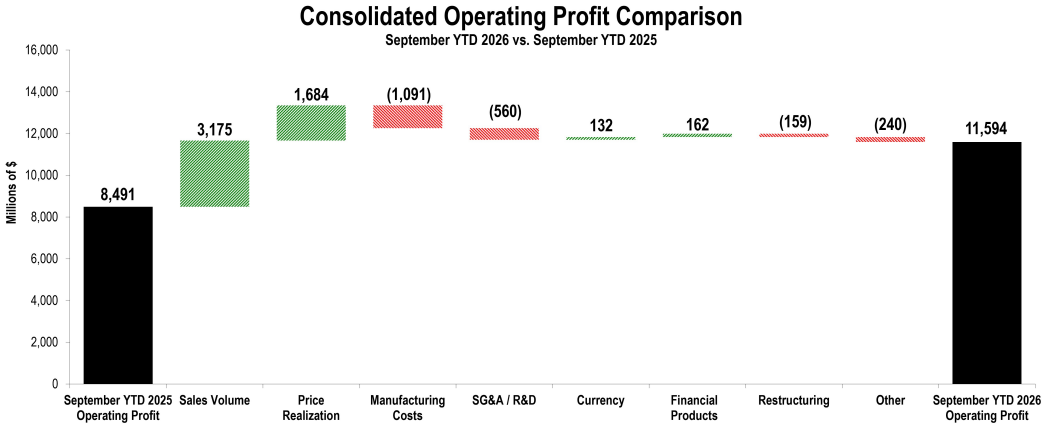
(Millions of dollars)	Nine Months Ended September 30, 2025	Sales Volume	Price Realization	Currency	Inter-Segment / Other	Nine Months Ended September 30, 2026	$ Change	% Change
Power & Energy	$ 20,283	$ 2,455	$ 536	$ 176	$ 603	$ 24,053	$ 3,770	19%
Construction Industries	18,134	4,088	1,014	219	35	23,490	5,356	30%
Resource Industries	11,546	1,202	132	183	(3)	13,060	1,514	13%
All Other Segment	228	7	1	—	(3)	233	5	2%
Corporate Items and Eliminations	(4,413)	(114)	1	30	(632)	(5,128)	(715)	
Machinery, Power & Energy Sales	45,778	7,638	1,684	608	—	55,708	9,930	22%
Financial Products Segment	3,125	—	—	—	293	3,418	293	9%
Corporate Items and Eliminations	(447)	—	—	—	(39)	(486)	(39)	
Financial Products Revenues	2,678	—	—	—	254	2,932	254	9%
Consolidated Sales and Revenues	$ 48,456	$ 7,638	$ 1,684	$ 608	$ 254	$ 58,640	$ 10,184	21%

Sales and Revenues by Geographic Region

	North America		Latin America		EAME		Asia/Pacific		External Sales and Revenues		Inter-Segment		Total Sales and Revenues	
(Millions of dollars)	$	% Chg	$	% Chg	$	% Chg	$	% Chg	$	% Chg	$	% Chg	$	% Chg
Nine Months Ended September 30, 2026														
Power & Energy	$ 12,077	29%	$ 1,086	(14%)	$ 4,069	12%	$ 2,564	6%	$ 19,796	19%	$ 4,257	17%	$ 24,053	19%
Construction Industries	14,153	39%	2,151	27%	4,021	23%	2,950	5%	23,275	30%	215	19%	23,490	30%
Resource Industries	6,246	25%	2,002	11%	1,947	14%	2,612	(6%)	12,807	13%	253	(1%)	13,060	13%
All Other Segment	25	32%	1	—%	8	100%	8	(27%)	42	24%	191	(2%)	233	2%
Corporate Items and Eliminations	(187)		3		(9)		(19)		(212)		(4,916)		(5,128)	
Machinery, Power & Energy Sales	32,314	32%	5,243	10%	10,036	17%	8,115	2%	55,708	22%	—	—%	55,708	22%
Financial Products Segment	2,286	8%	365	13%	412	9%	355	12%	3,418 [1]	9%	—	—%	3,418	9%
Corporate Items and Eliminations	(259)		(71)		(87)		(69)		(486)		—		(486)	
Financial Products Revenues	2,027	10%	294	14%	325	2%	286	10%	2,932	9%	—	—%	2,932	9%
Consolidated Sales and Revenues	$ 34,341	31%	$ 5,537	10%	$ 10,361	16%	$ 8,401	2%	$ 58,640	21%	$ —	—%	$ 58,640	21%
Nine Months Ended September 30, 2025														
Power & Energy	$ 9,328		$ 1,264		$ 3,628		$ 2,409		$ 16,629		$ 3,654		$ 20,283	
Construction Industries	10,185		1,698		3,269		2,802		17,954		180		18,134	
Resource Industries	4,999		1,803		1,706		2,782		11,290		256		11,546	
All Other Segment	19		—		4		11		34		194		228	
Corporate Items and Eliminations	(104)		(1)		(8)		(16)		(129)		(4,284)		(4,413)	
Machinery, Power & Energy Sales	24,427		4,764		8,599		7,988		45,778		—		45,778	
Financial Products Segment	2,107		322		378		318		3,125 [1]		—		3,125	
Corporate Items and Eliminations	(264)		(65)		(60)		(58)		(447)		—		(447)	
Financial Products Revenues	1,843		257		318		260		2,678		—		2,678	
Consolidated Sales and Revenues	$ 26,270		$ 5,021		$ 8,917		$ 8,248		$ 48,456		$ —		$ 48,456	

[1] Includes revenues from Machinery, Power & Energy of $611 million and $522 million for the nine months ended September 30, 2026 and 2025, respectively.

CONSOLIDATED OPERATING PROFIT



The chart above graphically illustrates reasons for the change in consolidated operating profit between the nine months ended September 30, 2025 (at left) and the nine months ended September 30, 2026 (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, Power & Energy's other operating (income) expenses.

Operating profit for the nine months ended September 30, 2026, was $11.594 billion, an increase of $3.103 billion, or 37 percent, compared with $8.491 billion for the nine months ended September 30, 2025. The increase was primarily due to the profit impact of higher sales volume.

Operating profit for the nine months ended September 30, 2026 included $520 million of IEEPA tariff recoveries.

Operating profit margin was 19.8 percent for the nine months ended September 30, 2026, compared with 17.5 percent for the nine months ended September 30, 2025.

Profit (Loss) by Segment

(Millions of dollars)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	$ Change	% Change
Power & Energy	$ 5,620	$ 4,475	$ 1,145	26%
Construction Industries	5,313	3,645	1,668	46%
Resource Industries	1,693	1,730	(37)	(2%)
All Other Segment	(45)	(25)	(20)	(80%)
Corporate Items and Eliminations	(1,224)	(1,513)	289	
Machinery, Power & Energy	11,357	8,312	3,045	37%
Financial Products Segment	837	704	133	19%
Corporate Items and Eliminations	(76)	(88)	12	
Financial Products	761	616	145	24%
Consolidating Adjustments	(524)	(437)	(87)	
Consolidated Operating Profit	$ 11,594	$ 8,491	$ 3,103	37%

Other Profit/Loss and Tax Items

- Interest expense excluding Financial Products for the nine months ended September 30, 2026, was $398 million, compared with $375 million for the nine months ended September 30, 2025. The increase was primarily due to higher average debt outstanding.
- Other income (expense) for the nine months ended September 30, 2026, was income of $793 million, compared with income of $399 million for the nine months ended September 30, 2025. The change was primarily driven by favorable impacts from foreign currency, investment and interest income, and commodity hedges.
- The effective tax rate for the nine months ended September 30, 2026 was 22.5 percent compared to 24.1 percent for the nine months ended September 30, 2025. Excluding the discrete items discussed below, the estimated annual effective tax rate was 23.0 percent for the nine months ended September 30, 2026 compared with 24.0 percent for the nine months ended September 30, 2025.

  A discrete tax benefit of $97 million was recorded in the nine months ended September 30, 2026 for the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense, compared with $28 million for the nine months ended September 30, 2025. In addition, the 2026 estimated annual effective tax rate excluded the impact of losses of $139 million for the divestiture of certain non-U.S. entities with no related tax benefit.

  The company also recorded a discrete tax charge of $41 million in the nine months ended September 30, 2025, to reflect changes in estimates related to prior years.

  Please see a reconciliation of GAAP to non-GAAP financial measures on pages 72-75.

Power & Energy

Sales by Application (Millions of dollars)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	$ Change	% Change
Power Generation	$ 9,336	$ 7,037	$ 2,299	33%
Oil and Gas	5,703	5,104	599	12%
Industrial	4,757	4,488	269	6%
External Sales	19,796	16,629	3,167	19%
Inter-segment	4,257	3,654	603	17%
Total Sales	$ 24,053	$ 20,283	$ 3,770	19%

Power & Energy's total sales were $24.053 billion for the nine months ended September 30, 2026, an increase of $3.770 billion, or 19 percent, compared with $20.283 billion for the nine months ended September 30, 2025. The increase was primarily due to higher sales volume of $2.5 billion and higher inter-segment sales of $603 million.

- Power Generation – Sales increased primarily in large reciprocating engines and in turbines and turbine-related services, primarily in data center applications.
- Oil and Gas – Sales increased mainly in reciprocating engines used in gas compression applications and in reciprocating engine aftermarket parts. Sales also increased in turbines and turbine-related services.
- Industrial – Sales increased primarily in North America and EAME.

Power & Energy's profit was $5.620 billion for the nine months ended September 30, 2026, an increase of $1.145 billion, or 26 percent, compared with $4.475 billion for the nine months ended September 30, 2025. The increase was mainly due to the profit impact of higher sales volume of $1.4 billion and favorable price realization of $536 million, partially offset by unfavorable manufacturing costs of $657 million. Unfavorable manufacturing costs primarily reflected increased period manufacturing costs.

Power & Energy's profit as a percent of total sales was 23.4 percent for the nine months ended September 30, 2026, compared with 22.1 percent for the nine months ended September 30, 2025.

Construction Industries

Construction Industries' total sales were $23.490 billion for the nine months ended September 30, 2026, an increase of $5.356 billion, or 30 percent, compared with $18.134 billion for the nine months ended September 30, 2025. The increase was primarily due to higher sales volume of $4.1 billion and favorable price realization of $1.0 billion. Higher sales volume was mainly driven by higher sales of equipment to end users.

- In North America, sales increased primarily due to higher sales volume and favorable price realization. Higher sales volume was mainly driven by higher sales of equipment to end users.
- Sales increased in Latin America mainly due to higher sales volume. Higher sales volume was primarily driven by the impact from changes in dealer inventories.
- In EAME, sales increased primarily due to higher sales volume and favorable price realization. Higher sales volume was mainly driven by higher sales of equipment to end users.
- Sales increased in Asia/Pacific mainly due to higher sales volume and favorable currency impacts primarily related to the Australian dollar. Higher sales volume was primarily driven by the impact from changes in dealer inventories.

Construction Industries' profit was $5.313 billion for the nine months ended September 30, 2026, an increase of $1.668 billion, or 46 percent, compared with $3.645 billion for the nine months ended September 30, 2025. The increase was primarily due to the profit impact of higher sales volume of $1.468 billion and favorable price realization of $1.014 billion, partially offset by unfavorable manufacturing costs of $813 million. Unfavorable manufacturing costs mainly reflected higher material costs, including tariffs.

Construction Industries' profit as a percent of total sales was 22.6 percent for the nine months ended September 30, 2026, compared with 20.1 percent for the nine months ended September 30, 2025.

Resource Industries

Sales by Industry **(Millions of dollars)**	**Nine Months Ended September 30, 2026**	**Nine Months Ended September 30, 2025**	**$ Change**	**% Change**
Mining, HC and Q&A*	$ 10,336	$ 8,901	$ 1,435	16%
Rail	2,471	2,389	82	3%
External Sales	12,807	11,290	1,517	13%
Inter-segment	253	256	(3)	(1%)
Total Sales	$ 13,060	$ 11,546	$ 1,514	13%

*Heavy Construction and Quarry & Aggregates (HC and Q&A)

Resource Industries' total sales were $13.060 billion for the nine months ended September 30, 2026, an increase of $1.514 billion, or 13 percent, compared with $11.546 billion for the nine months ended September 30, 2025. The increase was primarily due to higher sales volume.

- Mining, Heavy Construction and Quarry & Aggregates – Sales increased primarily due to the impact from changes in dealer inventories.
- Rail – Sales increased in rail services.

Resource Industries' profit was $1.693 billion for the nine months ended September 30, 2026, a decrease of $37 million, or 2 percent, compared with $1.730 billion for the nine months ended September 30, 2025. The decrease was mainly due to unfavorable manufacturing costs of $584 million and higher SG&A/R&D expenses of $137 million, partially offset by the profit impact of higher sales volume of $514 million and favorable price realization of $132 million. Unfavorable manufacturing costs largely reflected higher material costs, including tariffs. The increase in SG&A/R&D expenses was primarily driven by higher compensation expenses.

Resource Industries' profit as a percent of total sales was 13.0 percent for the nine months ended September 30, 2026, compared with 15.0 percent for the nine months ended September 30, 2025.

Financial Products Segment

Financial Products' segment revenues were $3.418 billion for the nine months ended September 30, 2026, an increase of $293 million, or 9 percent, compared with $3.125 billion for the nine months ended September 30, 2025. The increase was primarily due to a favorable impact from higher average earning assets across all regions.

Financial Products' segment profit was $837 million for the nine months ended September 30, 2026, an increase of $133 million, or 19 percent, compared with $704 million for the nine months ended September 30, 2025. The increase was mainly due to favorable impacts from higher average earning assets of $137 million and higher margins at Insurance Services of $42 million, partially offset by higher provision for credit losses at Cat Financial of $56 million.

Corporate Items and Eliminations

Expense for corporate items and eliminations was $1.300 billion for the nine months ended September 30, 2026, a decrease of $301 million from the nine months ended September 30, 2025, mainly driven by decreased expenses due to timing differences, which included the majority of the IEEPA tariff recoveries recorded in the nine months ended September 30, 2026, partially offset by higher corporate costs.

RESTRUCTURING COSTS

In 2026, we expect to incur approximately $300 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 $48 million in 2026 compared with 2025.

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

GLOSSARY OF TERMS

1. **Adjusted Operating Profit Margin** – Operating profit excluding restructuring income/costs as a percentage of sales and revenues.
2. **Adjusted Profit Per Share** – Profit per share excluding restructuring income/costs.
3. **All Other Segment** – Primarily includes activities such as: business strategy; product management and development; parts distribution; integrated logistics solutions; electronics and control systems; 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; research and development for automation, electronics and software for machines and engines 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, Power & Energy 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, Power & Energy 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. **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.
12. **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 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, Power & Energy, 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.
13. **Latin America** – A geographic region including Central and South American countries, Caribbean and Mexico.
14. **Machinery, Power & Energy (MP&E)** – The company defines MP&E as Caterpillar Inc. and its subsidiaries, excluding Financial Products. MP&E's information relates to the design, manufacturing and marketing of its products.
15. **Machinery, Power & Energy Other Operating (Income) Expenses** – Comprised primarily of gains/losses on disposal of long-lived assets, gains/losses on divestitures and legal settlements and accruals.
16. **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.
17. **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.
18. **Pension and Other Postemployment Benefits (OPEB)** – The company's defined-benefit pension and postretirement benefit plans.
19. **Power & Energy** – A segment primarily responsible for supporting customers using reciprocating engines, turbines and related services across industries serving Power Generation, Oil and Gas and Industrial applications, including marine applications and 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 oil and gas industry; reciprocating engines, drivetrain and integrated systems and solutions supplied to the industrial industry as well as Caterpillar machines; and electrified powertrain and zero-emission power sources and service solutions. Responsibilities also include the remanufacturing of Caterpillar reciprocating engines and engine and machine components.
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 as well as customers using locomotives and rail-related products and services. 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; wear and maintenance components and related parts; diesel-electric, hybrid and battery-electric locomotives and components and other rail-related products and services, including remanufacturing and leasing. In addition, Resource Industries 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 component design and manufacturing and research and development for hydraulic systems and cabs.
22. **Restructuring income/costs** – May include costs for employee separation, long-lived asset impairments, contract terminations and (gains)/losses on divestitures. These costs are included in Other operating (income) expenses except for defined-benefit plan curtailment losses and special termination benefits, which are included in Other income (expense). Restructuring costs also include other exit-related costs, which may consist of accelerated depreciation, inventory write-downs, building demolition, equipment relocation and project management costs and LIFO inventory decrement benefits from inventory liquidations at closed facilities, all of which are primarily included in Cost of goods sold.
23. **Sales Volume** – With respect to sales and revenues, sales volume represents the impact of changes in the quantities sold for Machinery, Power & Energy 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, Power & Energy 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, Power & Energy sales with respect to total sales. The impact of sales volume on segment profit includes inter-segment sales.
24. **Services** – Machinery, Power & Energy services revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products revenues, discontinued products and captive dealer services.

LIQUIDITY AND CAPITAL RESOURCES

Sources of funds

We generate significant capital resources from operating activities, which are the primary source of funding for our MP&E operations. Funding for these businesses is also available from commercial paper, revolving credit facility 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 nine months of 2026 and ended the third quarter with $7.929 billion of cash, a decrease of $2.051 billion from year-end 2025. In addition, MP&E invests in available-for-sale debt securities and bank time deposits that are considered highly liquid and are available for current operations. These MP&E securities were $1.572 billion as of September 30, 2026 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 nine months of 2026 was $10.593 billion, up $2.445 billion compared to the same period a year ago. The increase was primarily due to higher profit before taxes adjusted for non-cash items, and favorable changes to customer advances; accounts payable; accrued wages, salaries and employee benefits; and accrued expenses. These changes were partially offset by unfavorable changes in receivables and inventories.

Total debt as of September 30, 2026 was $45.201 billion, an increase of $1.871 billion from year-end 2025. Debt related to MP&E decreased $41 million in the first nine months of 2026. Debt related to Financial Products increased $2.434 billion.

As of September 30, 2026, we had three global credit facilities with a syndicate of banks totaling $11.500 billion (Credit Facility) available in the aggregate to both Caterpillar and Cat Financial for general liquidity purposes. Based on management's allocation decision, which can be revised from time to time, the portion of the Credit Facility available to MP&E as of September 30, 2026 was $2.875 billion. Information on our Credit Facility is as follows:

- In August 2026, we entered into a new 364-day facility. The 364-day facility of $3.500 billion (of which $875 million is available to MP&E) expires in August 2027.
- In August 2026, we amended and extended the three-year facility (as amended and restated, the "three-year facility"). The three-year facility of $3.000 billion (of which $750 million is available to MP&E) expires in August 2029.
- In August 2026, we amended and extended the five-year facility (as amended and restated, the "five-year facility"). The five-year facility of $5.000 billion (of which $1.250 billion is available to MP&E) expires in August 2031.

At September 30, 2026, Caterpillar's consolidated net worth was $21.551 billion, which was above the $9.000 billion required covenant in 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 September 30, 2026, Cat Financial's covenant interest coverage ratio was 1.53 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 periods, required in the Credit Facility.

In addition, at September 30, 2026, Cat Financial's nine-month covenant leverage ratio was 8.01 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 nine preceding calendar months and (2) at each December 31, required in 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 September 30, 2026, 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 September 30, 2026 were:

(Millions of dollars)	September 30, 2026		
	Consolidated	Machinery, Power & Energy	Financial Products
Credit lines available:			
Global credit facilities	$ 11,500	$ 2,875	$ 8,625
Other external	4,289	901	3,388
Total credit lines available	15,789	3,776	12,013
Less: Commercial paper outstanding	(4,717)	—	(4,717)
Less: Utilized credit	(875)	—	(875)
Available credit	$ 10,197	$ 3,776	$ 6,421

The other external consolidated credit lines with banks as of September 30, 2026 totaled $4.289 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 and Moody's maintain a "high-A" debt rating, while S&P maintains 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, MP&E's operations would rely on cash flow from operations, use of existing cash balances, borrowings from Cat Financial and access to our committed credit facilities. Our Financial Products' operations would rely on cash flow from its existing portfolio, existing cash balances, access to our committed credit facilities and other credit line facilities of Cat Financial, and borrowings from Caterpillar. In addition, we maintain a support agreement with Cat Financial, which requires Caterpillar to remain the sole owner of Cat Financial and may, under certain circumstances, require Caterpillar to make payments to Cat Financial should Cat Financial fail to maintain certain financial ratios.

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

Machinery, Power & Energy

Net cash provided by operating activities was $11.534 billion in the first nine months of 2026, compared with net cash provided of $7.745 billion for the same period in 2025. The increase was primarily due to higher profit before taxes, adjusted for non-cash items.

Net cash used for investing activities in the first nine months of 2026 was $3.522 billion, compared with net cash used of $2.112 billion in the first nine months of 2025. The change was due to higher investments and acquisitions, primarily due to the acquisition of RPMGlobal, lower proceeds from maturities and sale of securities, and higher investments in securities. These changes were partially offset by changes in activity related to intercompany lending with Financial Products. For additional information related to the acquisition of RPMGlobal, see Note 22 - "Acquisitions" of Part I, Item 1 "Financial Statements."

Net cash used for financing activities during the first nine months of 2026 was $10.171 billion, compared with net cash used of $5.128 billion in the same period of 2025. The change was primarily due to higher payments to purchase common stock and the absence of debt issuance proceeds in 2026.

While our short-term priorities for the use of cash may vary from time to time as business needs and conditions dictate, our resource allocation framework 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 commitments and strategic growth initiatives assessed using the Operating & Execution Model. Then, we intend to return capital to shareholders through dividend growth and share repurchases. Additional information on the resource allocation framework 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 resource allocation framework and the various methodologies used by the major credit rating agencies.

Operating & Execution Model used to assess operational commitments and strategic growth initiatives – Capital expenditures were $2.009 billion during the first nine months of 2026, compared to $1.944 billion for the same period in 2025. We expect MP&E's capital expenditures in 2026 to be about $3.3 billion. We made $332 million of contributions to our pension and other postretirement benefit plans during the first nine months of 2026. We currently anticipate full-year 2026 contributions of approximately $360 million. In comparison, we made $323 million of contributions to our pension and other postretirement benefit plans during the first nine months of 2025.

We intend to utilize our liquidity and debt capacity to fund initiatives targeted to drive long term profitable growth focused on our three strategic growth pillars. Our strategic growth pillars are Commercial Excellence, Advanced Technology Leader and Transform How We Work. These pillars work together to drive sustainable growth, innovation and operational efficiency for Caterpillar and our customers.

On October 31, 2026, Caterpillar completed its previously announced acquisition of 100 percent of the equity in Fabick. The preliminary purchase price, which remains subject to working capital and other adjustments to be finalized post-acquisition, includes $1.24 billion cash paid at closing with a remaining estimated $165 million to be paid in cash after the expiration of certain holdback periods. For more information see Note 23 - "Subsequent event" of Part I, Item 1 "Financial Statements."

Return to shareholders – Our goal is to return substantially all MP&E free cash flow to shareholders over time in the form of dividends and share repurchases, while maintaining our mid-A rating.

MP&E 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 MP&E free cash flow as cash from MP&E operations less capital expenditures, excluding discretionary pension and other postretirement benefit plan contributions.

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 October 2026, the Board of Directors approved maintaining our quarterly dividend representing $1.63 per share, and we continue to expect our strong financial position to support the dividend. Dividends paid totaled $2.148 billion in the first nine months of 2026.

Our share repurchase plans are subject to the company's resource allocation framework 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 June 2024, the Board approved a share repurchase authorization (the 2024 Authorization) of up to $20.0 billion of Caterpillar common stock, effective June 12, 2024, with no expiration. In the first nine months of 2026, we deployed $7.745 billion of cash for repurchases of Caterpillar common stock. As of September 30, 2026, $7.192 billion remained available under the 2024 Authorization. Our basic shares outstanding as of September 30, 2026 were approximately 458 million.

Financial Products

Net cash provided by operating activities was $1.137 billion in the first nine months of 2026, compared with $894 million for the same period in 2025. Net cash used for investing activities was $3.743 billion in the first nine months of 2026, compared with $2.150 billion for the same period in 2025. The change was primarily due to portfolio-related activity. Net cash provided by financing activities was $2.777 billion in the first nine months of 2026, compared with $1.422 billion for the same period in 2025. The change was due to increased external borrowing activity, partially offset by decreased intercompany borrowings from MP&E.

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 2025 Annual Report on Form 10-K. There have been no significant changes to our critical accounting estimates since our 2025 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.”

Retirement Benefits

We recognize ***mark-to-market gains and losses*** immediately through earnings upon the remeasurement of our pension and OPEB plans. Mark-to-market gains and losses represent the effects of actual results differing from our assumptions and the effects of changing assumptions. We will record the annual mark-to-market adjustment as of the measurement date, December 31, 2026. It is difficult to predict the December 31, 2026 adjustment amount, as it will be dependent primarily on changes in discount rates during 2026, and actual returns on plan assets differing from our expected returns for 2026.

Order Backlog

At the end of the third quarter of 2026, the dollar amount of backlog believed to be firm was approximately $78.1 billion, about $6.0 billion higher than the second quarter of 2026. The order backlog increased across the three primary segments, with the largest increase in Power & Energy. Of the total backlog at September 30, 2026, approximately $32.6 billion was not expected to be filled in the following twelve months.

NON-GAAP FINANCIAL MEASURES

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

We believe it is important to separately quantify the profit impact of two significant items in order for the company’s results to be meaningful to our readers. These items consist of (i) other restructuring income/costs and (ii) restructuring costs related to the divestiture of certain non-U.S. entities in 2026. We do not consider these items indicative of earnings from ongoing business activities and believe the non-GAAP measure provides investors with useful perspective on underlying business results and trends and aids with assessing the company’s period-over-period results.

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

(Dollars in millions except per share data)	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Profit	Profit per Share
Three Months Ended September 30, 2026 - U.S. GAAP	**$ 4,214**	**20.4 %**	**$ 4,220**	**$ 968**	**$ 3,287**	**$ 7.13**
Other restructuring (income) costs	41	0.2 %	41	9	32	0.07
Three Months Ended September 30, 2026 - Adjusted	$ 4,255	20.6 %	$ 4,261	$ 977	$ 3,319	$ 7.20
Three Months Ended September 30, 2025 - U.S. GAAP	**$ 3,052**	**17.3 %**	**$ 3,127**	**$ 836**	**$ 2,300**	**$ 4.88**
Other restructuring (income) costs	37	0.2 %	37	9	28	0.07
Three Months Ended September 30, 2025 - Adjusted	$ 3,089	17.5 %	$ 3,164	$ 845	$ 2,328	$ 4.95
Nine Months Ended September 30, 2026 - U.S. GAAP	**$ 11,594**	**19.8 %**	**$ 11,989**	**$ 2,693**	**$ 9,429**	**$ 20.36**
Restructuring costs - divestiture of certain non-U.S. entities	139	0.2 %	139	—	139	0.30
Other restructuring (income) costs	145	0.3 %	145	33	112	0.24
Nine Months Ended September 30, 2026 - Adjusted	$ 11,878	20.3 %	$ 12,273	$ 2,726	$ 9,680	$ 20.90
Nine Months Ended September 30, 2025 - U.S. GAAP	**$ 8,491**	**17.5 %**	**$ 8,515**	**$ 2,056**	**$ 6,482**	**$ 13.69**
Other restructuring (income) costs	125	0.3 %	126	29	100	0.22
Nine Months Ended September 30, 2025 - Adjusted	$ 8,616	17.8 %	$ 8,641	$ 2,085	$ 6,582	$ 13.91

We believe it is important to separately disclose our annual effective tax rate, excluding discrete items for our results to be meaningful to our readers. The annual effective tax rate is discussed using non-GAAP financial measures that exclude the effects of amounts associated with discrete items recorded fully in the quarter they occur. These items consist of (i) the settlement of stock-based compensation awards with associated tax deductions in excess of cumulative U.S. GAAP compensation expense, (ii) restructuring costs related to the divestiture of certain non-U.S. entities in 2026, (iii) the increase in the annual effective tax rate in 2025 and (iv) the impact of changes in estimates related to prior years in 2025. We believe the non-GAAP measures will provide investors with useful perspective on underlying business results and trends and aid with assessing the company's period-over-period results.

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

(Millions of dollars)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
Three Months Ended September 30, 2026 - U.S. GAAP	**$ 4,220**	**$ 968**	**22.9 %**
Excess stock-based compensation	—	3	
Annual effective tax rate, excluding discrete items	4,220	971	23.0 %
Excess stock-based compensation	—	(3)	
Other restructuring (income) costs	41	9	
Three Months Ended September 30, 2026 - Adjusted	$ 4,261	$ 977	
Three Months Ended September 30, 2025 - U.S. GAAP	**$ 3,127**	**$ 836**	**26.7 %**
Increase in annual effective tax rate	—	(54)	
Changes in estimates related to prior years	—	(41)	
Excess stock-based compensation	—	10	
Annual effective tax rate, excluding discrete items	3,127	751	24.0 %
Increase in annual effective tax rate	—	54	
Changes in estimates related to prior years	—	41	
Excess stock-based compensation	—	(10)	
Other restructuring (income) costs	37	9	
Three Months Ended September 30, 2025 - Adjusted	$ 3,164	$ 845	
Nine Months Ended September 30, 2026 - U.S. GAAP	**$ 11,989**	**$ 2,693**	**22.5 %**
Restructuring costs - divestiture of certain non-U.S. entities	139	—	
Excess stock-based compensation	—	97	
Annual effective tax rate, excluding discrete items	12,128	2,790	23.0 %
Excess stock-based compensation	—	(97)	
Other restructuring (income) costs	145	33	
Nine Months Ended September 30, 2026 - Adjusted	$ 12,273	$ 2,726	
Nine Months Ended September 30, 2025 - U.S. GAAP	**$ 8,515**	**$ 2,056**	**24.1 %**
Changes in estimates related to prior years	—	(41)	
Excess stock-based compensation	—	28	
Annual effective tax rate, excluding discrete items	8,515	2,043	24.0 %
Changes in estimates related to prior years	—	41	
Excess stock-based compensation	—	(28)	
Other restructuring (income) costs	126	29	
Nine Months Ended September 30, 2025 - Adjusted	$ 8,641	$ 2,085	

In addition, we provide a calculation of MP&E 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 MP&E free cash flow to the most directly comparable GAAP measure, net cash provided by operating activities are as follows:

(Millions of dollars)	Nine Months Ended September 30,	
	2026	2025
MP&E net cash provided by operating activities [1]	$ 11,534	$ 7,745
MP&E capital expenditures	(2,009)	(1,944)
MP&E free cash flow	$ 9,525	$ 5,801

[1] See reconciliation of MP&E net cash provided by operating activities to consolidated net cash provided by operating activities on pages 82-83.

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, Power & Energy – The company defines MP&E as Caterpillar Inc. and its subsidiaries, excluding Financial Products. MP&E's information relates to the design, manufacturing and marketing of its products.

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.

Consolidating Adjustments – Elimination of transactions between Machinery, Power & Energy and Financial Products.

The nature of the MP&E 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 76-83 reconcile MP&E and Financial Products to Caterpillar Inc. consolidated financial information.

Caterpillar Inc.
Supplemental Data for Results of Operations
For the Three Months Ended September 30, 2026
(Unaudited)
(Millions of dollars)

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Sales and revenues:				
Sales of Machinery, Power & Energy	$ 19,654	$ 19,654	$ —	$ —
Revenues of Financial Products	1,028	—	1,261	(233) [1]
Total sales and revenues	20,682	19,654	1,261	(233)
Operating costs:				
Cost of goods sold	13,332	13,332	—	—
Selling, general and administrative expenses	1,797	1,571	245	(19) [2]
Research and development expenses	596	596	—	—
Interest expense of Financial Products	384	—	397	(13) [2]
Other operating (income) expenses	359	11	358	(10) [2]
Total operating costs	16,468	15,510	1,000	(42)
Operating profit	4,214	4,144	261	(191)
Interest expense excluding Financial Products	129	135	—	(6) [3]
Other income (expense)	135	(77)	27	185 [4]
Consolidated profit before taxes	4,220	3,932	288	—
Provision (benefit) for income taxes	968	899	69	—
Profit of consolidated companies	3,252	3,033	219	—
Equity in profit (loss) of unconsolidated affiliated companies	34	34	—	—
Profit of consolidated and affiliated companies	3,286	3,067	219	—
Less: Profit (loss) attributable to noncontrolling interests	(1)	(1)	—	—
Profit [5]	$ 3,287	$ 3,068	$ 219	$ —

[1] Elimination of Financial Products' revenues earned from MP&E.
[2] Elimination of net expenses recorded between MP&E and Financial Products.
[3] Elimination of interest expense recorded between Financial Products and MP&E.
[4] Elimination of discount recorded by MP&E on receivables sold to Financial Products and of interest earned between MP&E and Financial Products as well as dividends paid by Financial Products to MP&E.
[5] Profit attributable to common shareholders.

Caterpillar Inc.
Supplemental Data for Results of Operations
For the Nine Months Ended September 30, 2026
(Unaudited)
(Millions of dollars)

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Sales and revenues:				
Sales of Machinery, Power & Energy	$ 55,708	$ 55,708	$ —	$ —
Revenues of Financial Products	2,932	—	3,592	(660) [1]
Total sales and revenues	58,640	55,708	3,592	(660)
Operating costs:				
Cost of goods sold	37,419	37,423	—	(4) [2]
Selling, general and administrative expenses	5,631	4,980	690	(39) [2]
Research and development expenses	1,749	1,749	—	—
Interest expense of Financial Products	1,091	—	1,127	(36) [2]
Other operating (income) expenses	1,156	199	1,014	(57) [2]
Total operating costs	47,046	44,351	2,831	(136)
Operating profit	11,594	11,357	761	(524)
Interest expense excluding Financial Products	398	416	—	(18) [3]
Other income (expense)	793	185	102	506 [4]
Consolidated profit before taxes	11,989	11,126	863	—
Provision (benefit) for income taxes	2,693	2,469	224	—
Profit of consolidated companies	9,296	8,657	639	—
Equity in profit (loss) of unconsolidated affiliated companies	131	131	—	—
Profit of consolidated and affiliated companies	9,427	8,788	639	—
Less: Profit (loss) attributable to noncontrolling interests	(2)	(2)	—	—
Profit [5]	$ 9,429	$ 8,790	$ 639	$ —

[1] Elimination of Financial Products' revenues earned from MP&E.
[2] Elimination of net expenses recorded between MP&E and Financial Products.
[3] Elimination of interest expense recorded between Financial Products and MP&E.
[4] Elimination of discount recorded by MP&E on receivables sold to Financial Products and of interest earned between MP&E and Financial Products as well as dividends paid by Financial Products to MP&E.
[5] Profit attributable to common shareholders.

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

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Sales and revenues:				
Sales of Machinery, Power & Energy	$ 16,726	$ 16,726	$ —	$ —
Revenues of Financial Products	912	—	1,115	(203) [1]
Total sales and revenues	17,638	16,726	1,115	(203)
Operating costs:				
Cost of goods sold	11,673	11,675	—	(2) [2]
Selling, general and administrative expenses	1,822	1,608	218	(4) [2]
Research and development expenses	555	555	—	—
Interest expense of Financial Products	346	—	358	(12) [2]
Other operating (income) expenses	190	(114)	336	(32) [2]
Total operating costs	14,586	13,724	912	(50)
Operating profit	3,052	3,002	203	(153)
Interest expense excluding Financial Products	133	136	—	(3) [3]
Other income (expense)	208	25	33	150 [4]
Consolidated profit before taxes	3,127	2,891	236	—
Provision (benefit) for income taxes	836	773	63	—
Profit of consolidated companies	2,291	2,118	173	—
Equity in profit (loss) of unconsolidated affiliated companies	8	8	—	—
Profit of consolidated and affiliated companies	2,299	2,126	173	—
Less: Profit (loss) attributable to noncontrolling interests	(1)	(1)	—	—
Profit [5]	$ 2,300	$ 2,127	$ 173	$ —

[1] Elimination of Financial Products' revenues earned from MP&E.
[2] Elimination of net expenses recorded by MP&E paid to Financial Products.
[3] Elimination of interest expense recorded between Financial Products and MP&E.
[4] Elimination of discount recorded by MP&E on receivables sold to Financial Products and of interest earned between MP&E and Financial Products as well as dividends paid by Financial Products to MP&E.
[5] Profit attributable to common shareholders.

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

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Sales and revenues:				
Sales of Machinery, Power & Energy	$ 45,778	$ 45,778	$ —	$ —
Revenues of Financial Products	2,678	—	3,244	(566) [1]
Total sales and revenues	48,456	45,778	3,244	(566)
Operating costs:				
Cost of goods sold	31,445	31,451	—	(6) [2]
Selling, general and administrative expenses	5,109	4,513	623	(27) [2]
Research and development expenses	1,586	1,586	—	—
Interest expense of Financial Products	1,008	—	1,026	(18) [2]
Other operating (income) expenses	817	(84)	979	(78) [2]
Total operating costs	39,965	37,466	2,628	(129)
Operating profit	8,491	8,312	616	(437)
Interest expense excluding Financial Products	375	385	—	(10) [3]
Other income (expense)	399	(121)	93	427 [4]
Consolidated profit before taxes	8,515	7,806	709	—
Provision (benefit) for income taxes	2,056	1,878	178	—
Profit of consolidated companies	6,459	5,928	531	—
Equity in profit (loss) of unconsolidated affiliated companies	22	22	—	—
Profit of consolidated and affiliated companies	6,481	5,950	531	—
Less: Profit (loss) attributable to noncontrolling interests	(1)	(2)	1	—
Profit [5]	$ 6,482	$ 5,952	$ 530	$ —

[1] Elimination of Financial Products' revenues earned from MP&E.
[2] Elimination of net expenses recorded between MP&E and Financial Products.
[3] Elimination of interest expense recorded between Financial Products and MP&E.
[4] Elimination of discount recorded by MP&E on receivables sold to Financial Products and of interest earned between MP&E and Financial Products as well as dividends paid by Financial Products to MP&E.
[5] Profit attributable to common shareholders.

Caterpillar Inc.
Supplemental Data for Financial Position
At September 30, 2026
(Unaudited)
(Millions of dollars)

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Assets				
Current assets:				
Cash and cash equivalents	$ 7,929	$ 7,102	$ 827	$ —
Receivables – trade and other	13,440	5,001	497	7,942 [1,2]
Receivables – finance	11,051	—	19,679	(8,628) [2]
Prepaid expenses and other current assets	3,200	2,866	405	(71) [3]
Inventories	22,214	22,214	—	—
Total current assets	57,834	37,183	21,408	(757)
Property, plant and equipment – net	16,011	11,728	4,237	46 [4]
Long-term receivables – trade and other	3,348	2,612	95	641 [1,2]
Long-term receivables – finance	14,402	—	16,338	(1,936) [2]
Noncurrent deferred and refundable income taxes	2,235	2,512	139	(416) [5]
Intangible assets	409	409	—	—
Goodwill	5,905	5,905	—	—
Other assets	6,699	4,975	2,812	(1,088) [6]
Total assets	$ 106,843	$ 65,324	$ 45,029	$ (3,510)
Liabilities				
Current liabilities:				
Short-term borrowings	$ 4,855	$ —	$ 4,855	$ —
Short-term borrowings with consolidated companies	—	—	500	(500) [9]
Accounts payable	10,573	10,489	266	(182) [7]
Accrued expenses	6,038	5,322	716	—
Accrued wages, salaries and employee benefits	2,663	2,598	65	—
Customer advances	5,329	5,326	3	—
Other current liabilities	3,028	2,315	803	(90) [5,8,9]
Long-term debt due within one year	8,180	36	8,144	
Total current liabilities	40,666	26,086	15,352	(772)
Long-term debt due after one year	32,166	10,913	22,552	(1,299) [9]
Liability for postemployment benefits	3,610	3,609	1	—
Other liabilities	8,919	7,722	1,693	(496) [5]
Total liabilities	85,361	48,330	39,598	(2,567)
Commitments and contingencies				
Shareholders' equity				
Common stock	6,658	6,658	905	(905) [10]
Treasury stock	(56,702)	(56,702)	—	—
Profit employed in the business	73,428	67,958	5,438	32 [10]
Accumulated other comprehensive income (loss)	(1,901)	(921)	(980)	—
Noncontrolling interests	(1)	1	68	(70) [10]
Total shareholders' equity	21,482	16,994	5,431	(943)
Total liabilities and shareholders' equity	$ 106,843	$ 65,324	$ 45,029	$ (3,510)

[1] Elimination of receivables between MP&E and Financial Products.
[2] Reclassification of MP&E's trade receivables purchased by Financial Products and Financial Products' wholesale inventory receivables.
[3] Elimination of MP&E's insurance premiums that are prepaid to Financial Products.
[4] Reclassification of Financial Products' other assets to property, plant and equipment.
[5] Reclassification reflecting required netting of deferred tax assets/liabilities by taxing jurisdiction.
[6] Elimination of other intercompany assets and liabilities between MP&E and Financial Products.
[7] Elimination of payables between MP&E and Financial Products.
[8] Elimination of prepaid insurance in Financial Products' other liabilities.
[9] Elimination of debt between MP&E and Financial Products.
[10] Eliminations associated with MP&E's investments in Financial Products' subsidiaries.

Caterpillar Inc.
Supplemental Data for Financial Position
At December 31, 2025
(Unaudited)
(Millions of dollars)

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Assets				
Current assets:				
Cash and cash equivalents	$ 9,980	$ 9,333	$ 647	$ —
Receivables – trade and other	10,920	3,883	657	6,380 [1,2]
Receivables – finance	10,649	—	17,325	(6,676) [2]
Prepaid expenses and other current assets	2,801	2,448	441	(88) [3]
Inventories	18,135	18,135	—	—
Total current assets	52,485	33,799	19,070	(384)
Property, plant and equipment – net	15,140	10,985	4,106	49 [4]
Long-term receivables – trade and other	2,142	1,982	163	(3) [1,2]
Long-term receivables – finance	14,272	—	15,538	(1,266) [2]
Noncurrent deferred and refundable income taxes	2,882	3,208	133	(459) [5]
Intangible assets	241	241	—	—
Goodwill	5,321	5,321	—	—
Other assets	6,102	4,525	2,651	(1,074) [6]
Total assets	$ 98,585	$ 60,061	$ 41,661	$ (3,137)
Liabilities				
Current liabilities:				
Short-term borrowings	$ 5,514	$ —	$ 5,514	$ —
Accounts payable	8,968	8,988	268	(288) [7]
Accrued expenses	5,587	4,877	710	—
Accrued wages, salaries and employee benefits	2,554	2,494	60	—
Customer advances	3,314	3,311	3	—
Dividends payable	703	703	—	—
Other current liabilities	2,798	2,259	645	(106) [5,8]
Long-term debt due within one year	7,120	35	7,085	—
Total current liabilities	36,558	22,667	14,285	(394)
Long-term debt due after one year	30,696	10,955	21,018	(1,277) [9]
Liability for postemployment benefits	3,838	3,837	1	—
Other liabilities	6,175	5,162	1,516	(503) [5]
Total liabilities	77,267	42,621	36,820	(2,174)
Commitments and contingencies				
Shareholders' equity				
Common stock	7,181	7,181	905	(905) [10]
Treasury stock	(49,539)	(49,539)	—	—
Profit employed in the business	65,448	60,639	4,799	10 [10]
Accumulated other comprehensive income (loss)	(1,772)	(843)	(929)	—
Noncontrolling interests	—	2	66	(68) [10]
Total shareholders' equity	21,318	17,440	4,841	(963)
Total liabilities and shareholders' equity	$ 98,585	$ 60,061	$ 41,661	$ (3,137)

[1] Elimination of receivables between MP&E and Financial Products.
[2] Reclassification of MP&E's trade receivables purchased by Financial Products and Financial Products' wholesale inventory receivables.
[3] Elimination of MP&E's insurance premiums that are prepaid to Financial Products.
[4] Reclassification of Financial Products' other assets to property, plant and equipment.
[5] Reclassification reflecting required netting of deferred tax assets/liabilities by taxing jurisdiction.
[6] Elimination of other intercompany assets between MP&E and Financial Products.
[7] Elimination of payables between MP&E and Financial Products.
[8] Elimination of prepaid insurance in Financial Products' other liabilities.
[9] Elimination of debt between MP&E and Financial Products.
[10] Eliminations associated with MP&E's investments in Financial Products' subsidiaries.

Caterpillar Inc.
Supplemental Data for Cash Flow
For the Nine Months Ended September 30, 2026
(Unaudited)
(Millions of dollars)

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Cash flow from operating activities:				
Profit of consolidated and affiliated companies	$ 9,427	$ 8,788	$ 639	$ —
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation and amortization	1,826	1,225	601	—
Provision (benefit) for deferred income taxes	630	684	(54)	—
(Gain) loss on divestiture	139	139	—	—
Other	249	158	(429)	520 [1]
Changes in assets and liabilities, net of acquisitions and divestitures:				
Receivables – trade and other	(3,761)	(1,146)	113	(2,728) [1,2]
Inventories	(4,118)	(4,114)	—	(4) [1]
Accounts payable	1,752	1,635	11	106 [1]
Accrued expenses	354	412	(58)	—
Accrued wages, salaries and employee benefits	107	101	6	—
Customer advances	4,002	4,002	—	—
Other assets – net	(251)	(317)	32	34 [1]
Other liabilities – net	237	(33)	276	(6) [1]
Net cash provided by (used for) operating activities	10,593	11,534	1,137	(2,078)
Cash flow from investing activities:				
Capital expenditures – excluding equipment leased to others	(2,012)	(1,993)	(22)	3 [1]
Expenditures for equipment leased to others	(1,214)	(16)	(1,207)	9 [1]
Proceeds from disposals of leased assets and property, plant and equipment	773	55	725	(7) [1]
Additions to finance receivables	(13,123)	—	(16,089)	2,966 [2]
Collections of finance receivables	12,149	—	13,841	(1,692) [2]
Net intercompany purchased receivables	—	—	(799)	799 [2]
Proceeds from sale of finance receivables	56	—	56	—
Collections of intercompany receivables (original maturities greater than three months)	—	—	68	(68) [3]
Net intercompany borrowings (original maturities three months or less)	—	(500)	—	500 [3]
Investments and acquisitions (net of cash acquired)	(893)	(893)	—	—
Proceeds from sale of businesses and investments (net of cash sold)	(92)	(92)	—	—
Proceeds from maturities and sale of securities	1,303	590	713	—
Investments in securities	(1,872)	(915)	(957)	—
Other – net	170	242	(72)	—
Net cash provided by (used for) investing activities	(4,755)	(3,522)	(3,743)	2,510
Cash flow from financing activities:				
Dividends paid	(2,148)	(2,148)	—	—
Common stock issued, and other stock compensation transactions, net	(131)	(131)	—	—
Payments to purchase common stock	(7,745)	(7,745)	—	—
Excise tax paid on purchases of common stock	(49)	(49)	—	—
Payments on intercompany borrowings (original maturities greater than three months)	—	(68)	—	68 [3]
Net intercompany borrowings (original maturities three months or less)	—	—	500	(500) [3]
Proceeds from debt issued (original maturities greater than three months)	10,490	—	10,490	—
Payments on debt (original maturities greater than three months)	(7,495)	(30)	(7,465)	—
Short-term borrowings – net (original maturities three months or less)	(748)	—	(748)	—
Net cash provided by (used for) financing activities	(7,826)	(10,171)	2,777	(432)
Effect of exchange rate changes on cash	(63)	(71)	8	—
Increase (decrease) in cash, cash equivalents and restricted cash	(2,051)	(2,230)	179	—
Cash, cash equivalents and restricted cash at beginning of period	9,986	9,336	650	—
Cash, cash equivalents and restricted cash at end of period	$ 7,935	$ 7,106	$ 829	$ —

[1] Elimination of non-cash adjustments and changes in assets and liabilities related to consolidated reporting.
[2] Reclassification of Financial Products' cash flow activity from investing to operating for receivables that arose from the sale of inventory.
[3] Elimination of proceeds and payments to/from MP&E and Financial Products.

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

		Supplemental Consolidating Data		
	Consolidated	Machinery, Power & Energy	Financial Products	Consolidating Adjustments
Cash flow from operating activities:				
Profit of consolidated and affiliated companies	$ 6,481	$ 5,950	$ 531	$ —
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation and amortization	1,664	1,096	568	—
Provision (benefit) for deferred income taxes	300	308	(8)	—
Other	509	431	(412)	490 [1]
Changes in assets and liabilities, net of acquisitions and divestitures:				
Receivables – trade and other	(788)	89	102	(979) [1,2]
Inventories	(2,015)	(2,012)	—	(3) [1]
Accounts payable	1,086	1,051	44	(9) [1]
Accrued expenses	51	161	(110)	—
Accrued wages, salaries and employee benefits	(296)	(284)	(12)	—
Customer advances	1,649	1,649	—	—
Other assets – net	(138)	(219)	15	66 [1]
Other liabilities – net	(355)	(475)	176	(56) [1]
Net cash provided by (used for) operating activities	8,148	7,745	894	(491)
Cash flow from investing activities:				
Capital expenditures – excluding equipment leased to others	(1,923)	(1,920)	(33)	30 [1]
Expenditures for equipment leased to others	(1,021)	(24)	(1,004)	7 [1]
Proceeds from disposals of leased assets and property, plant and equipment	544	54	524	(34) [1]
Additions to finance receivables	(10,964)	—	(12,668)	1,704 [2]
Collections of finance receivables	9,890	—	11,347	(1,457) [2]
Net intercompany purchased receivables	—	—	(241)	241 [2]
Proceeds from sale of finance receivables	26	—	26	—
Additions to intercompany receivables (original maturities greater than three months)	—	(1,000)	—	1,000 [3]
Collections of intercompany receivables (original maturities greater than three months)	—	—	56	(56) [3]
Investments and acquisitions (net of cash acquired)	(26)	(26)	—	—
Proceeds from sale of businesses and investments (net of cash sold)	12	12	—	—
Proceeds from maturities and sale of securities	1,945	1,259	686	—
Investments in securities	(1,291)	(510)	(781)	—
Other – net	(19)	43	(62)	—
Net cash provided by (used for) investing activities	(2,827)	(2,112)	(2,150)	1,435
Cash flow from financing activities:				
Dividends paid	(2,043)	(2,043)	—	—
Common stock issued, and other stock compensation transactions, net	(39)	(39)	—	—
Payments to purchase common stock	(4,850)	(4,850)	—	—
Excise tax paid on purchases of common stock	(73)	(73)	—	—
Proceeds from intercompany borrowings (original maturities greater than three months)	—	—	1,000	(1,000) [3]
Payments on intercompany borrowings (original maturities greater than three months)	—	(56)	—	56 [3]
Proceeds from debt issued (original maturities greater than three months)	8,454	1,976	6,478	—
Payments on debt (original maturities greater than three months)	(6,205)	(43)	(6,162)	—
Short-term borrowings – net (original maturities three months or less)	106	—	106	—
Net cash provided by (used for) financing activities	(4,650)	(5,128)	1,422	(944)
Effect of exchange rate changes on cash	(23)	(39)	16	—
Increase (decrease) in cash, cash equivalents and restricted cash	648	466	182	—
Cash, cash equivalents and restricted cash at beginning of period	6,896	6,170	726	—
Cash, cash equivalents and restricted cash at end of period	$ 7,544	$ 6,636	$ 908	$ —

[1] Elimination of non-cash adjustments and changes in assets and liabilities related to consolidated reporting.
[2] Reclassification of Financial Products' cash flow activity from investing to operating for receivables that arose from the sale of inventory.
[3] Elimination of proceeds and payments to/from MP&E and Financial Products.

Forward-looking Statements

Certain statements in this Form 10-Q relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “forecast,” “target,” “guide,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance and speak only as of the date they are made, and we do not undertake to update our forward-looking statements.

Caterpillar’s actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) commodity price changes, material price increases, fluctuations in demand for our products or significant shortages of material; (iii) government monetary or fiscal policies; (iv) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (v) international trade policies and their impact on demand for our products and our competitive position, including the imposition of new tariffs or changes in existing tariff rates; (vi) our ability to develop, produce and market quality products that meet our customers’ needs; (vii) the impact of the highly competitive environment in which we operate on our sales and pricing; (viii) information technology security threats and computer crime; (ix) inventory management decisions and sourcing practices of our dealers and our OEM customers; (x) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xi) union disputes or other employee relations issues; (xii) adverse effects of unexpected events; (xiii) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xiv) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (xv) our Financial Products segment’s risks associated with the financial services industry; (xvi) changes in interest rates or market liquidity conditions; (xvii) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xviii) currency fluctuations; (xix) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xx) increased pension plan funding obligations; (xxi) alleged or actual violations of trade or anti-corruption laws and regulations; (xxii) additional tax expense or exposure, including the impact of U.S. tax reform; (xxiii) significant legal proceedings, claims, lawsuits or government investigations; (xxiv) new regulations or changes in financial services regulations; (xxv) compliance with environmental laws and regulations; (xxvi) catastrophic events, including global pandemics such as the COVID-19 pandemic; and (xxvii) other factors described in more detail under the section entitled "Part I - Item 1A. Risk Factors" of Caterpillar's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, 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 third quarter of 2026, 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, 2025.

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 [2]	Approximate Dollar Value of Shares that May Yet be Purchased under the Program (in billions)[1]
July 1-31, 2026	400,951	$ 889.39	400,951	$ 8.185
August 1-31, 2026	724,952	$ 845.08	724,952	$ 7.699
September 1-30, 2026	1,048,540	$ 802.34	1,048,540	$ 7.192
Total	2,174,443	$ 832.64	2,174,443	

[1] In June 2024, the Board approved a share repurchase authorization (the 2024 Authorization) of up to $20.0 billion of Caterpillar common stock, effective June 12, 2024, with no expiration. As of September 30, 2026, approximately $7.2 billion remained available under the 2024 Authorization.

[2] Includes shares acquired upon settlement of the accelerated share repurchase agreements entered into during the first quarter and second quarter of 2026.

Non-U.S. Employee Stock Purchase Plans

As of September 30, 2026, we had 38 employee stock purchase plans (the "EIP Plans") that are administered outside the United States for our non-U.S. employees, which had approximately 19,000 active participants in the aggregate. During the third quarter of 2026, approximately 28,000 shares of Caterpillar common stock were purchased by the EIP Plans pursuant to the terms of such plans.

Item 5. Other Information

On August 13, 2026, Jason E. Kaiser, Group President, 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 13, 2027 and (2) the date on which (i) an aggregate of 14,497 shares of our common stock and (ii) all shares vested as of December 31, 2026 pursuant to a Performance Stock Unit (PSU) grant have been sold under the plan.

On August 26, 2026, Bob De Lange, Group President, 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) May 25, 2027 and (2) the date on which an aggregate of 44,403 shares of our common stock have been sold under the plan.

Item 6. Exhibits

10.1	364-Day Credit Agreement (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.2	CIF Local Currency Addendum to the 364-Day Credit Agreement (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.3	CIF LUX Local Currency Addendum to the 364-Day Credit Agreement (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.4	Japan Local Currency Addendum to the 364-Day Credit Agreement (incorporated by reference from Exhibit 10.4 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.5	Fifth Amended and Restated Credit Agreement (Three-Year Facility) (incorporated by reference from Exhibit 10.5 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.6	CIF Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Three-Year Facility) (incorporated by reference from Exhibit 10.6 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.7	CIF LUX Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Three-Year Facility) (incorporated by reference from Exhibit 10.7 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.8	Japan Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Three-Year Facility) (incorporated by reference from Exhibit 10.8 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.9	Fifth Amended and Restated Credit Agreement (Five-Year Facility) (incorporated by reference from Exhibit 10.9 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.10	CIF Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Five-Year Facility) (incorporated by reference from Exhibit 10.10 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.11	CIF LUX Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Five-Year Facility) (incorporated by reference from Exhibit 10.11 to the Company's Current Report on Form 8-K filed September 1, 2026)
10.12	Japan Local Currency Addendum to the Fifth Amended and Restated Credit Agreement (Five-Year Facility) (incorporated by reference from Exhibit 10.12 to the Company's Current Report on Form 8-K filed September 1, 2026)
31.1	Certification of Chief Executive Officer of Caterpillar Inc., as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer of Caterpillar Inc., as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	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
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive File (embedded within the Inline XBRL document and included in Exhibit 101)

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

SIGNATURES

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

CATERPILLAR INC.

November 4, 2026	*/s/ Joseph E. Creed* Joseph E. Creed	Chairman of the Board and Chief Executive Officer
November 4, 2026	*/s/ Kyle J. Epley* Kyle J. Epley	Chief Financial Officer
November 4, 2026	*/s/ Derek Owens* Derek Owens	Chief Legal Officer and General Counsel
November 4, 2026	*/s/ William E. Schaupp* William E. Schaupp	Vice President and Chief Accounting Officer