

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

# **Fourth Quarter and Full Year 2024 Financial Review**

January 30, 2025

**CATERPILLAR®**

# Forward-Looking Statements

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

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

A reconciliation of non-GAAP financial information can be found in our press release describing fourth-quarter 2024 financial results which is available on our website at [www.caterpillar.com/earnings](http://www.caterpillar.com/earnings).

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# Thank you to our Global Team

*Strong execution in delivering another good year*

**RECORD**  
FULL-YEAR  
ADJUSTED PROFIT  
PER SHARE<sup>1</sup>

FULL-YEAR ADJUSTED  
OPERATING PROFIT MARGIN<sup>1</sup>  
**EXCEEDED THE TOP OF  
THE TARGET RANGE<sup>2</sup>**

FULL-YEAR  
ME&T FREE CASH FLOW<sup>3</sup>  
**NEAR THE TOP OF  
THE TARGET RANGE<sup>2</sup>**

**RESULTS REFLECT THE BENEFIT OF THE DIVERSITY OF OUR END MARKETS**

<sup>1</sup> Adjusted operating profit margin and adjusted profit per share are non-GAAP measures, and a reconciliation to the most directly comparable GAAP measures are included in the appendix.

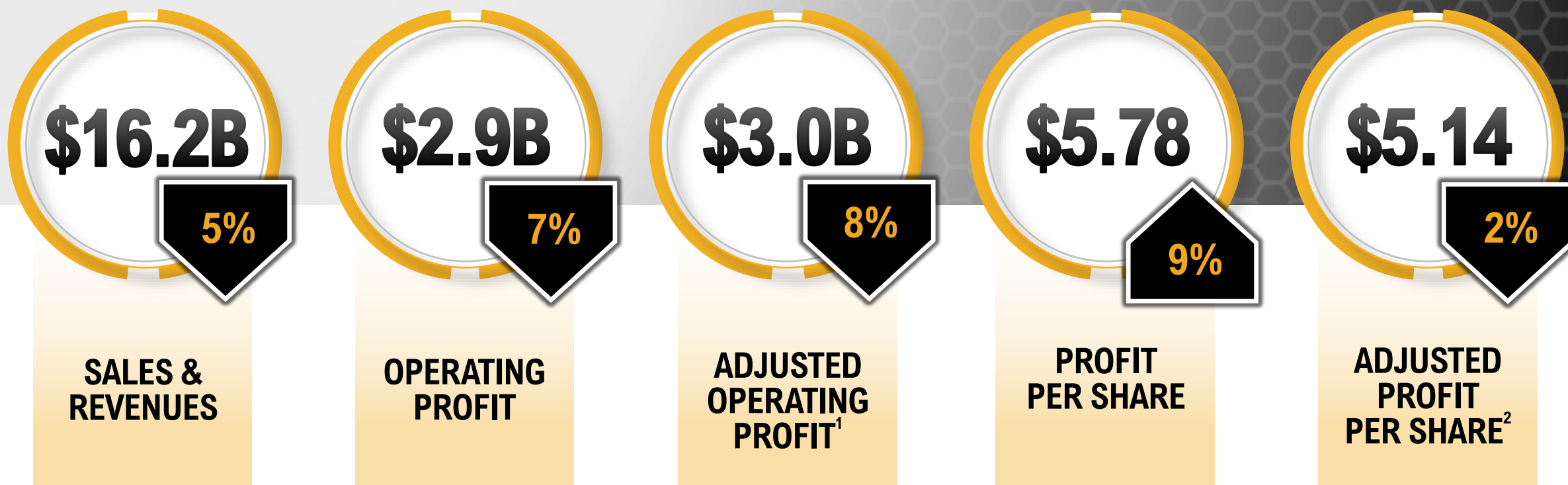
<sup>2</sup> Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

<sup>3</sup> ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

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# Key Takeaways

*Fourth Quarter 2024 vs. Fourth Quarter 2023*



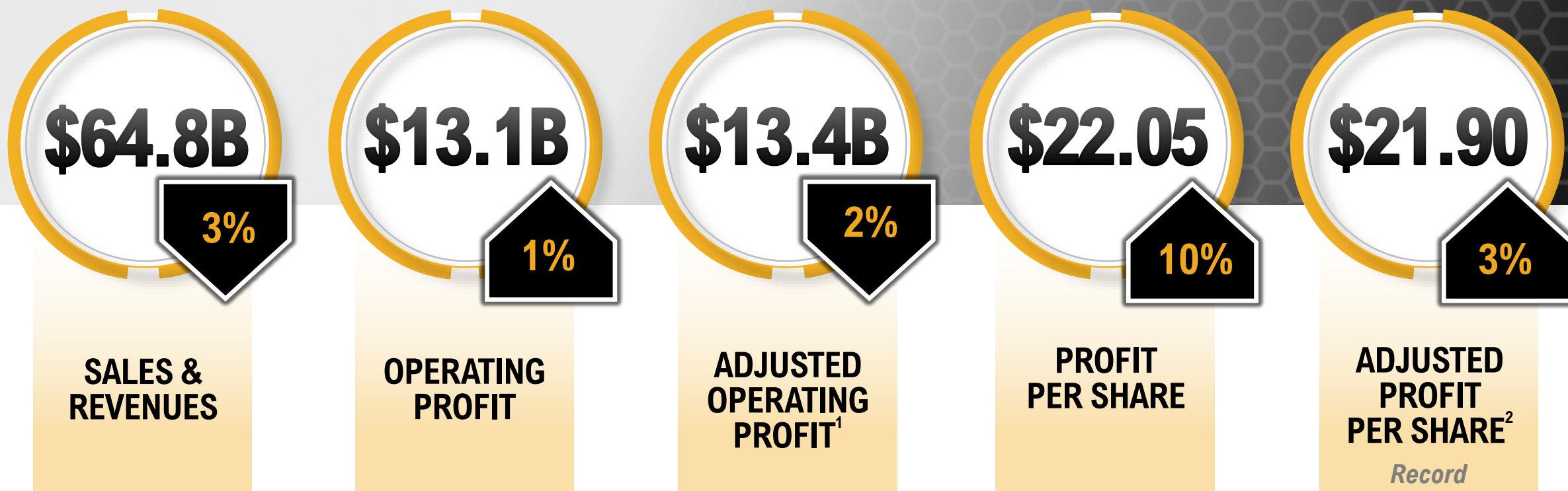
<sup>1</sup> Adjusted operating profit is a non-GAAP measure, and a reconciliation to the most directly comparable GAAP measure is included in the appendix.

<sup>2</sup> Fourth-quarter 2024 adjusted profit per share excluded a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share, mark-to-market gains for remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.23 per share and restructuring costs of \$0.05 per share. Fourth-quarter 2023 adjusted profit per share excluded mark-to-market gains for remeasurement of pension and OPEB plans of \$0.14 per share, restructuring costs of \$0.13 per share and a benefit for certain deferred tax valuation allowance adjustments of \$0.04 per share.

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# Key Takeaways

Full Year 2024 vs. Full Year 2023



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

<sup>2</sup> Full-year 2024 adjusted profit per share excluded restructuring costs of \$0.54 per share, a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share and mark-to-market gains for remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.23 per share. Full-year 2023 adjusted profit per share excluded the impact of the divestiture of the company's Longwall business of \$1.14 per share and other restructuring costs of \$0.30 per share. It also excluded a benefit for certain deferred tax valuation allowance adjustments of \$0.21 per share and mark-to-market gains for remeasurement of pension and OPEB plans of \$0.14 per share.

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# ME&T Free Cash Flow<sup>1</sup> and Capital Deployment



**\$9.4B**

## ME&T FREE CASH FLOW<sup>1</sup> FULL YEAR 2024

Returned approximately \$40B  
of ME&T Free Cash Flow<sup>1</sup> to  
shareholders since 2019



**\$10.3B**

## DEPLOYED TO SHAREHOLDERS IN 2024

Through \$7.7B of share repurchases  
and \$2.6B of dividends



**31  
Years**

## DIVIDEND ARISTOCRAT

Paid higher annual  
dividends to shareholders  
for 31 consecutive years

<sup>1</sup> ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

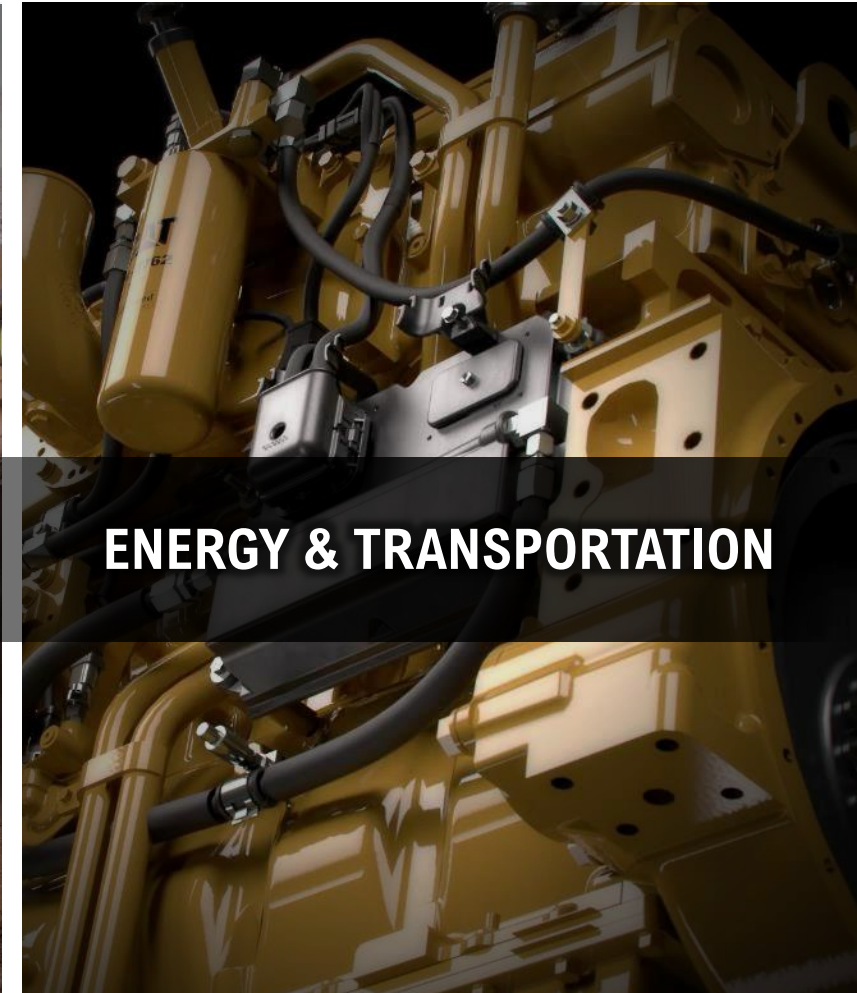
# End Market Commentary



**CONSTRUCTION INDUSTRIES**



**RESOURCE INDUSTRIES**



**ENERGY & TRANSPORTATION**

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# Sustainability



**HYBRID-ELECTRIC RETROFIT  
972 WHEEL LOADER  
EXHIBITED AT CES 2025**

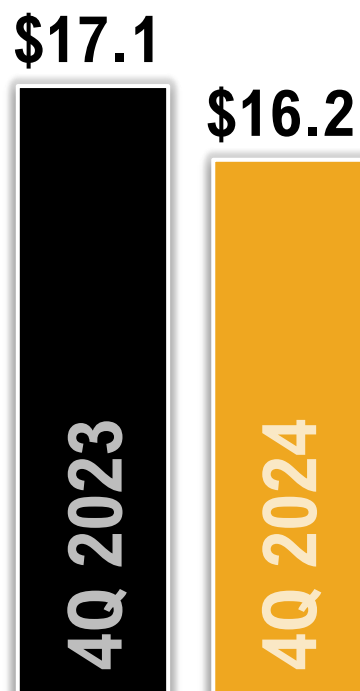
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# Financial Results Summary

*Fourth Quarter 2024 vs. Fourth Quarter 2023*

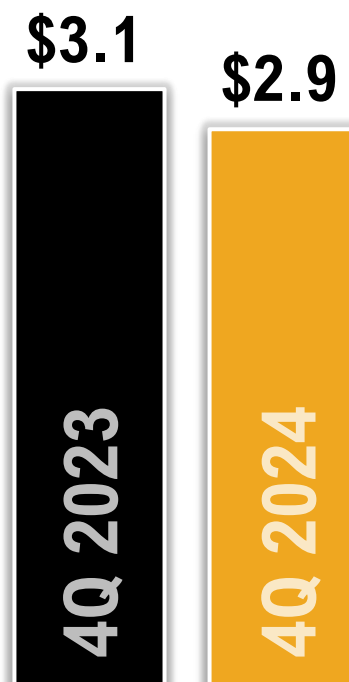
## SALES & REVENUES

*(in billions of dollars)*



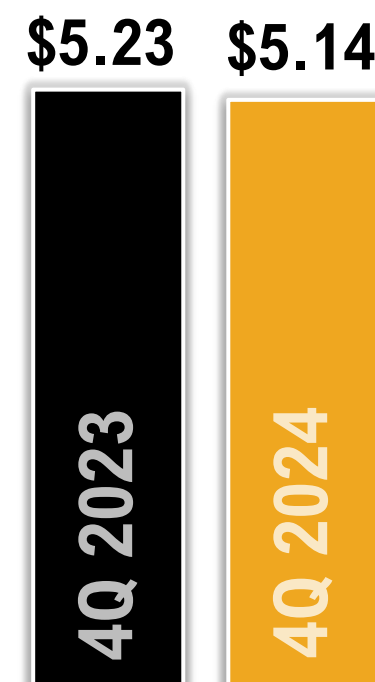
## OPERATING PROFIT

*(in billions of dollars)*



## ADJUSTED PROFIT PER SHARE<sup>1</sup>

*(in dollars)*

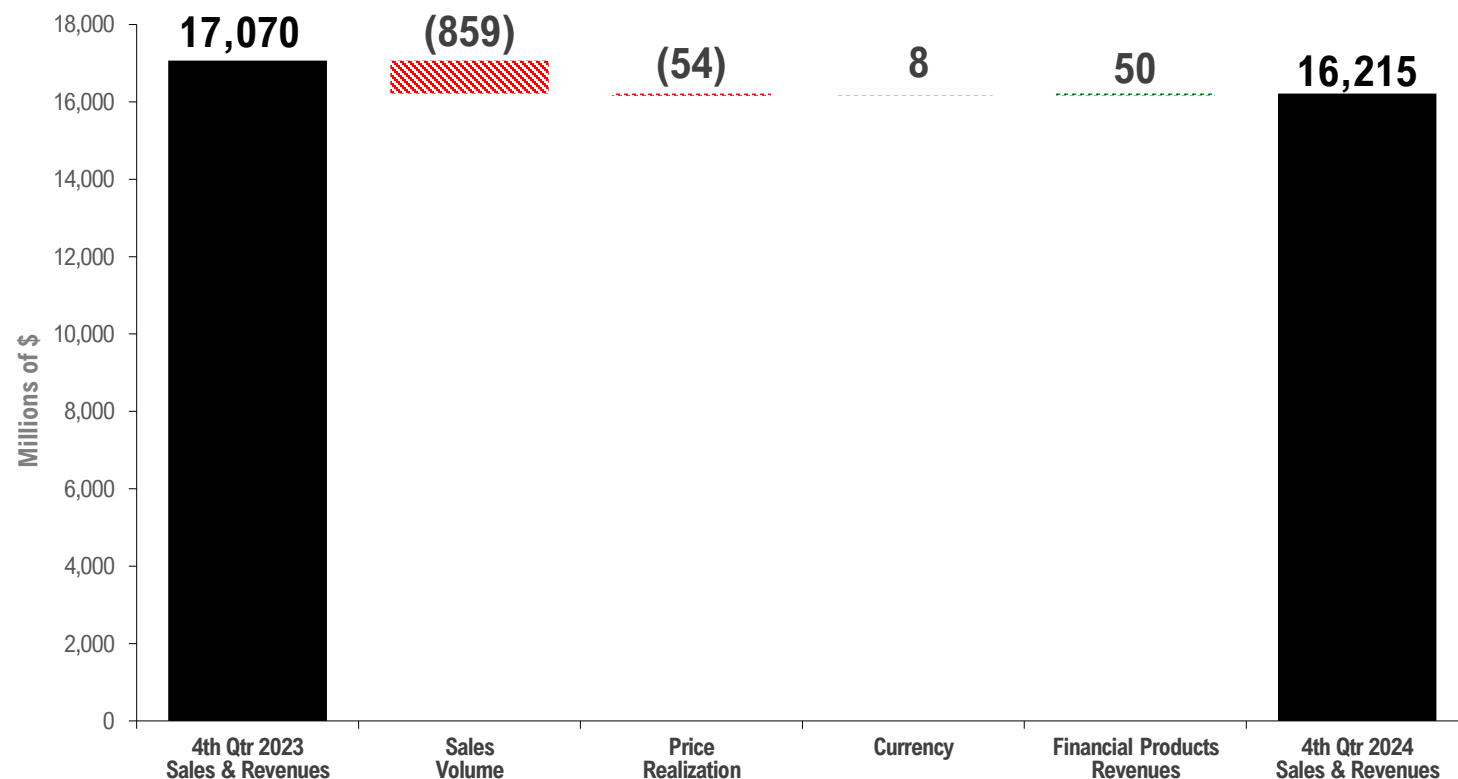


<sup>1</sup> Fourth-quarter 2024 adjusted profit per share excluded a discrete tax benefit for a tax law change related to currency translation of \$0.46 per share, mark-to-market gains for remeasurement of pension and other postemployment benefit (OPEB) plans of \$0.23 per share and restructuring costs of \$0.05 per share. Fourth-quarter 2023 adjusted profit per share excluded mark-to-market gains for remeasurement of pension and OPEB plans of \$0.14 per share, restructuring costs of \$0.13 per share and a benefit for certain deferred tax valuation allowance adjustments of \$0.04 per share.

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# Consolidated Sales & Revenues

*Fourth Quarter 2024 vs. Fourth Quarter 2023*



## 4<sup>TH</sup> QUARTER HIGHLIGHTS

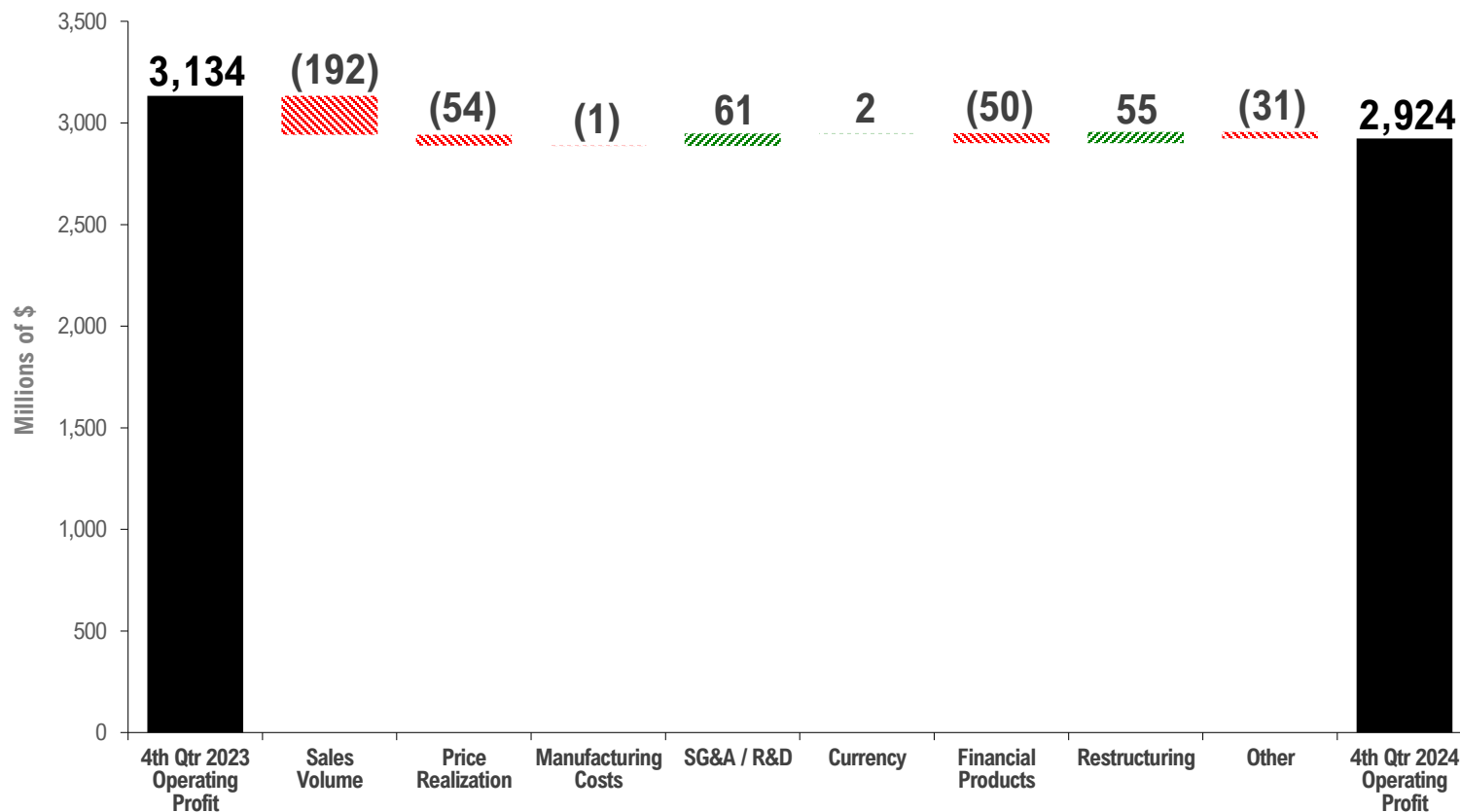
**Sales & Revenues Decreased \$855M or 5%**

- Lower sales volume
  - Unfavorable impact from changes in dealer inventories
    - Dealer inventory decreased more during 4Q 2024 than 4Q 2023
- Lower sales of equipment to end users

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# Consolidated Operating Profit

*Fourth Quarter 2024 vs. Fourth Quarter 2023*



## 4<sup>TH</sup> QUARTER HIGHLIGHTS

**Operating Profit Decreased \$210M or 7%**

- Profit impact of lower sales volume

**Operating Profit Margin of 18.0%**

**Adjusted Operating Profit Margin<sup>1</sup> of 18.3%**

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

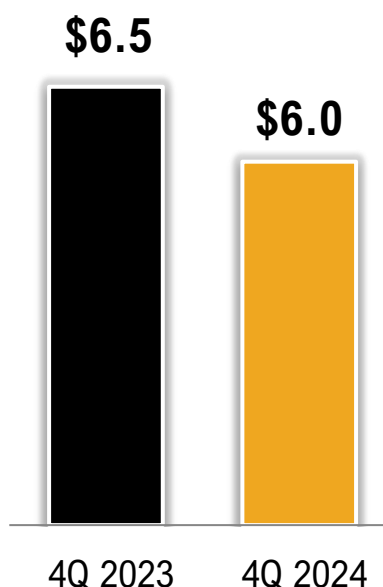
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# Construction Industries

Fourth Quarter 2024 vs. Fourth Quarter 2023

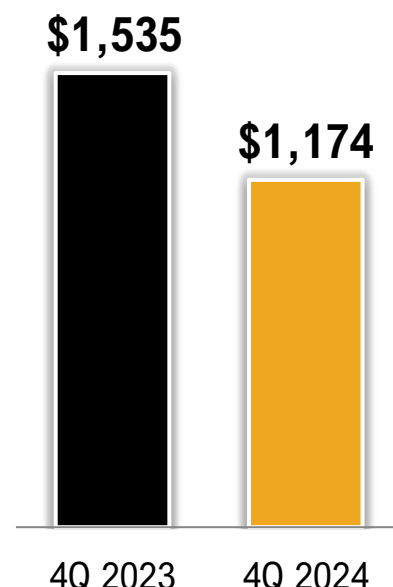
## TOTAL SALES\*

(in billions of dollars)



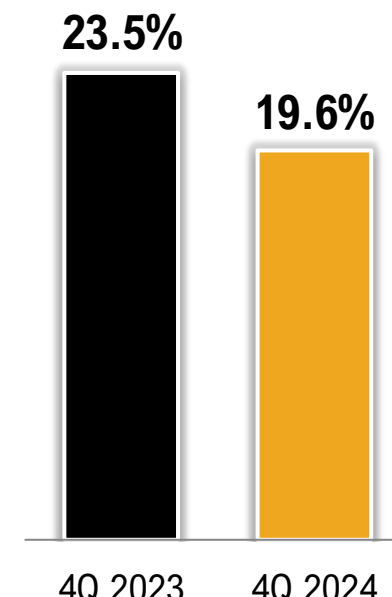
## SEGMENT PROFIT

(in millions of dollars)



## SEGMENT PROFIT

(as a percent of total sales\*)



\* Includes inter-segment sales.

## 4<sup>TH</sup> QUARTER HIGHLIGHTS

### Total Sales Decreased by \$516M or 8%

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

### Segment Profit Decreased \$361M or 24%

- Unfavorable price realization

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# Resource Industries

Fourth Quarter 2024 vs. Fourth Quarter 2023

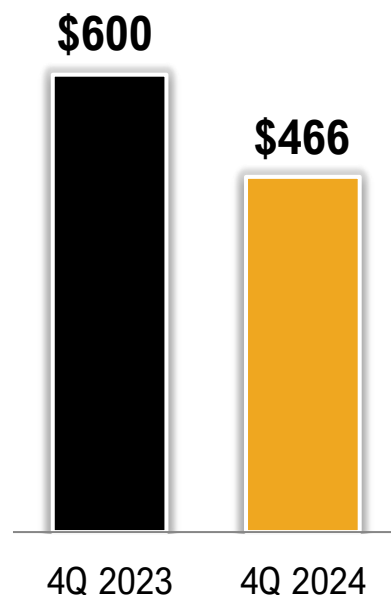
## TOTAL SALES\*

(in billions of dollars)



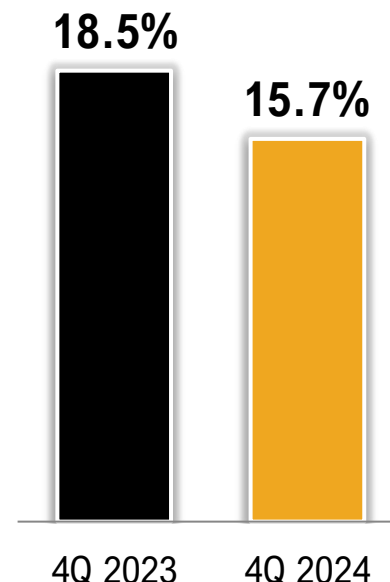
## SEGMENT PROFIT

(in millions of dollars)



## SEGMENT PROFIT

(as a percent of total sales\*)



\* Includes inter-segment sales.

## 4<sup>TH</sup> QUARTER HIGHLIGHTS

**Total Sales Decreased \$280M or 9%**

- Lower sales volume

**Segment Profit Decreased \$134M or 22%**

- Profit impact of lower sales volume

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# Energy & Transportation

Fourth Quarter 2024 vs. Fourth Quarter 2023

## TOTAL SALES\*

(in billions of dollars)



## SEGMENT PROFIT

(in millions of dollars)



## SEGMENT PROFIT

(as a percent of total sales\*)



\* Includes inter-segment sales.

## 4<sup>TH</sup> QUARTER HIGHLIGHTS

### Total Sales Decreased \$20M

- **Oil and Gas** – Sales decreased in reciprocating engines and turbines and turbine-related services
- **Power Generation** – Sales increased in large reciprocating engines, primarily data center applications. Turbines and turbine-related services increased as well
- **Industrial** – Sales decreased primarily in North America and Asia/Pacific
- **Transportation** – Sales decreased slightly

### Segment Profit Increased \$48M or 3%

- Favorable price realization, partially offset by profit impact of lower sales volume and unfavorable manufacturing costs

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# Financial Products

*Fourth Quarter 2024 vs. Fourth Quarter 2023*

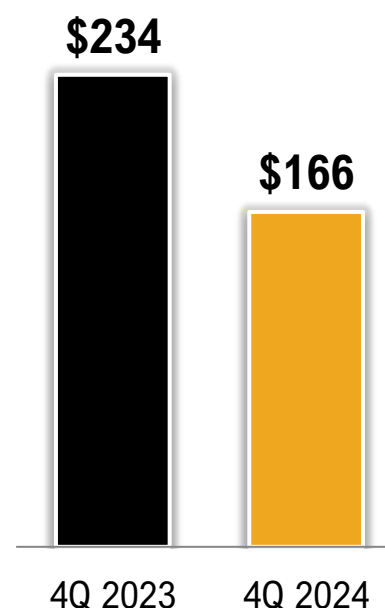
## TOTAL REVENUES\*

*(in millions of dollars)*



## SEGMENT PROFIT

*(in millions of dollars)*



\* Includes inter-segment revenues.

## 4<sup>TH</sup> QUARTER HIGHLIGHTS

### Total Revenues Increased \$43M or 4%

- Favorable impact from higher average earning assets driven by North America
- Higher average financing rates across all regions, except North America

### Segment Profit Decreased \$68M or 29%

- Unfavorable impact from equity securities and lower margin, and higher provision for credit losses

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# ME&T Free Cash Flow<sup>1</sup> and Capital Deployment



## ME&T FREE CASH FLOW<sup>1</sup> FULL YEAR 2024

Near the top of the  
target range<sup>2</sup>



## DEPLOYED TO SHAREHOLDERS IN 2024

Through \$7.7B in share repurchases  
and \$2.6B in dividends



## ENTERPRISE CASH BALANCE

Hold additional \$2.0B in slightly longer-  
dated liquid marketable securities

<sup>1</sup> ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

<sup>2</sup> Target range based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an ME&T free cash flow target range of \$5B to \$10B annually.

# Key Thoughts As We Look Ahead – Full Year 2025

- Expect 2025 full-year sales and revenues to be slightly lower than 2024
- Anticipate another year of services<sup>1</sup> growth
- Do not anticipate a significant change in dealer inventory of machines<sup>2</sup> by the end of 2025
- Expect 2025 full-year adjusted operating profit margin<sup>3</sup> to be in the top half of the target range<sup>4</sup> relative to the expected corresponding level of sales and revenues
- Expect 2025 full-year ME&T free cash flow<sup>5</sup> to be in the top half of the annual target range<sup>4</sup>

<sup>1</sup> ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

<sup>2</sup> Dealers are independent businesses and control their own inventory.

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

<sup>4</sup> Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

<sup>5</sup> ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

# Key Thoughts As We Look Ahead – 1Q 2025

- Expect 1Q 2025 sales and revenues to be lower than 1Q 2024
- Expect 1Q 2025 sales and revenues to account for a lower percentage of full-year sales and revenues than is typical by about 100 basis points
- Expect to build less dealer inventory of machines<sup>1</sup> during 1Q 2025 than the \$1.1B build in 1Q 2024
- Anticipate lower adjusted operating profit margin<sup>2</sup> in 1Q 2025 compared to 1Q 2024

<sup>1</sup> Dealers are independent businesses and control their own inventory.

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

# Full Year 2024 Key Takeaways

THIRD STRAIGHT YEAR WITH  
**RECORD ADJUSTED  
PROFIT PER SHARE<sup>1</sup>**

FULL-YEAR ADJUSTED  
OPERATING PROFIT MARGIN<sup>1</sup>  
**EXCEEDED THE TOP OF  
THE TARGET RANGE<sup>2</sup>**

FULL-YEAR ME&T  
FREE CASH FLOW<sup>3</sup>  
**NEAR THE TOP OF  
THE TARGET RANGE<sup>2</sup>**

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

<sup>1</sup> Adjusted operating profit margin and adjusted profit per share are non-GAAP measures, and a reconciliation to the most directly comparable GAAP measures are included in the appendix.

<sup>2</sup> Target ranges based on 4Q 2023 Caterpillar earnings call. Caterpillar communicated an adjusted operating profit margin target range relative to the corresponding level of sales and revenues and an ME&T free cash flow target range of \$5B to \$10B annually.

<sup>3</sup> ME&T free cash flow represents ME&T operating cash flow less capital expenditures, excluding discretionary pension contributions. A reconciliation of ME&T net cash provided by operating activities to ME&T free cash flow is included in the appendix.

# Q&A

# Appendix

# 2025 Caterpillar Earnings Call Schedule

Earnings Quarter	Release Date	Call Time
1 <sup>st</sup> Quarter 2025	Wednesday, April 30, 2025	8:30 a.m. Eastern
2 <sup>nd</sup> Quarter 2025	Tuesday, August 5, 2025	8:30 a.m. Eastern
3 <sup>rd</sup> Quarter 2025	Wednesday, October 29, 2025	8:30 a.m. Eastern

# Dealer Inventory<sup>1</sup> Changes

Increase/(Decrease)					
2023					
2024					
1Q	2Q	3Q	4Q	Full Year <sup>2</sup>	YoY Impact to 4Q Sales <sup>3</sup>
1Q	2Q	3Q	4Q	Full Year <sup>2</sup>	YoY Impact to FY Sales <sup>3</sup>
(USD in billions)					
Dealer Inventory <sup>1</sup> of Machines	\$1.1	\$0.2	\$0.4	(\$1.4)	\$0.7
Total Dealer Inventory <sup>1</sup>	\$1.4	\$0.6	\$0.6	(\$0.9)	\$2.1
	\$1.1	(\$0.4)	\$0.1	(\$1.6)	(\$0.7)
	\$1.4	(\$0.2)	\$0.4	(\$1.3)	\$0.4

<sup>1</sup> Dealers are independent businesses and control their own inventory.

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

<sup>3</sup> Amounts may not add due to rounding.

## Order Backlog

**Increased**  
**\$1.3B**

4Q 2024  
vs. 3Q 2024

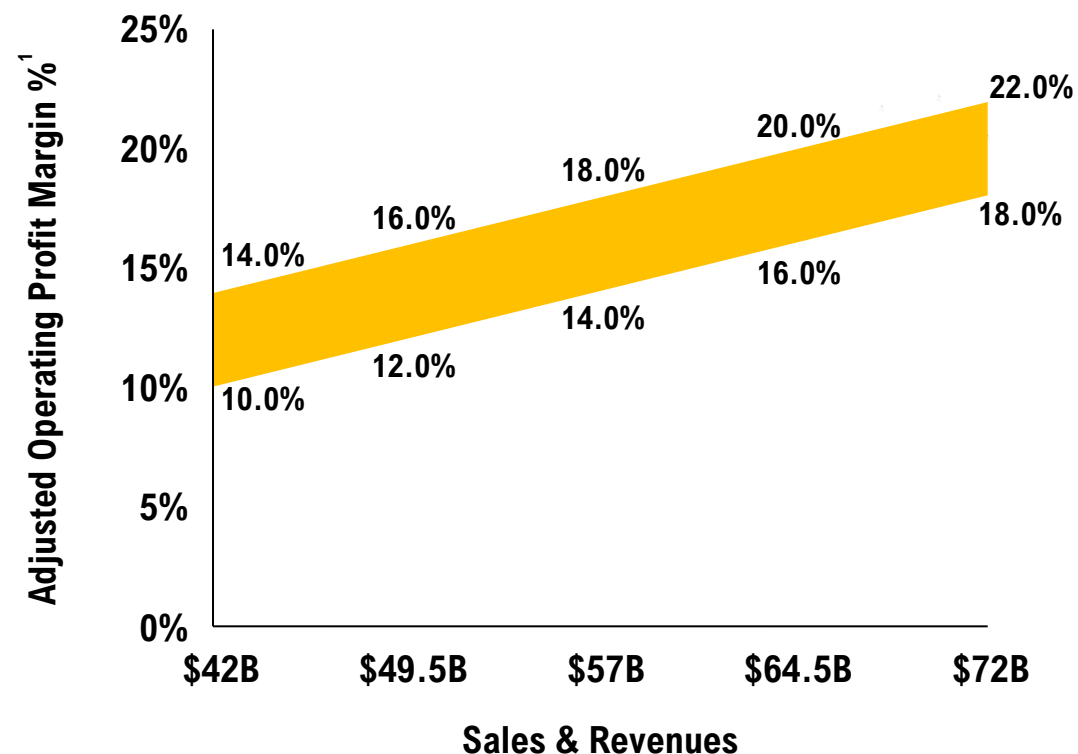
**Increased**  
**\$0.1B**

3Q 2024  
vs. 2Q 2024

**Increased**  
**\$2.5B**

4Q 2024  
vs. 4Q 2023

# Adjusted Operating Profit Margin<sup>1</sup> Target Range

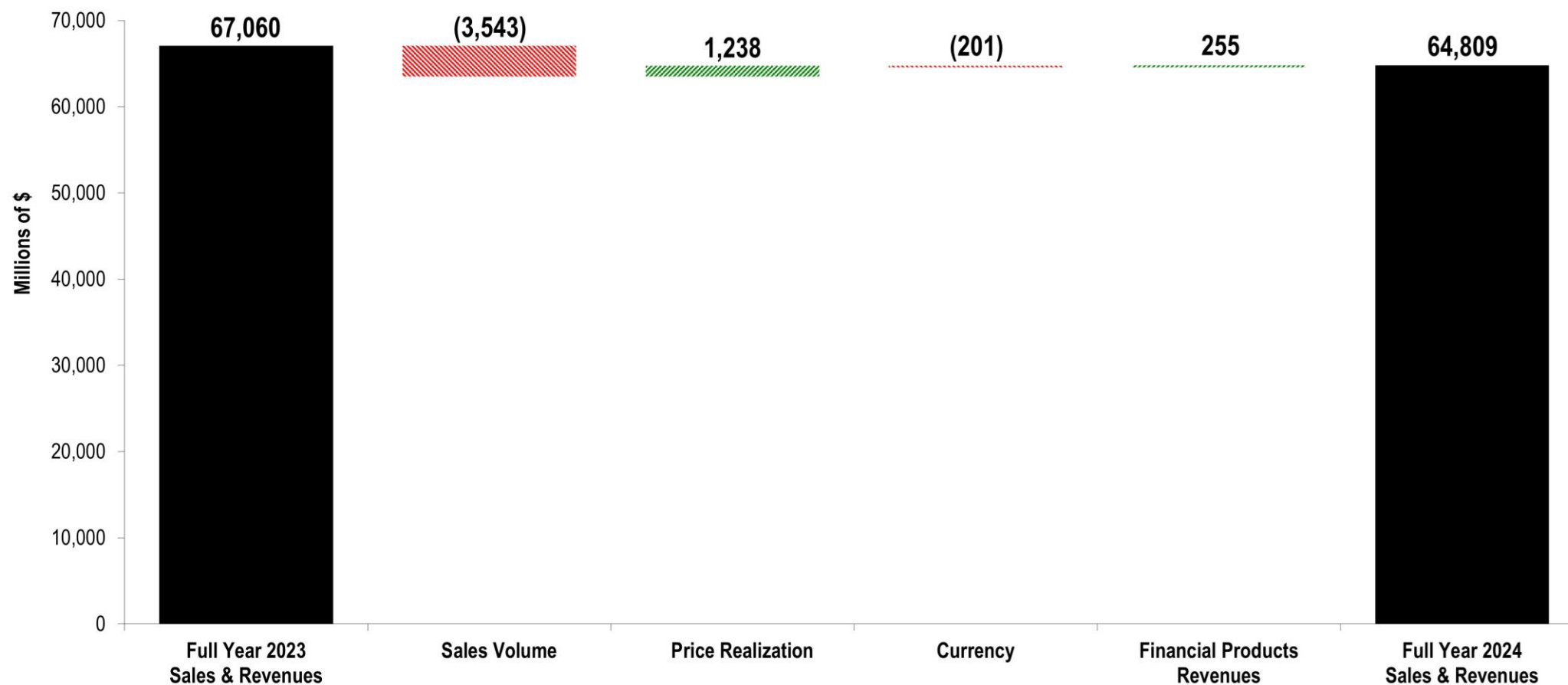


- Progressive adjusted operating profit margin<sup>1</sup> target range
- Adjusted operating profit margin<sup>1</sup> target range:
  - 10-14% at \$42B of sales and revenues
  - 18-22% at \$72B of sales and revenues

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

# Consolidated Sales & Revenues

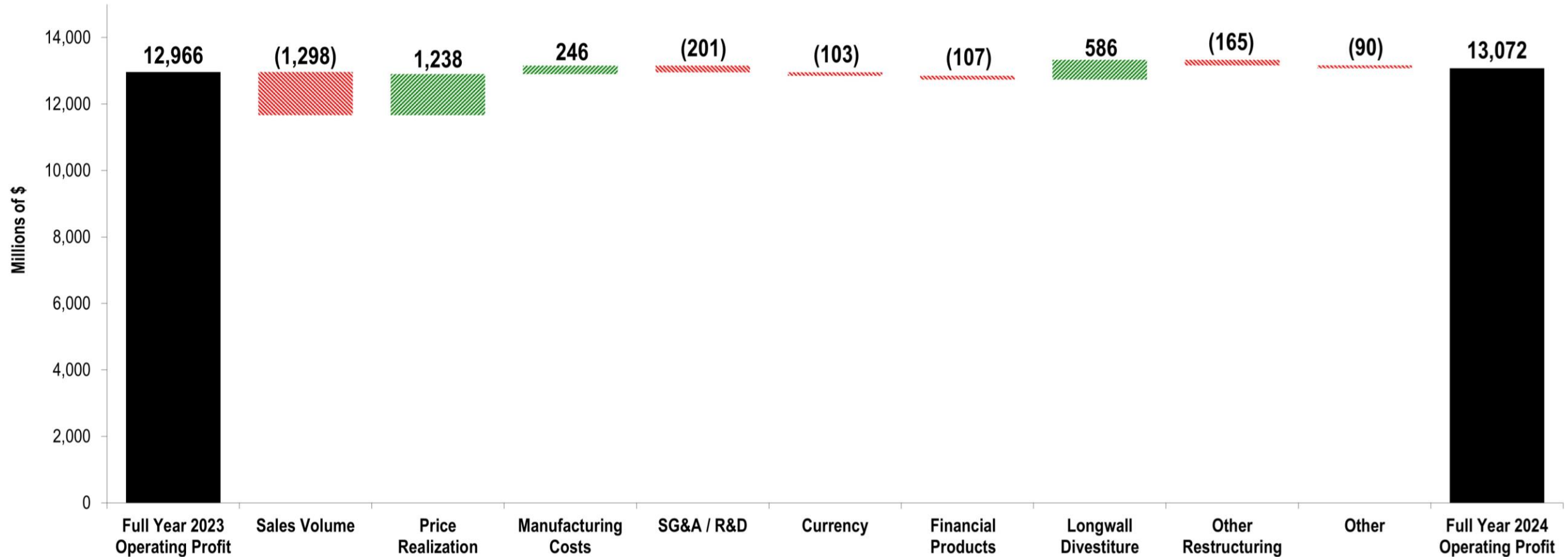
*Full Year 2024 vs. Full Year 2023*



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# Consolidated Operating Profit

*Full Year 2024 vs. Full Year 2023*



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# Additional Key Thoughts As We Look Ahead – Full Year 2025

- Expect unfavorable price realization to account for about a 1 percent decrease in 2025 full-year sales and revenues
- Expect a slight headwind in 2025 full-year Other Income and Expense compared to 2024 due to lower interest income and the absence of a positive currency benefit
- Anticipate restructuring costs of approximately \$150M to \$200M in 2025
- Anticipate capital expenditures of about \$2.5B in 2025
- Expect global annual effective tax rate, excluding discrete items, of 23.0% in 2025

# Non-GAAP Financial Measures

(Dollars in millions except per share data)

	Operating Profit	Operating Profit Margin	Profit Before Taxes	Provision (Benefit) for Income Taxes	Profit	Profit per Share
<b>Three Months Ended December 31, 2024 - U.S. GAAP</b>	<b>\$ 2,924</b>	<b>18.0%</b>	<b>\$ 3,243</b>	<b>\$ 463</b>	<b>\$ 2,791</b>	<b>\$ 5.78</b>
Other restructuring (income) costs	37	0.3%	37	10	27	0.05
Pension/OPEB mark-to-market (gains) losses	-	- %	(154)	(43)	(111)	(0.23)
Tax law change related to currency translation	-	- %	-	224	(224)	(0.46)
Three Months Ended December 31, 2024 - Adjusted	<u>\$ 2,961</u>	<u>18.3%</u>	<u>\$ 3,126</u>	<u>\$ 654</u>	<u>\$ 2,483</u>	<u>\$ 5.14</u>
<b>Three Months Ended December 31, 2023 - U.S. GAAP</b>	<b>\$ 3,134</b>	<b>18.4%</b>	<b>\$ 3,249</b>	<b>\$ 587</b>	<b>\$ 2,676</b>	<b>\$ 5.28</b>
Other restructuring (income) costs	92	0.5%	92	27	65	0.13
Pension/OPEB mark-to-market (gains) losses	-	- %	(97)	(26)	(71)	(0.14)
Deferred tax valuation allowance adjustments	-	- %	-	18	(18)	(0.04)
Three Months Ended December 31, 2023 - Adjusted	<u>\$ 3,226</u>	<u>18.9%</u>	<u>\$ 3,244</u>	<u>\$ 606</u>	<u>\$ 2,652</u>	<u>\$ 5.23</u>
<b>Twelve Months Ended December 31, 2024 - U.S. GAAP</b>	<b>\$ 13,072</b>	<b>20.2%</b>	<b>\$ 13,373</b>	<b>\$ 2,629</b>	<b>\$ 10,792</b>	<b>\$ 22.05</b>
Restructuring (income) costs - divestitures of certain non-U.S. entities	164	0.2%	164	54	110	0.22
Other restructuring (income) costs	195	0.3%	195	46	149	0.32
Pension/OPEB mark-to-market (gains) losses	-	- %	(154)	(43)	(111)	(0.23)
Tax law change related to currency translation	-	- %	-	224	(224)	(0.46)
Twelve Months Ended December 31, 2024 - Adjusted	<u>\$ 13,431</u>	<u>20.7%</u>	<u>\$ 13,578</u>	<u>\$ 2,910</u>	<u>\$ 10,716</u>	<u>\$ 21.90</u>
<b>Twelve Months Ended December 31, 2023 - U.S. GAAP</b>	<b>\$ 12,966</b>	<b>19.3%</b>	<b>\$ 13,050</b>	<b>\$ 2,781</b>	<b>\$ 10,335</b>	<b>\$ 20.12</b>
Restructuring costs - Longwall divestiture	586	0.9%	586	-	586	1.14
Other restructuring (income) costs	194	0.3%	194	48	146	0.30
Pension/OPEB mark-to-market (gains) losses	-	- %	(97)	(26)	(71)	(0.14)
Deferred tax valuation allowance adjustments	-	- %	-	106	(106)	(0.21)
Twelve Months Ended December 31, 2023 - Adjusted	<u>\$ 13,746</u>	<u>20.5%</u>	<u>\$ 13,733</u>	<u>\$ 2,909</u>	<u>\$ 10,890</u>	<u>\$ 21.21</u>

Note: Amounts may not add due to rounding.

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# Estimated Annual Tax Rate Reconciliation

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
<b>Three Months Ended December 31, 2024 - U.S. GAAP</b>	<b>\$ 3,243</b>	<b>\$ 463</b>	<b>14.3%</b>
Pension/OPEB mark-to-market (gains) losses	(154)	(43)	
Tax law change related to currency translation	-	224	
Decrease in annual effective tax rate	-	33	
Excess stock-based compensation	-	8	
Annual effective tax rate, excluding discrete items	<u>\$ 3,089</u>	<u>\$ 685</u>	<u>22.2%</u>
Decrease in annual effective tax rate	-	(33)	
Excess stock-based compensation	-	(8)	
Other restructuring (income) costs	37	10	
Three Months December 31, 2024 - Adjusted	<u><u>\$ 3,126</u></u>	<u><u>\$ 654</u></u>	
<b>Three Months Ended December 31, 2023 - U.S. GAAP</b>	<b>\$ 3,249</b>	<b>\$ 587</b>	<b>18.1%</b>
Pension/OPEB mark-to-market (gains) losses	(97)	(26)	
Decrease in annual effective tax rate	-	112	
Excess stock-based compensation	-	3	
Annual effective tax rate, excluding discrete items	<u>\$ 3,152</u>	<u>\$ 676</u>	<u>21.4%</u>
Decrease in annual effective tax rate	-	(112)	
Deferred tax valuation allowance adjustments	-	18	
Excess stock-based compensation	-	(3)	
Other restructuring (income) costs	92	27	
Three Months Ended December 31, 2023 - Adjusted	<u><u>\$ 3,244</u></u>	<u><u>\$ 606</u></u>	

Note: Amounts may not add due to rounding.

# Estimated Annual Tax Rate Reconciliation

(Dollars in millions)	Profit Before Taxes	Provision (Benefit) for Income Taxes	Effective Tax Rate
<b>Twelve Months Ended December 31, 2024 - U.S. GAAP</b>	<b>\$ 13,373</b>	<b>\$ 2,629</b>	<b>19.7%</b>
Restructuring (income) costs - divestitures of certain non-U.S. entities	164	54	
Pension/OPEB mark-to-market (gains) losses	(154)	(43)	
Tax law change related to currency translation	-	224	
Changes in estimates related to prior years	-	47	
Excess stock-based compensation	-	57	
Annual effective tax rate, excluding discrete items	<u>\$ 13,383</u>	<u>\$ 2,968</u>	<u>22.2%</u>
Changes in estimates related to prior years	-	(47)	
Excess stock-based compensation	-	(57)	
Other restructuring (income) costs	195	46	
Twelve Months Ended December 31, 2024 - Adjusted	<u><u>\$ 13,578</u></u>	<u><u>\$ 2,910</u></u>	
<b>Twelve Months Ended December 31, 2023 - U.S. GAAP</b>	<b>\$ 13,050</b>	<b>\$ 2,781</b>	<b>21.3%</b>
Restructuring costs - Longwall divestiture	586	-	
Pension/OPEB mark-to-market (gains) losses	(97)	(26)	
Deferred tax valuation allowance adjustments	-	88	
Excess stock-based compensation	-	57	
Annual effective tax rate, excluding discrete items	<u>\$ 13,539</u>	<u>\$ 2,900</u>	<u>21.4%</u>
Deferred tax valuation allowance adjustments	-	18	
Excess stock-based compensation	-	(57)	
Other restructuring (income) costs	194	48	
Twelve Months Ended December 31, 2023 - Adjusted	<u><u>\$ 13,733</u></u>	<u><u>\$ 2,909</u></u>	

Note: Amounts may not add due to rounding.

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# Reconciliation to U.S. GAAP

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

(USD in billions)	4Q 2023	4Q 2024	2023	2024
ME&T cash flow from operations	\$ 3.7	\$ 3.7	\$ 11.7	\$ 11.4
ME&T capital expenditures	(0.6)	(0.7)	(1.7)	(2.0)
ME&T free cash flow	\$ 3.2	\$ 3.0	\$ 10.0	\$ 9.4

Note: Amounts may not add due to rounding.

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

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