

# Caterpillar Financial Services Corporation

## 3Q 2021 Earnings Release

October 28, 2021

**FOR IMMEDIATE RELEASE**

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### **Cat Financial Announces Third-Quarter 2021 Results**

Cat Financial reported third-quarter 2021 revenues of \$634 million, an increase of \$36 million, or 6%, compared with the third quarter of 2020. Third-quarter 2021 profit was \$101 million, an increase of \$53 million, or 110%, compared with the third quarter of 2020.

Third-quarter 2021 profit before income taxes was \$131 million, an increase of \$35 million, or 36%, compared with the third quarter of 2020. The increase was primarily due to a \$27 million favorable impact from returned or repossessed equipment, an \$11 million decrease in provision for credit losses and a \$10 million increase in net yield on average earning assets. These favorable impacts were partially offset by a \$19 million increase in general, operating and administrative expenses, mostly due to higher short-term incentive compensation expense.

The provision for income taxes reflected an estimated annual tax rate of 24% in the third quarter of 2021, compared with 33% in the third quarter of 2020.

During the third quarter of 2021, retail new business volume was \$3.34 billion, an increase of \$742 million, or 29%, from the third quarter of 2020. The increase was driven by higher volume across all segments with the exception of a decrease in Asia/Pacific.

At the end of the third quarter of 2021, past dues were 2.41%, compared with 3.81% at the end of the third quarter of 2020. Past dues decreased across all portfolio segments as global markets generally improved. Write-offs, net of recoveries, were \$76 million for the third quarter of 2021, compared with \$125 million for the third quarter of 2020. As of September 30, 2021, the allowance for credit losses totaled \$378 million, or 1.41% of finance receivables, compared with \$402 million, or 1.46% of finance receivables, at June 30, 2021. The allowance for credit losses at year-end 2020 was \$479 million, or 1.77% of finance receivables.

"Cat Financial delivered strong third-quarter results through execution of our strategy," said Dave Walton, president of Cat Financial and vice president with responsibility for the Financial Products Division of Caterpillar Inc. "With our ongoing focus on expanding our ability to serve customers through financial services solutions, we remain well-positioned to serve the needs of Caterpillar, Cat dealers and our growing customer base worldwide."

## **About Cat Financial**

Celebrating 40 years in 2021, Cat Financial is a subsidiary of Caterpillar, the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. Cat Financial provides a wide range of financing solutions to customers and Cat® dealers for machines, engines, Solar® turbines, genuine Cat parts and services. Headquartered in Nashville, Tennessee, Cat Financial serves customers globally with offices and subsidiaries located throughout North and South America, Asia, Australia, Europe, Africa and the Middle East. Visit [cat.com](http://cat.com) to learn more about Cat Financial.

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**STATISTICAL HIGHLIGHTS:****THIRD-QUARTER 2021 VS. THIRD-QUARTER 2020  
(ENDED SEPTEMBER 30, EXCEPT TOTAL ASSETS)**

(Millions of dollars)

	2021	2020	CHANGE
Revenues	\$ 634	\$ 598	6 %
Profit Before Income Taxes	\$ 131	\$ 96	36 %
Profit (excluding profit attributable to noncontrolling interests)	\$ 101	\$ 48	110 %
Retail New Business Volume	\$ 3,342	\$ 2,600	29 %
Total Assets at September 30 and December 31, respectively	\$ 31,724	\$ 31,991	(1)%

**NINE-MONTHS 2021 VS. NINE-MONTHS 2020  
(ENDED SEPTEMBER 30)**

(Millions of dollars)

	2021	2020	CHANGE
Revenues	\$ 1,919	\$ 1,934	(1)%
Profit Before Income Taxes	\$ 516	\$ 312	65 %
Profit (excluding profit attributable to noncontrolling interests)	\$ 383	\$ 197	94 %
Retail New Business Volume	\$ 9,675	\$ 7,650	26 %

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this press release 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," "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.

Cat Financial'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) disruptions or volatility in global financial markets limiting our sources of liquidity; (ii) 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; (iii) changes in interest rates, currency fluctuations or market liquidity conditions; (iv) an increase in delinquencies, repossessions or net losses of our customers; (v) residual values of leased equipment; (vi) our compliance with financial and other restrictive covenants in debt agreements; (vii) government monetary or fiscal policies; (viii) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (ix) demand for Caterpillar products; (x) marketing, operational or administrative support received from Caterpillar; (xi) our ability to develop, produce and market quality products that meet our customers' needs; (xii) information technology security threats and computer crime; (xiii) alleged or actual violations of trade or anti-corruption laws and regulations; (xiv) new regulations or changes in financial services regulations; (xv) additional tax expense or exposure; (xvi) changes in accounting guidance; (xvii) the ongoing global coronavirus pandemic; and (xviii) other factors described in more detail in Cat Financial's Forms 10-Q, 10-K and other filings with the Securities and Exchange Commission.