



Remarks as Prepared for Delivery
Caterpillar Inc. Customer and Dealer Services Group President Rob Charter
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Thank you, Jim (Umpleby). It's great to be here.

We're excited to tell you how Caterpillar, Cat® dealers and our innovative technology are changing the construction industry.

Innovation has always been part of Caterpillar.

For example, our 240-ton autonomous trucks have been running on mine sites since 1994. That's almost twenty years of driverless trucks moving more than one million tons of ore.

Lots of people are talking about drones as a new revolution, and our exhibits have some great examples, but drones aren't really new for us. In 1928, we air-dropped a replacement part to a farmer, who had a tractor stuck in the middle of a field.

Today, we are driving the digital revolution with data analytics, 3-D printing, augmented reality and much more.

We take innovation seriously. We always have. We hold over 20,000 patents worldwide and invest nearly \$2 billion a year in research and development.

Last year at Bauma, we launched the Age of Smart Iron. You're going to see our iron is getting smarter all the time.

Through Cat Connect Services, we are connecting assets of all types and brands, and increasing productivity, safety and sustainability. We are anticipating and solving our customers' pain points in ways we never have before.

It all starts with Cat Connect Services and Technology. I'm going to talk about **Cat Connect Services**. Bob is going to talk about **Cat Connect Technology**.

Caterpillar has not only the world's largest field population, we have the world's largest connected industrial fleet, more than 470,000 units. And that's just the beginning.

I'll give you just one customer success story.

Cat Connect services have connected a fleet with more than 16,000 assets, everything from heavy equipment to light plants, and most were not Caterpillar.

This customer has improved equipment utilization by nearly 20 percent over the past several years, which means lower capital expenditures, and lower owning and operating costs.

Through connected assets, we are also improving our ability to predict failures before they happen, what we call “fix before failure.” We see great potential in this space going forward.

Cat Connect solutions can be combined, customized and scaled to support any size business, project or job site, no matter the complexity.

This is where our Cat Connect Services and Cat Connect Technology outshine the competition.

Since CONEXPO 2014, we’ve added great new capabilities to the Cat Connect platform, all based on our customers’ needs.

Cat® Connect Services include Equipment Management, Safety Services, Productivity Services and Sustainability. Here are a few more details about each:

Equipment Management is about managing fleets, both Cat and our competitor’s – reducing the costs associated with the health and maintenance of jobsite assets.

Our **Safety Services** helps locate employees on site, ensures safe interactions between machines and personnel, and can even identify fatigued or distracted workers.

An example of this is our Cat Smartband. It can tell when a worker is sleepy or fatigued. It’s a great example of leveraging technology to make the job site safer.

Digital Insight from the customer’s job site and technologies, such as grade control, help **Sustainability** by reducing waste, idle time and fuel burn.

We’re also launching **Productivity Services** here at CONEXPO. This new offering expands technology-enabled services to help our customers streamline their operations, control

costs and reduce risks.

This industry-leading connectivity is possible because Cat Connect generates big data, and Caterpillar is a leader in data analytics.

We have access to more data than anyone in the industry. Our global scale, extensive application knowledge and deep understanding of our products means we turn this data into useful information for our customers.

We know we are competing for this digital business, not just with our traditional competitors, but also with start-ups, global eCommerce companies, or the lone digital guru working at home.

But none of them have what we have:

- Decades of understanding the industry and our customers' needs.
- The largest field population in the world and access to the largest connected fleet in the world.
- The largest and strongest dealer network in the industry.

But we know we need to move quickly, and we know we need to work with those who have some expertise that we don't.

We are collaborating with and investing in companies with a broad range of data and technologies to help us develop new capabilities, gain deeper customer insights, and provide better analytics and consulting services.

To wrap it up, I'd like to leave you with these key thoughts:

- The construction industry has faced some challenges over the last few years.
- The silver lining is that tough times drive innovation. Caterpillar has met the challenges head on. We are positioned better than anyone else to drive the innovation that makes our customers more successful.

Thank you for joining us today. Now, I'd like to turn it over to Bob De Lange who has the pleasure of walking you through Caterpillar's great exhibit here at CONEXPO.