



# CATERPILLAR INC. OVERVIEW

**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,” “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) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (x) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency

and cash flow and to reduce costs; (xi) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xii) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xiii) union disputes or other employee relations issues; (xiv) adverse effects of unexpected events including natural disasters; (xv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xvi) 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; (xvii) our Financial Products segment’s risks associated with the financial services industry; (xviii) changes in interest rates or market liquidity conditions; (xix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xx) currency fluctuations; (xxi) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xxii) increased pension plan funding obligations; (xxiii) alleged or actual violations of trade or anti-corruption laws and regulations; (xxiv) additional tax expense or exposure, including the impact of U.S. tax reform; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) new regulations or changes in financial services regulations; (xxvii) compliance with environmental laws and regulations; and (xxviii) 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 all other non-GAAP financial information referenced in this presentation can be found in our press release describing 2018 second-quarter financial results which is available on our website at [www.caterpillar.com/earnings](http://www.caterpillar.com/earnings).





**OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.**





# Our Strategy

With our Values as a foundation and the Operating & Execution Model as a guide, we develop a deep understanding of our customers needs, and along with our partners deliver outstanding products and services.

This focus allows us to develop **solutions to help our customers build a better world** and deliver profitable growth for our stakeholders.





# How we act and manage



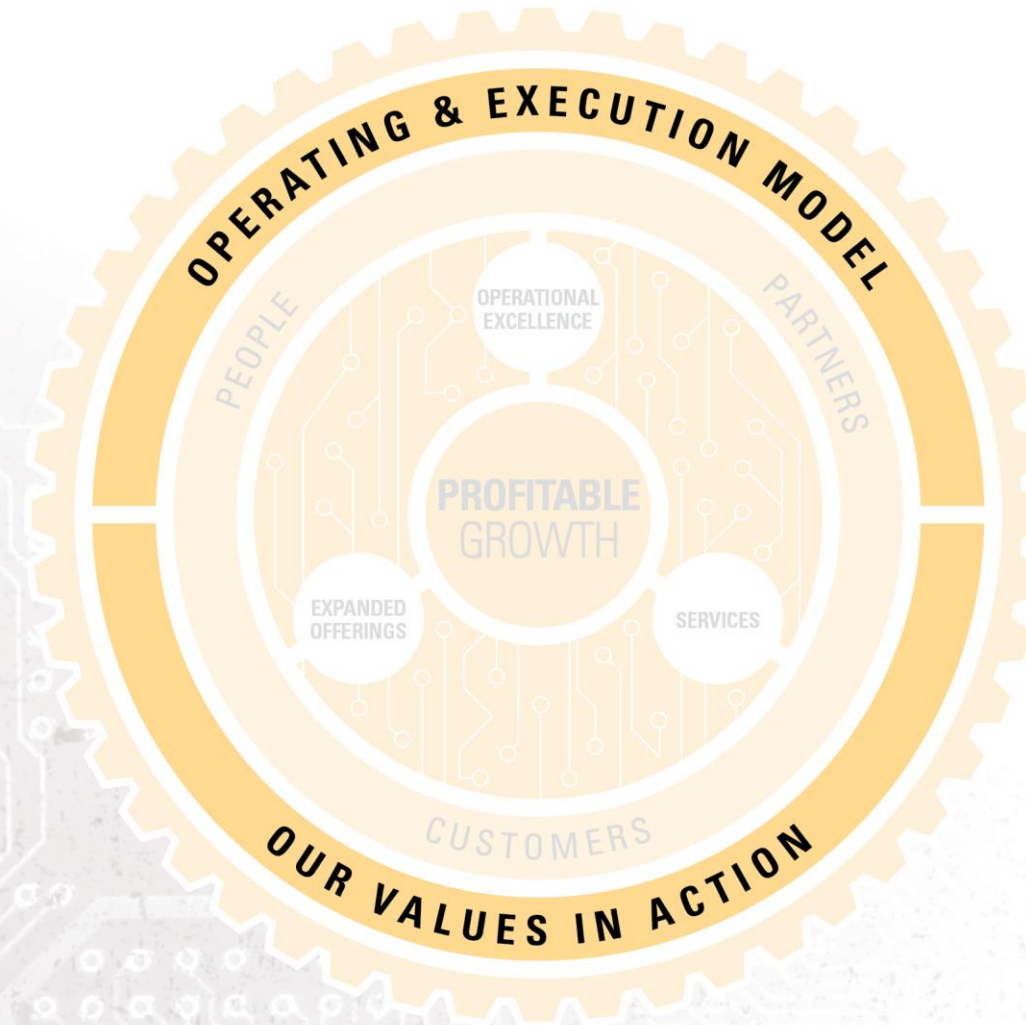
## **Our Values in Action**

Our Values in Action define what we stand for and how we conduct ourselves with our customers, partners and one another.



## **Operating & Execution Model**

The Operating & Execution Model is our guide to understanding where and why we are profitable, which leads to smart and quick decisions, strategic resource allocation and profitable growth.

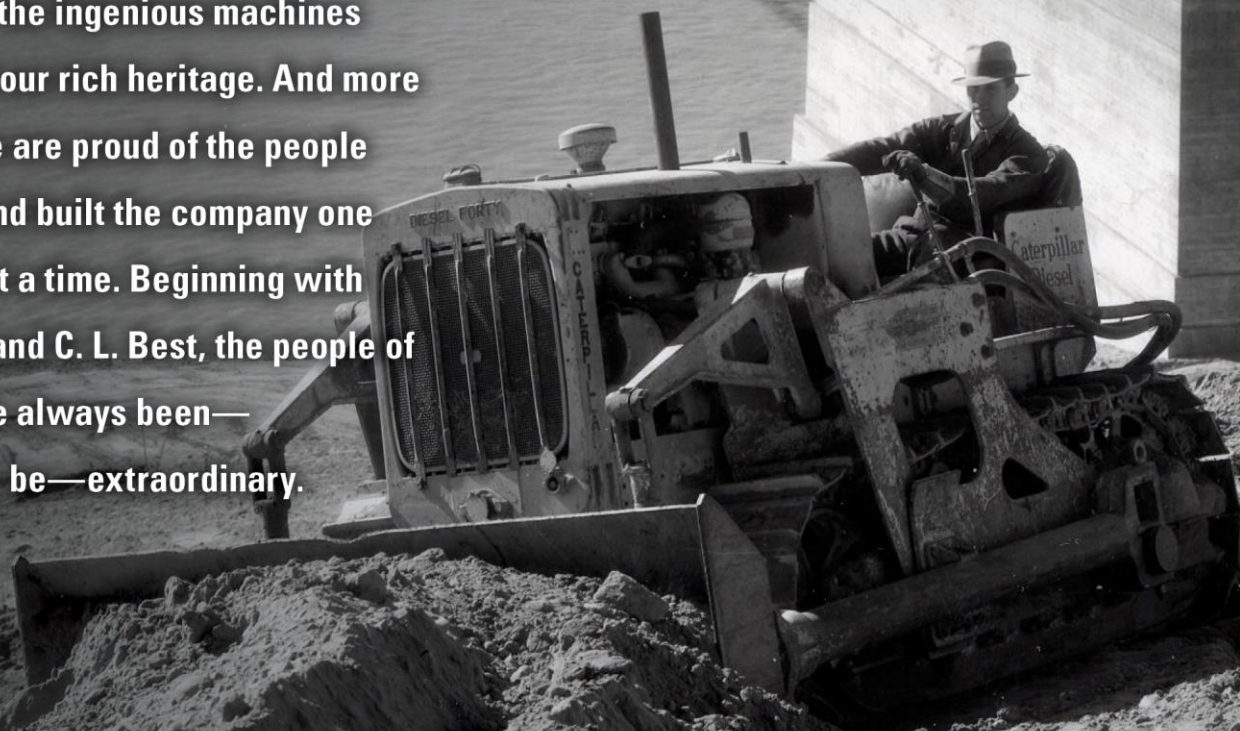




# COMPANY HISTORY

The history of Caterpillar is all about doing: creating, building, problem solving, innovating, testing, servicing and improving.

We're proud of the ingenious machines that are part of our rich heritage. And more importantly, we are proud of the people who founded and built the company one breakthrough at a time. Beginning with Benjamin Holt and C. L. Best, the people of Caterpillar have always been—and continue to be—extraordinary.







CONSTRUCTION INDUSTRIES  
HELPING OUR CUSTOMERS BUILD  
WHAT THE WORLD NEEDS.





RESOURCE INDUSTRIES

**MAKING IT POSSIBLE FOR CUSTOMERS  
TO PROFITABLY MINE AND HARVEST  
RESOURCES, SUCH AS, COAL,  
IRON ORE, COPPER AND OTHER  
NATURAL RESOURCES.**



A large offshore oil rig is silhouetted against a dramatic sunset sky with heavy, orange-tinted clouds. The rig's complex lattice structure and various cranes are visible. In the distance, another smaller offshore vessel or rig is visible on the horizon. The overall scene conveys a sense of industrial scale and energy production.

ENERGY & TRANSPORTATION

**DELIVERING SOLUTIONS FOR OUR  
CUSTOMERS' GROWING ENERGY AND  
TRANSPORTATION NEEDS.**



SERVICES DISTRIBUTION & DIGITAL

**BUILDING LONG-LASTING  
RELATIONSHIPS WITH CUSTOMERS  
BY FOCUSING ON CAT® BRANDED  
PARTS AND SERVICES AND  
DELIVERING OUTSTANDING  
DEALER DEVELOPMENT.**







FINANCIAL PRODUCTS

**HELPING OUR CUSTOMERS AND  
DEALERS SUCCEED THROUGH  
FINANCIAL SERVICES SOLUTIONS.**





**59%**

**SALES & REVENUES OUTSIDE OF THE UNITED STATES\***

\*Sales and revenues outside the United States were 59 percent of consolidated sales and revenues for 2018, 2017, 2016 and 2015.





## CONSTRUCTION INDUSTRIES



**1.5M**

active construction  
machines globally

## RESOURCE INDUSTRIES



**1B**

metric tonnes moved

## ENERGY & TRANSPORTATION



**>20M**

engines built

## SERVICES DISTRIBUTION & DIGITAL



**~850K**

Connected Assets





**168 DEALERS**

SERVING 193 COUNTRIES







**28,000**  
SUPPLIERS





## CURRENT BRAND PORTFOLIO—20 BRANDS



## RETAIL BUSINESS DEVELOPMENT—ONE BRAND WITH MANY CUSTOMERS







**#82**

Caterpillar's  
rank amongst  
Interbrand's  
Top 100 global  
brands.

**Interbrand**

**FORTUNE**

Caterpillar is  
**#65**

among Fortune  
100 companies  
and **one of the 30**  
on the Dow Jones  
Industrial Average.

Caterpillar  
named to  
Dow Jones  
Sustainability  
Indices (2018).



Dow Jones  
Sustainability Indexes





# THE VALUE OF SUSTAINABILITY

**We are committed to building a better world.**

Sustainability is part of who we are and what we do every single day. We recognize progress involves a balance of **environmental stewardship**, **social responsibility** and **economic growth**.



# GLOBAL ISSUES: WHY WE GET INVOLVED

Government action can have significant impact on Caterpillar, our employees, customers and communities.







## A PROACTIVE COMMUNITY MEMBER

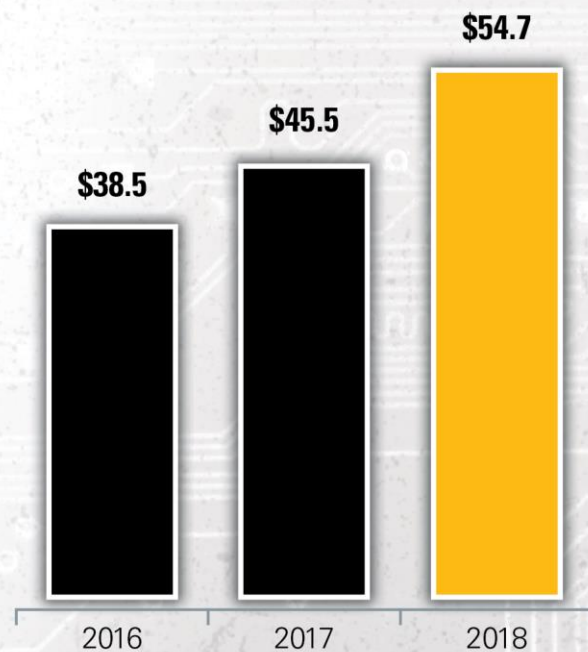
**Caterpillar Foundation:** turning the spiral of poverty into a path to prosperity through investments in basic human needs, education and the environment.



# HISTORICAL PERFORMANCE—A LOOK AT 2018

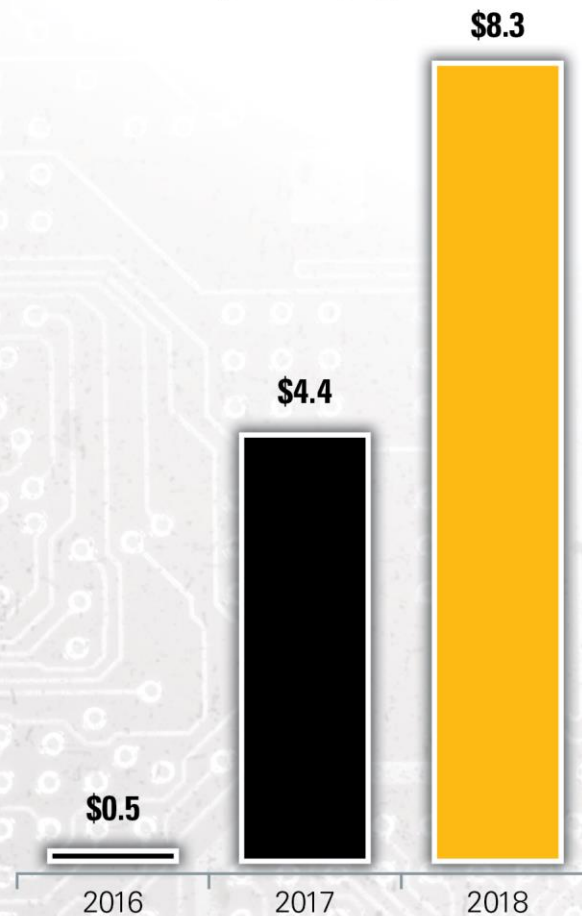
## SALES AND REVENUES

(\$ IN BILLIONS)



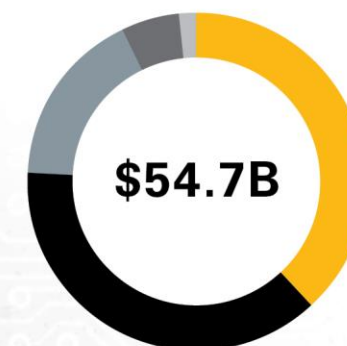
## OPERATING PROFIT

(\$ IN BILLIONS)



## 2018 TOTAL SALES AND REVENUES BY SEGMENT\*

(\$ IN BILLIONS)



- Construction Industries | \$23.2
- Energy & Transportation | \$22.8
- Resource Industries | \$10.3
- Financial Products | \$3.3
- All Other/Eliminations | (\$4.9)

\*Includes Inter-Segment



FOR MORE CATERPILLAR  
INFORMATION, VISIT  
[WWW.CATERPILLAR.COM](http://WWW.CATERPILLAR.COM)







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