

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

2017
INVESTOR DAY

STRATEGY HIGHLIGHTS



PROFITABLE GROWTH

- Profitability and growth go hand in hand – both are necessary for our long-term success.
- To maintain our competitive position, we need not only growth from increased sales and revenues, but also a concerted focus on growth from selling products and services that generate higher earnings.
- As we focus on profitable growth, **Our Values in Action** remain the foundation of everything we do, defining what we stand for and how we conduct ourselves. The **Operating & Execution Model** is the way we will run the business, helping us understand where and why we are profitable, so we can make smart, quick decisions to strategically allocate and prioritize resources.
- Our customers, partners and people are who we engage to achieve our strategy: Our **customers** are at the center of everything we do, we drive alignment with our **partners**, and our **people** ultimately make the difference.
- Long term profitable growth allows us to reinvest in our company and improve our position as a global leader – providing better solutions to customers, more opportunities for our dealers to expand in new markets and the ability to reward and further develop our people. When our business wins and we grow profitably, it benefits our customers, our partners, our people and our shareholders.



STRATEGIC FOCUS AREAS



OPERATIONAL EXCELLENCE

We continue to build upon our core competencies – safety, quality, Lean and a competitive and flexible cost discipline – to build and maintain a sustainable advantage.



EXPANDED OFFERINGS

We enable customer success by understanding their needs and delivering integrated and differentiated solutions around the highest-priority opportunities.



SERVICES

We increasingly rely on services to deliver a superior customer experience with a focus on digital-enabled solutions and aftermarket growth.

To learn more, visit
caterpillar.com/strategy



DRIVING OUR STRATEGY

Building on our core capabilities – safety, quality, Lean and a competitive and flexible cost discipline – is what will result in strong operational performance. Expanding product and service offerings through the O&E Model, and investing in emerging technologies, is what will enable our customers' success. Growing services with a focus on digital enabled solutions and the aftermarket is how we will deliver value and earn customer loyalty over the life of the relationship.



CONSTRUCTION INDUSTRIES

- Leveraging the Operating & Execution Model to accelerate profitable growth and improve capital efficiencies
- Building on a strong foundation of operational excellence by focusing on quality, Lean and competitive and flexible cost structure
- Helping new and existing customers succeed with expanded offerings across lifecycle performance, lifecycle value and utility applications
- Delivering Cat® Connect services and technologies to create more productive, safe and sustainable jobsites



RESOURCE INDUSTRIES

- Synchronizing the value chain and eliminating waste
- Partnering with customers at their sites to reduce cost per ton
- Expanding offerings to meet diverse customer requirements
- Accelerating services with a focus on site automation



ENERGY & TRANSPORTATION

- Focusing on operational excellence with Lean and a competitive and flexible cost structure
- Offering expanded products with an emphasis on increasing power density, improved efficiencies and lower customer operating costs
- Providing integrated solutions for well stimulation and marine, and offering digital solutions from simple to comprehensive
- Growing and expanding on the successes of strong service offerings to provide exceptional value to customers



CUSTOMER & DEALER SUPPORT

- Committing to further strengthen our independent Cat dealer network
- Using the Operating & Execution Model to efficiently leverage global scale in serving customers
- Improving customer up-time and lower owning and operating costs by connecting assets and using digital technologies to deliver services
- Offering tailored service solutions designed to address specific customer requirements across industries
- Being easier to do business with by offering enhanced E-commerce solutions

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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.

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) our ability to develop, produce and market quality products that meet our customers' needs; (vi) the impact of the highly competitive environment in which we operate on our sales and pricing; (vii) information technology security threats and computer crime; (viii) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (ix) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (x) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) union disputes or other employee relations issues; (xiii) adverse effects of unexpected events including natural disasters; (xiv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xv) 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; (xvi) our Financial Products segment's risks associated with the financial services industry; (xvii) changes in interest rates or market liquidity conditions; (xviii) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (xix) currency fluctuations; (xx) our or Cat Financial's compliance with financial and other restrictive covenants in debt agreements; (xxi) increased pension plan funding obligations; (xxii) alleged or actual violations of trade or anti-corruption laws and regulations; (xxiii) international trade policies and their impact on demand for our products and our competitive position; (xxiv) additional tax expense or exposure; (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.