

CATERPILLAR 2019 DATABOOK



The information included in the Databook does not supercede and is not a substitute for our Form 10-Q for the quarter ended March 31, 2020 or our 2019, 2018, 2017 and 2016 Form 10-K filings with the SEC, which are available on our website at www.caterpillar.com/en/investors/sec-filings.html.

CATERPILLAR®



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For a glossary of terms, please see our Investor Relations website at <http://www.caterpillar.com/investors>.

See appendix for reconciliations to U.S. GAAP. A reconciliation of non-GAAP financial information can be found in our 2019, 2018 and 2017 Form 10-K filings with the SEC, which are available on our website at www.caterpillar.com/en/investors/sec-filings.html.

Forward-Looking Statements

Certain statements in this Databook 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) the duration and geographic spread of, business disruptions caused by, and the overall global economic impact of, 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.



Caterpillar Corporate Strategy & Purpose

Our enterprise strategy focuses on solutions to help our customers build a better world and allows us to deliver profitable growth for our shareholders.

With Our Values in Action as a foundation, we leverage an information-driven approach — the Operating & Execution Model — to guide our decision-making process and ultimately position us for continued profitable growth. We are committed to understanding the needs of our customers, and together with our partners, delivering industry-leading products and services that are largely focused in three areas:

1. Building upon our core competencies of **operational excellence** — safety, quality, Lean and competitive cost discipline — to increase and enhance our performance.
2. **Expanded offerings** enable customer success through integrated and differentiated solutions, including our autonomous machine capabilities and GC lifecycle value products.
3. Growing **services** with a focus on digital-enabled solutions and aftermarket to increase customer loyalty and strengthen our relationships with our customers further.

The **Operating and Execution Model** drives our culture, mindset and behaviors and enables us to grow our business profitably. At Caterpillar, our goal isn't to simply grow the business. Our enterprise strategy for profitable growth means investing in areas with the most potential to create value.

To accomplish this, we use the Operating & Execution (O&E) Model. It helps us identify granular areas of our business that are creating or consuming value. We use facts and data to understand which industries are most attractive and what it would take to win. We then implement strategies to improve our competitive position in profitable businesses and allocate resources to areas that have the best potential for future growth.

We want Caterpillar to be a successful company and we care deeply about the way we win. **Our Values in Action** — Integrity, Excellence, Teamwork, Commitment and Sustainability — remain the foundation of our strategy. Our Values in Action define how we conduct ourselves with our customers, partners and one another. We are one Caterpillar, with a shared commitment to the highest ethical standards. Living by Our Values in Action, we create a work environment we take pride in and a company others admire. We make the world better by our actions.



Financial Results Summary

We have five operating segments of which four are reportable segments. Our reportable segments are Construction Industries (CI), Resource Industries (RI), Energy & Transportation (E&T) and Financial Products (FP). The CI, RI and E&T segments are responsible for the design, manufacturing, marketing and sales and product support for their respective product portfolios. The FP segment primarily provides financing alternatives to customers and dealers around the world for Caterpillar products, as well as financing for vehicles, power generation facilities and marine vessels that, in most cases, incorporate Caterpillar products.

U.S. \$ in millions except per share data	2016	2017	2018	2019
Sales and Revenues				
Construction Industries ¹	\$15,690	\$19,240	\$23,237	\$22,649
Resource Industries ¹	\$6,010	\$7,861	\$10,270	\$10,276
Energy & Transportation ¹	\$16,951	\$19,382	\$22,785	\$22,097
All Other Segment	\$544	\$570	\$482	\$500
Corporate Items and Elim.	(\$3,422)	(\$4,377)	(\$4,952)	(\$4,767)
ME&T Sales	\$35,773	\$42,676	\$51,822	\$50,755
Financial Products Segment ²	\$2,993	\$3,093	\$3,279	\$3,434
Corporate Items and Elim.	(\$229)	(\$307)	(\$379)	(\$389)
Financial Products Revenues	\$2,764	\$2,786	\$2,900	\$3,045
Sales and Revenues	\$38,537	\$45,462	\$54,722	\$53,800
% Change y/y	-18.0%	18.0%	20.4%	-1.7%
Profit (Loss)				
Construction Industries	\$1,639	\$3,255	\$4,174	\$3,931
Resource Industries	(\$1,045)	\$698	\$1,603	\$1,629
Energy & Transportation	\$2,187	\$2,856	\$3,938	\$3,910
All Other Segment	(\$85)	(\$44)	\$23	\$4
Corporate Items and Elim.	(\$1,943)	(\$2,659)	(\$1,583)	(\$1,504)
ME&T	\$753	\$4,106	\$8,155	\$7,970
Financial Products Segment	\$702	\$792	\$505	\$832
Corporate Items and Elim.	(\$53)	(\$116)	\$17	(\$81)
Financial Products	\$649	\$676	\$522	\$751
Consolidating Adjustments	(\$240)	(\$322)	(\$384)	(\$431)
Operating Profit	\$1,162	\$4,460	\$8,293	\$8,290
Operating Profit %	3.0%	9.8%	15.2%	15.4%
Adj. Operating Profit ³	\$2,769	\$5,687	\$8,687	\$8,290
Adj. Operating Profit % ³	7.2%	12.5%	15.9%	15.4%
Profit (Loss) Per Share	(\$0.11)	\$1.26	\$10.26	\$10.74
Adj. Profit Per Share³	\$3.42	\$6.88	\$11.22	\$11.06
Segment Profit %				
Construction Industries	10.4%	16.9%	18.0%	17.4%
Resource Industries	-17.4%	8.9%	15.6%	15.9%
Energy & Transportation	12.9%	14.7%	17.3%	17.7%
Cash Flow and Debt				
Enterprise Operating Cash Flow	\$5,639	\$5,706	\$6,558	\$6,912
ME&T Operating Cash Flow ³	\$3,885	\$5,459	\$6,347	\$4,871
ME&T Free Cash Flow ³	\$2,679	\$5,543	\$6,126	\$5,297
Enterprise Cash	\$7,168	\$8,261	\$7,857	\$8,284
ME&T Cash ³	\$5,257	\$7,381	\$6,968	\$7,299
Enterprise Debt	\$36,783	\$34,878	\$36,553	\$37,657
ME&T Debt ³	\$9,152	\$7,936	\$8,015	\$9,162
Revolving Credit Facility ⁴	\$10,500	\$10,500	\$10,500	\$10,500

¹ Includes inter-segment sales, which primarily represents sales of captive engines from Energy & Transportation to Construction Industries and Resource Industries.

² Includes revenues from Machinery, Energy and Transportation.

³ See appendix for adjusted operating profit, adjusted profit per share and ME&T free cash flow and reconciliations to U.S. GAAP. A reconciliation of other non-GAAP financial information can be found in our 2019, 2018 and 2017 Form 10-K filings with the SEC, which are available on our website at www.caterpillar.com/en/investors/sec-filings.html.

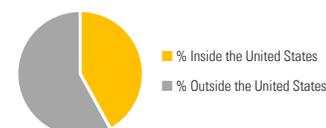
⁴ Available for general liquidity purposes, includes a \$3.15B 364-day facility, a \$2.73B 3-year facility and a \$4.62B 5-year facility.

Sales by Region

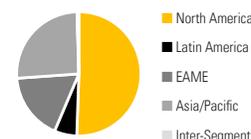
U.S. \$ in millions except per share data	2016	2017	2018	2019
Sales and Revenues	\$38,537	\$45,462	\$54,722	\$53,800
% Inside the United States	41%	41%	41%	42%
% Outside the United States	59%	59%	59%	58%
Construction Industries¹	\$15,690	\$19,240	\$23,237	\$22,649
North America	\$7,529	\$8,742	\$10,754	\$11,455
Latin America	\$1,059	\$1,396	\$1,479	\$1,533
EAME	\$3,270	\$3,760	\$4,410	\$4,012
Asia/Pacific	\$3,754	\$5,235	\$6,473	\$5,556
Inter-Segment	\$78	\$107	\$121	\$93
Resource Industries¹	\$6,010	\$7,861	\$10,270	\$10,276
North America	\$2,068	\$2,582	\$3,357	\$3,632
Latin America	\$1,001	\$1,281	\$1,647	\$1,533
EAME	\$1,179	\$1,775	\$2,217	\$1,836
Asia/Pacific	\$1,478	\$1,866	\$2,667	\$2,812
Inter-Segment	\$284	\$357	\$382	\$463
Energy & Transportation¹	\$16,951	\$19,382	\$22,785	\$22,097
North America	\$6,680	\$7,959	\$9,685	\$8,864
Latin America	\$1,104	\$1,261	\$1,331	\$1,389
EAME	\$4,201	\$4,431	\$4,934	\$4,994
Asia/Pacific	\$2,426	\$2,313	\$2,882	\$3,238
Inter-Segment	\$2,540	\$3,418	\$3,953	\$3,612
E&T Sales by Application²				
Oil & Gas		\$4,424	\$5,763	\$5,205
Power Generation		\$3,551	\$4,334	\$4,474
Industrial		\$3,445	\$3,640	\$3,749
Transportation		\$4,544	\$5,095	\$5,057

2019 Sales Mix

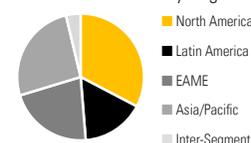
U.S. & Non-U.S. Sales and Revenues



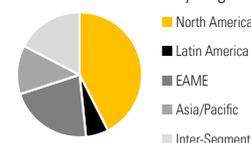
CI Total Sales¹ by Region



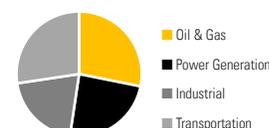
RI Total Sales¹ by Region



E&T Total Sales¹ by Region



E&T Total Sales¹ by Application



Seasonality of the Business

Average Quarterly Percentage of Full-Year Sales (2016 - 2019)

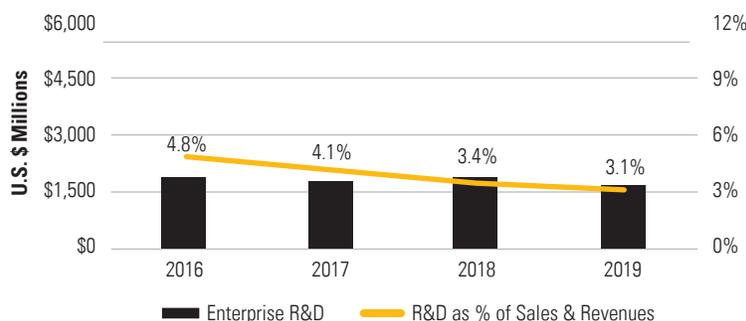
Segment	1Q	2Q	3Q	4Q
Construction Industries ¹	24.4%	27.3%	24.0%	24.3%
Resource Industries ¹	24.2%	25.1%	24.3%	26.4%
Energy & Transportation ¹	22.7%	25.1%	24.7%	27.5%
Consolidated	23.7%	26.0%	24.3%	26.0%

¹ Includes inter-segment sales, which primarily represents sales of captive engines from Energy & Transportation to Construction Industries and Resource Industries.

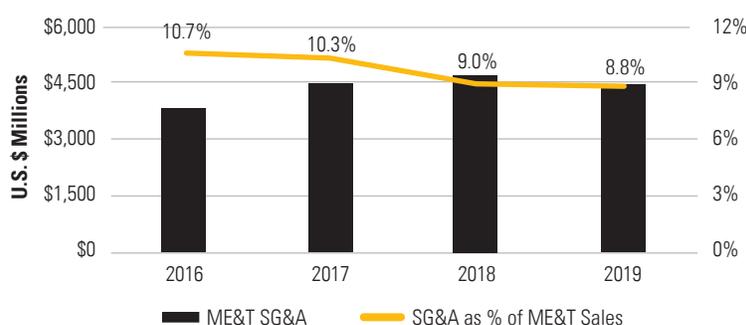
² Energy & Transportation sales by application disclosures were adopted prospectively effective January 1, 2018. For purposes of analysis, we elected to disclose the comparative period information in our MD&A contained in our 2018 Form 10-K.

SG&A, R&D and Capex Spending

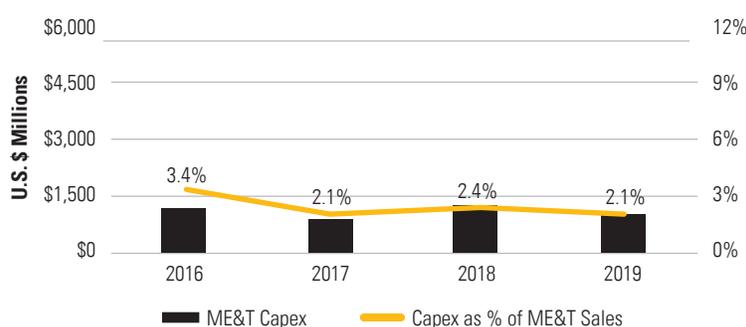
Enterprise R&D as % of Sales and Revenues



ME&T SG&A as % of ME&T Sales¹



ME&T Capex as % of ME&T Sales¹



Dealer Inventories²

Change in U.S. \$ Billions	2016				2017				2018				2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Dealer Inventory Change - vs. Prior Year Period	(0.6)	(0.1)	(0.1)	0.2	(0.1)	0.1	0.9	0.8	1.0	0.4	0.6	0.2	0.1	0.4	(1.2)	(0.9)
Dealer Inventory Change - Sequential	0.3	(0.4)	(0.7)	(0.8)	0.2	(0.3)	0.2	0.0	1.2	0.1	0.8	0.2	1.3	0.5	(0.4)	(0.7)

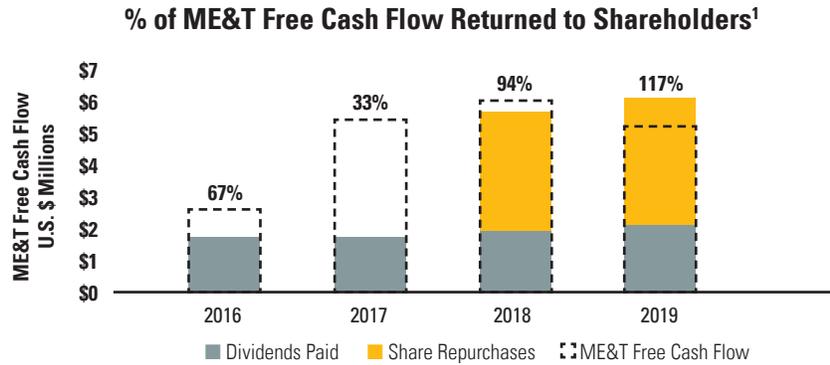
¹ A reconciliation of other non-GAAP financial information can be found in our 2019, 2018 and 2017 Form 10-K filings with the SEC, which are available on our website at www.caterpillar.com/en/investors/sec-filings.html.

² Prior Year Period comparison compares the year-over-year change for a specific quarter, e.g., dealer inventory in 4Q 2019 decreased \$0.7B and increased \$0.2B in 4Q 2018 for net impact of \$0.9B on 4Q 2019; Sequential comparison compares change in inventory quarter vs. previous quarter of the same year, e.g., dealer inventory in 4Q 2019 decreased \$0.7B since 3Q 2019.

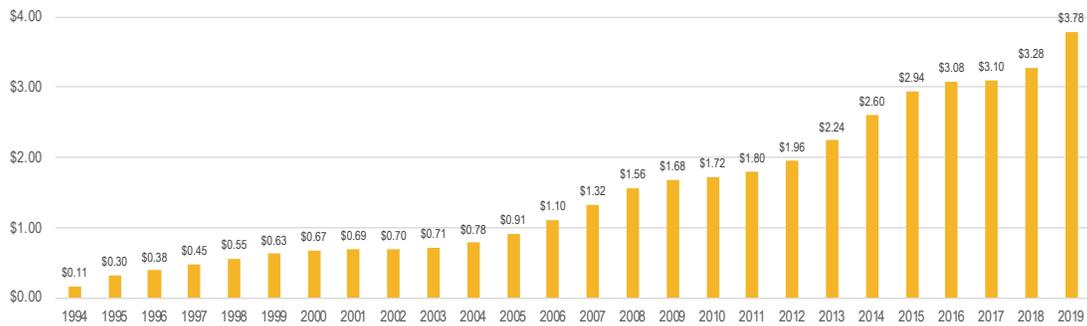
Note: Dealers are independent, and the reasons for changes in their inventory levels vary, including their expectations of future demand and product delivery times. Dealers' demand expectations take into account seasonal changes, macroeconomic conditions, machine rental rates and other factors. Delivery times can vary based on availability of product from Caterpillar factories and product distribution centers.

Free Cash Flow Deployment

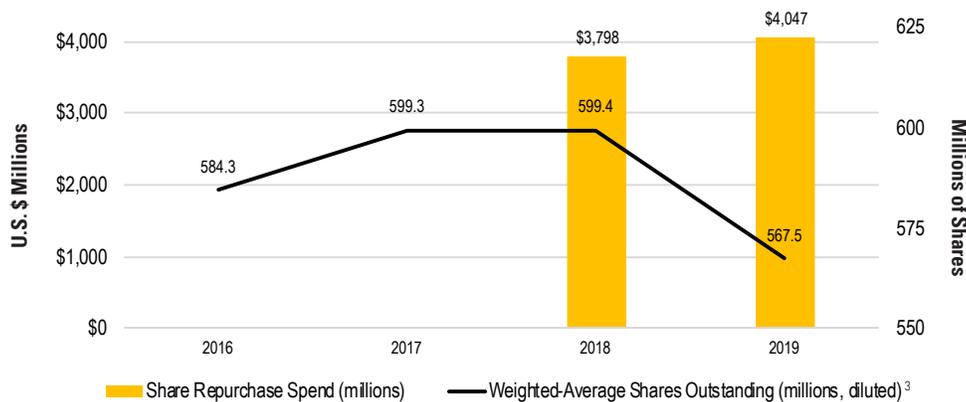
We have a goal to return substantially all free cash flow to our shareholders. We raised our dividend 20% to \$4.12 per share on an annualized basis in 2019. We have increased our dividend each year for the past 26 years and are proud to be a member of the S&P 500 Dividend Aristocrat Index. Additionally, we repurchased shares on a more consistent basis recently, as shown by the \$3.8 billion and \$4.0 billion of share repurchases in 2018 and 2019, respectively.



Dividends Per Share Paid by Year²



Shares Repurchased and Outstanding



¹ See appendix for ME&T free cash flow calculation and reconciliation to U.S. GAAP.

² Per share dividends adjusted for 2-for-1 stock splits in 1997 and 2005.

³ In 2016, the assumed exercise of stock-based compensation awards was not considered because the impact would be antilutative.

Construction Industries

Our Construction Industries segment is primarily responsible for supporting customers using machinery in infrastructure, forestry and building construction. The majority of machine sales in this segment are made in the heavy and general construction, rental, quarry and aggregates markets and mining.

The Construction Industries product portfolio includes the following machines and related parts and work tools.

- Asphalt Pavers
- Backhoe Loaders
- Compactors
- Cold Planers
- Compact Track and Multi-Terrain Loaders
- Mini, Small, Medium and Large Excavators
- Forestry Excavators
- Feller Bunchers
- Harvesters
- Knuckleboom Loaders
- Motorgraders
- Pipelayers
- Road Reclaimers
- Site Prep Tractors
- Skidders
- Skid Steer Loaders
- Telehandlers
- Small and Medium Track-type Tractors
- Track-type Loaders
- Wheel Excavators
- Compact, Small and Medium Wheel Loaders
- Utility Vehicles

Note: Products as of 2019. Effective September 2019, Caterpillar has divested its Forestry product segment. Those products have been removed from the Construction Industries product portfolio. Any remaining product in Dealer Inventory will be reported in Total Machines as they are depleted.

We categorize our Construction Industries products as Excavation, Earthmoving, and Building Construction Products. Examples of each category can be seen below.

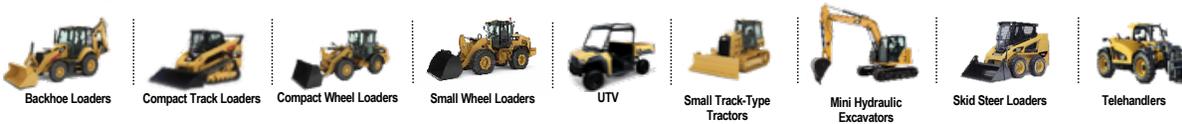
Excavation



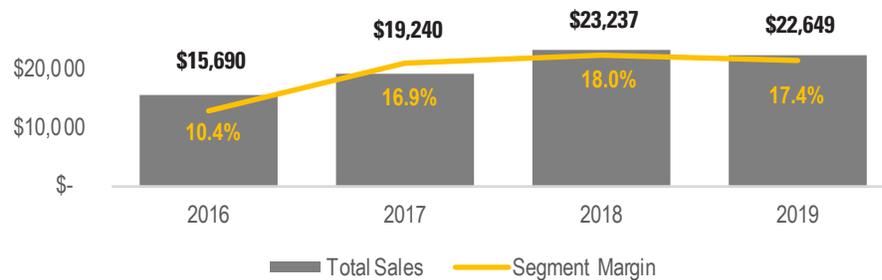
Earthmoving



Building Construction Products



Construction Industries Total Sales¹ and Segment Profit %



¹ U.S. \$ millions; includes inter-segment sales.

Resource Industries

The Resource Industries segment is primarily responsible for supporting customers using machinery in mining, heavy construction, quarry and aggregates, waste and material handling applications. Caterpillar offers a broad product range and services to deliver comprehensive solutions for our mining customers. We manufacture high productivity equipment for both surface and underground mining operations around the world. Our equipment is used to extract and haul copper, iron ore, coal, oil sands, aggregates, gold and other minerals and ores. In addition to equipment, Resource Industries also develops and sells technology products and services to provide customers fleet management systems, equipment management analytics and autonomous machine capabilities.

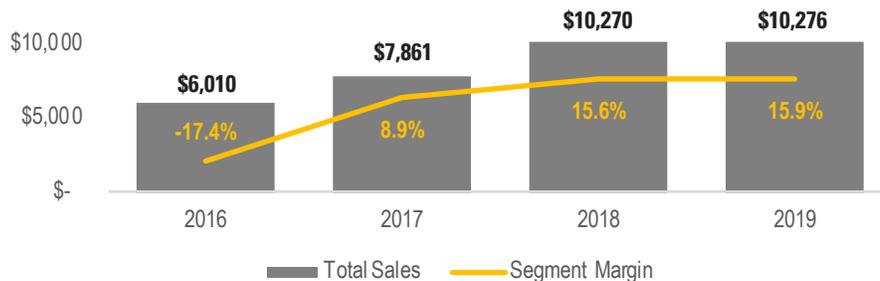
The Resource Industries product portfolio includes the following machines and related parts:

- Electric Rope Shovels
- Draglines
- Hydraulic Shovels
- Rotary Drills
- Hard Rock Vehicles
- Hard Rock Continuous Mining Systems
- Large Track-type Tractors
- Large Mining Trucks
- Longwall Miners
- Large Wheel Loaders
- Off-Highway Trucks
- Articulated Trucks
- Wheel Tractor Scrapers
- Wheel Dozers
- Landfill Compactors
- Soil Compactors
- Machinery Components
- Autonomous Ready Vehicles and Solutions
- Select Work Tools

Resource Industry Product Portfolio



Resource Industries Total Sales¹ and Segment Profit %



¹ U.S. \$ millions; includes inter-segment sales.

Energy & Transportation

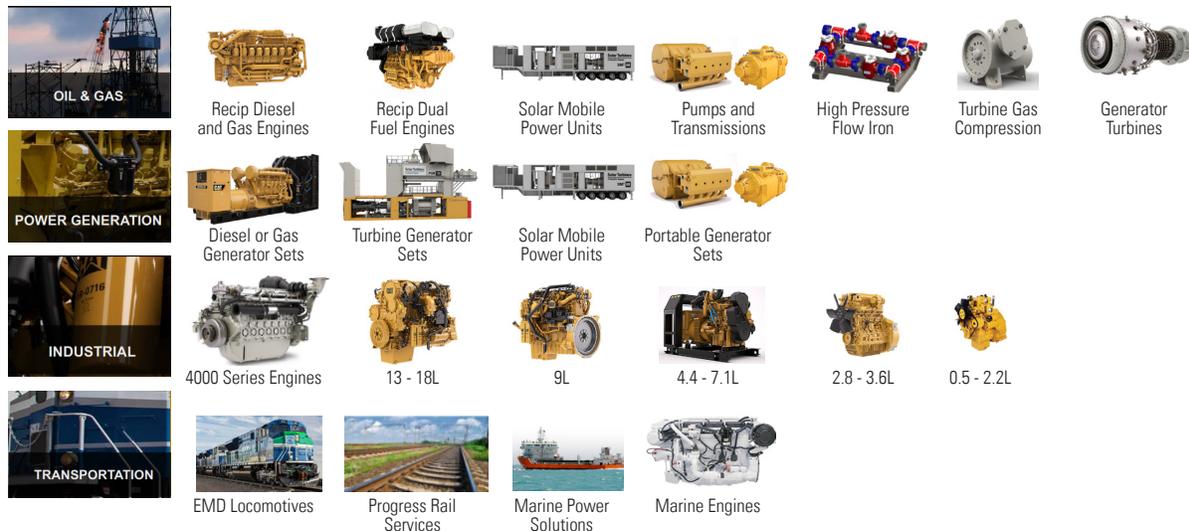
Our Energy & Transportation segment supports customers in oil and gas, power generation, marine, rail and industrial applications, including Cat® machines. The product and services portfolio includes reciprocating engines, generator sets, marine propulsion systems, gas turbines and turbine-related services, the remanufacturing of Caterpillar engines and components and remanufacturing services for other companies, diesel-electric locomotives and other rail-related products and services and product support of on-highway vocational trucks for North America.

In 2019, we introduced a new Dynamic Gas Blending or DGB engine for our well-servicing customers. The new Tier 4 engine allows customers to replace up to 85% of diesel fuel with natural gas. Our DGB product helps our oil and gas customers to be more successful by improving operating economics by offering fuel flexibility.

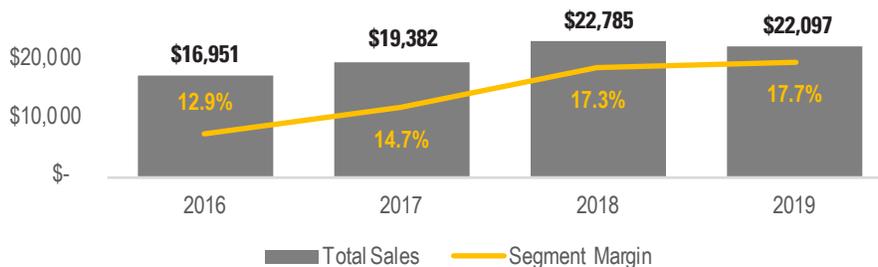
The Energy & Transportation portfolio includes the following products and related parts:

- Reciprocating engine powered generator sets
- Reciprocating engines supplied to the industrial industry as well as Caterpillar machinery
- Integrated systems used in the electric power generation industry
- Turbines, centrifugal gas compressors and related services
- Reciprocating engines and integrated systems and solutions for the marine and oil and gas industries
- Remanufactured reciprocating engines and components
- Diesel-electric locomotives and components and other rail-related products and services

Energy & Transportation captive engines are sold to Construction Industries and Resource Industries at market-based transfer prices. Inter-Segment sales are reported as Inter-Segment / Other in our Form 10-K.



Energy & Transportation Total Sales¹ and Segment Profit %

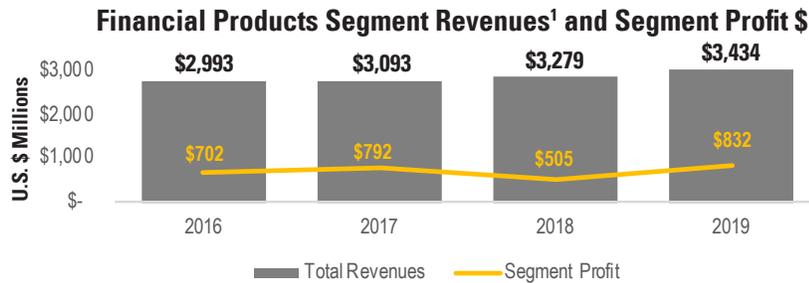


¹ U.S. \$ millions; includes inter-segment sales.

Financial Products

The business of our Financial Products Segment is primarily conducted by Cat Financial, Insurance Services and their respective subsidiaries. Cat Financial is a wholly owned finance subsidiary of Caterpillar Inc. and its primary business is to provide retail and wholesale financing alternatives for Caterpillar products to customers and dealers around the world. Retail financing is primarily comprised of the financing of Caterpillar equipment, machinery and engines. Cat Financial also provides financing for vehicles, power generation facilities and marine vessels that, in most cases, incorporate Caterpillar products. In addition to retail financing, Cat Financial provides wholesale financing to Caterpillar dealers and purchases short-term trade receivables from Caterpillar. The various financing plans offered by Cat Financial are primarily designed to increase the opportunity for sales of Caterpillar products and to generate financing income for Cat Financial. A significant portion of Cat Financial's activity is conducted in North America, with additional offices and subsidiaries in Latin America, Asia/Pacific, Europe, Africa and the Middle East.

Note that Caterpillar Financial Services Corporation separately discloses its financial results publicly each quarter.



¹ U.S. \$ Millions; includes revenues from Machinery, Energy and Transportation.



Cat Dealers: A Competitive Strength

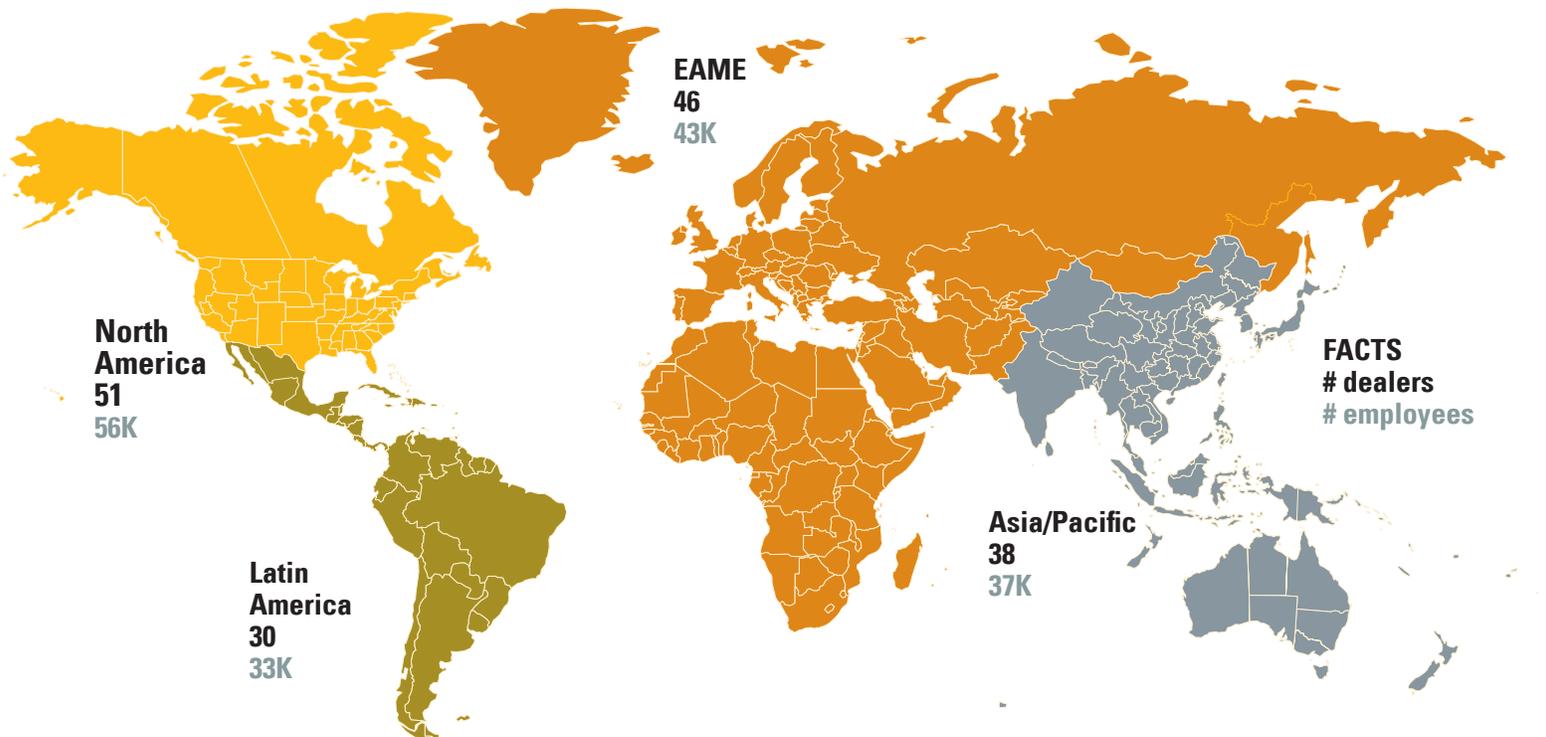
Our competitive advantages include our independent Cat dealer network. With 165 dealers and about 2,300 branches or facilities in 191 countries around the world in 2019, it's the most extensive sales and service network in our industry. When customers buy our products, they know they will be supported by the most capable and reliable global service network. As a result of our products and our dealers, we are a leader in almost all of our product classes in the industries in which we participate.



We have a collaborative, long-term relationship with our dealers who provide the following benefits:

- They are independently owned with a sense of entrepreneurship
- Our dealers have personnel who live and work locally
- Dealers provide deep customer insights through long-term relationships, with a legacy for service and support to customers
- Partnership with Cat Financial enables dealers to offer capital and financing assistance at the point of sale

Caterpillar Dealer Network – 2019



165
Dealers

169,000 
Total Employees

~2,300 
Dealer Facilities

52 Average
Years Tenure

Rolling 3-Month Retail Sales Statistics: 2018 – 2019

Caterpillar Inc. each month discloses supplemental information concerning (i) retail sales of machines to end users and (ii) retail sales of power systems (including reciprocating and turbine engines and locomotives) to end users and Original Equipment Manufacturers (“OEMs”). Caterpillar sells the majority of its machinery and power systems to independently owned and operated dealers and OEMs to meet the demands of their customers, the end users. Caterpillar believes that this supplemental information may help readers better understand Caterpillar’s business and the industries it serves, particularly in light of the time delay between Caterpillar’s sales to dealers and dealers’ sales to end users. Note that this information excludes sales of aftermarket parts and other services except in relation to our Solar Turbines business.

In this report, we are providing information by geographic region for retail sales of machines in each of our Resource Industries and Construction Industries reportable segments, as well as information regarding total retail sales of our machines globally. For our Energy & Transportation reportable segment, we are providing retail sales information by major end use.

The information presented in this report is primarily based on unaudited reports that are voluntarily provided to Caterpillar by its independent dealers and which are not subject to Caterpillar’s internal controls over financial reporting. Accordingly, the data collected from such third parties may not be accurate and/or complete. As such, the information presented in this report is intended solely to convey an approximate indication of the trends, direction and magnitude of retail sales and is not intended to be an estimate, approximation or prediction of, or substitute for, Caterpillar’s audited financial statements filed with the U.S. Securities and Exchange Commission. This information is furnished under this report with the U.S. Securities and Exchange Commission. Caterpillar does not undertake to update or adjust prior period information.



Rolling 3-Month Retail Sales Statistics: 2018 – 2019 | *continued*

Machines Retail Statistics Total ^{1, 2}					
Period Ended	Asia/Pacific	EAME	Latin America	North America	World
March 2018	Up 31%	Up 15%	Up 34%	Up 27%	Up 26%
June 2018	Up 37%	Up 19%	Up 29%	Up 22%	Up 25%
September 2018	Up 23%	Up 6%	Up 25%	Up 28%	Up 21%
December 2018	Up 3%	Up 9%	Up 17%	Up 14%	Up 10%
March 2019	Up 6%	Down 4%	Up 22%	Up 14%	Up 8%
June 2019	Down 5%	Down 5%	Up 11%	Up 12%	Up 4%
September 2019	Down 8%	Up 5%	Up 16%	Up 11%	Up 6%
December 2019	Down 5%	Down 5%	Down 12%	Down 4%	Down 5%

Resource Industries Retail Statistics Total ¹					
Period Ended	Asia/Pacific	EAME	Latin America	North America	World
March 2018	Up 40%	Up 33%	Up 61%	Up 68%	Up 50%
June 2018	Up 1%	Up 51%	Up 57%	Up 34%	Up 34%
September 2018	Up 91%	Up 16%	Up 61%	Up 45%	Up 47%
December 2018	Up 29%	Unchanged	Up 51%	Up 47%	Up 28%
March 2019	Up 49%	Down 16%	Up 43%	Up 19%	Up 17%
June 2019	Up 77%	Down 21%	Up 7%	Up 39%	Up 23%
September 2019	Down 11%	Unchanged	Up 31%	Up 42%	Up 14%
December 2019	Up 12%	Down 12%	Down 39%	Down 11%	Down 10%

Construction Industries Retail Statistics Total ¹					
Period Ended	Asia/Pacific	EAME	Latin America	North America	World
March 2018	Up 29%	Up 9%	Up 22%	Up 20%	Up 21%
June 2018	Up 44%	Up 11%	Up 18%	Up 21%	Up 24%
September 2018	Up 11%	Up 3%	Up 9%	Up 26%	Up 16%
December 2018	Down 2%	Up 13%	Unchanged	Up 9%	Up 6%
March 2019	Down 1%	Up 1%	Up 11%	Up 13%	Up 6%
June 2019	Down 18%	Up 1%	Up 13%	Up 7%	Unchanged
September 2019	Down 6%	Up 7%	Up 8%	Up 6%	Up 4%
December 2019	Down 10%	Down 2%	Up 7%	Unchanged	Down 3%

Energy & Transportation Retail Statistics Total ³					
Period Ended	Power Gen	Industrial	Transportation	Oil & Gas	Total
March 2018	Up 18%	Up 1%	Down 11%	Up 43%	Up 21%
June 2018	Up 12%	Down 4%	Down 9%	Up 30%	Up 14%
September 2018	Up 7%	Down 15%	Down 6%	Up 21%	Up 7%
December 2018	Up 18%	Up 2%	Up 1%	Up 16%	Up 13%
March 2019	Up 1%	Up 2%	Down 12%	Down 8%	Down 4%
June 2019	Up 27%	Up 5%	Down 17%	Down 7%	Up 3%
September 2019	Up 14%	Up 35%	Down 17%	Down 3%	Up 6%
December 2019	Up 3%	Up 8%	Up 27%	Down 16%	Down 3%

¹ By geographic region for the 3-month rolling period ended as of the month indicated compared with the same period of the prior year. Reported in constant dollars and based on unit sales as reported primarily by dealers. For purposes of this report, retail sales of longwall miners are not included in the information presented above for Resource Industries or Total Machines.

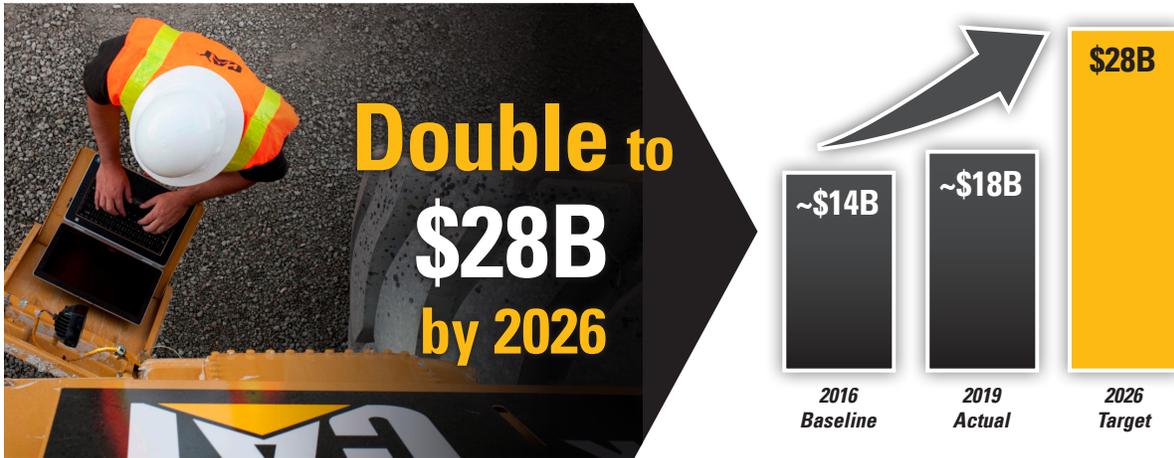
² Machines Retail Statistics combines Resource Industries and Construction Industries retail statistics, excludes Energy & Transportation.

³ By industry for the 3-month rolling period ended as of the month indicated compared with the same period of the prior year. Reported in constant dollars and based on reporting from dealers and direct sales.

Our Services Growth Opportunity

Services growth is a core focus of our strategy. We have a bold target to double our Machinery, Energy and Transportation (ME&T) services revenues to \$28 billion by 2026 from our 2016 baseline.

Our services set us apart from the competition by allowing us to provide unique insights and customer-focused solutions throughout the lifecycle of our products. With about one million connected assets, outstanding field technology, and decades of product, service and application expertise, we can transform traditional offerings into services that make our customers more successful.



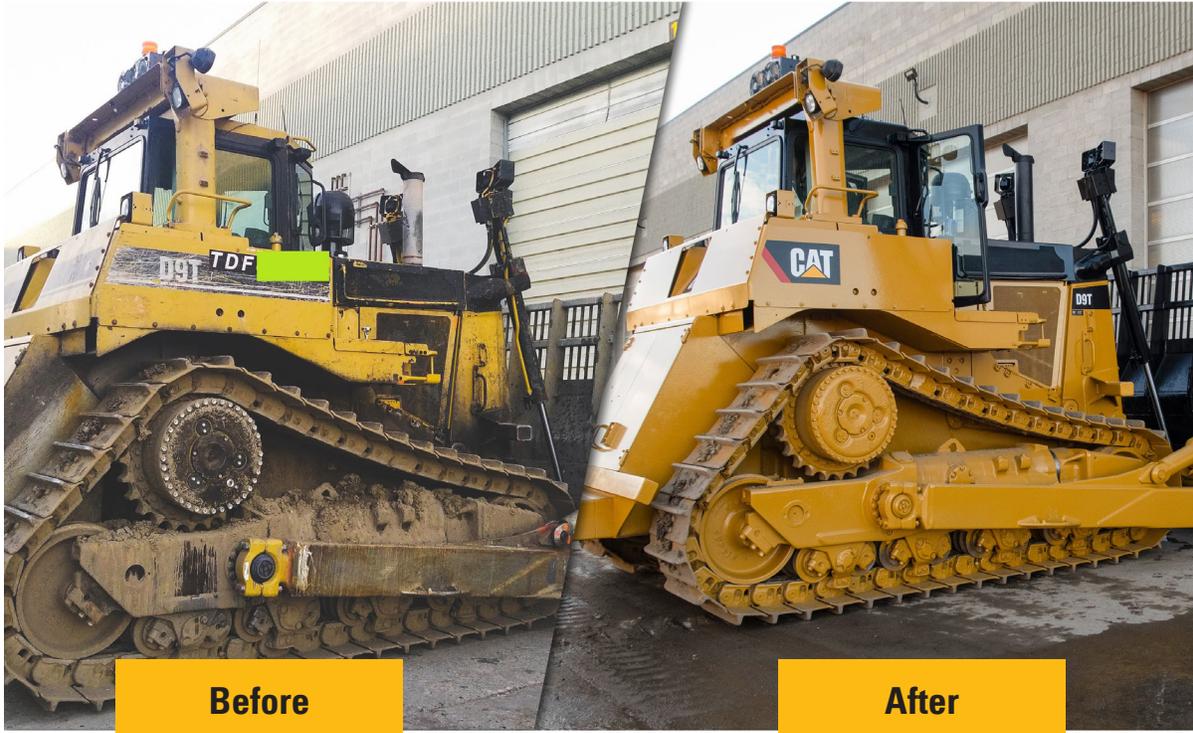
Note: ME&T Services Revenues include, but are not limited to, aftermarket parts and other service-related revenues and exclude most Financial Products' revenues, discontinued products and captive dealer services.

Our services growth strategy is built on seven key elements, each with a comprehensive definition to guide us on the journey to \$28 billion.

1. **Customer-Focused Design** — Designing our products and components with features to optimize maintenance and to increase uptime for the customer.
2. **Digital Enablers** — Providing digital solutions, both on-board and off-board equipment, to enable services.
3. **Services Go-to-Market Strategy** — Shifting from traditional parts and labor to packaged value-added services by industry.
4. **Cat Financial** — Leveraging direct and frequent contact with customers by the Cat Financial team to help offer and manage services.
5. **Parts Distribution Network Optimization** — Investing to become more lean and to improve availability.
6. **Dealer Operational Excellence** — Continually partnering with our dealers to improve core capabilities.
7. **Adjacent Services Opportunities** — Continuously evaluating adjacent services opportunities as additional drivers for growth.

Services Story: Rebuilds Keep Customers Up and Running

Since 1984, the Cat Certified Rebuild Program has certified more than 25,000 machine, power train, commercial engine, hydraulic and component rebuilds across the globe, and we think it is only getting started. The Cat Certified Rebuild Program is designed to provide customers with rebuilt machines that perform, look and even smell brand new. Rebuilding their current machine fulfills the customer's need for updated equipment for a fraction of the cost of new. The program continues to progress to meet our customers' changing needs and highlight the Cat dealer network's outstanding service capabilities.



A rebuild is a great time for customers to upgrade their machine's technology including production-enhancing solutions like grade, slope, and payload technologies.

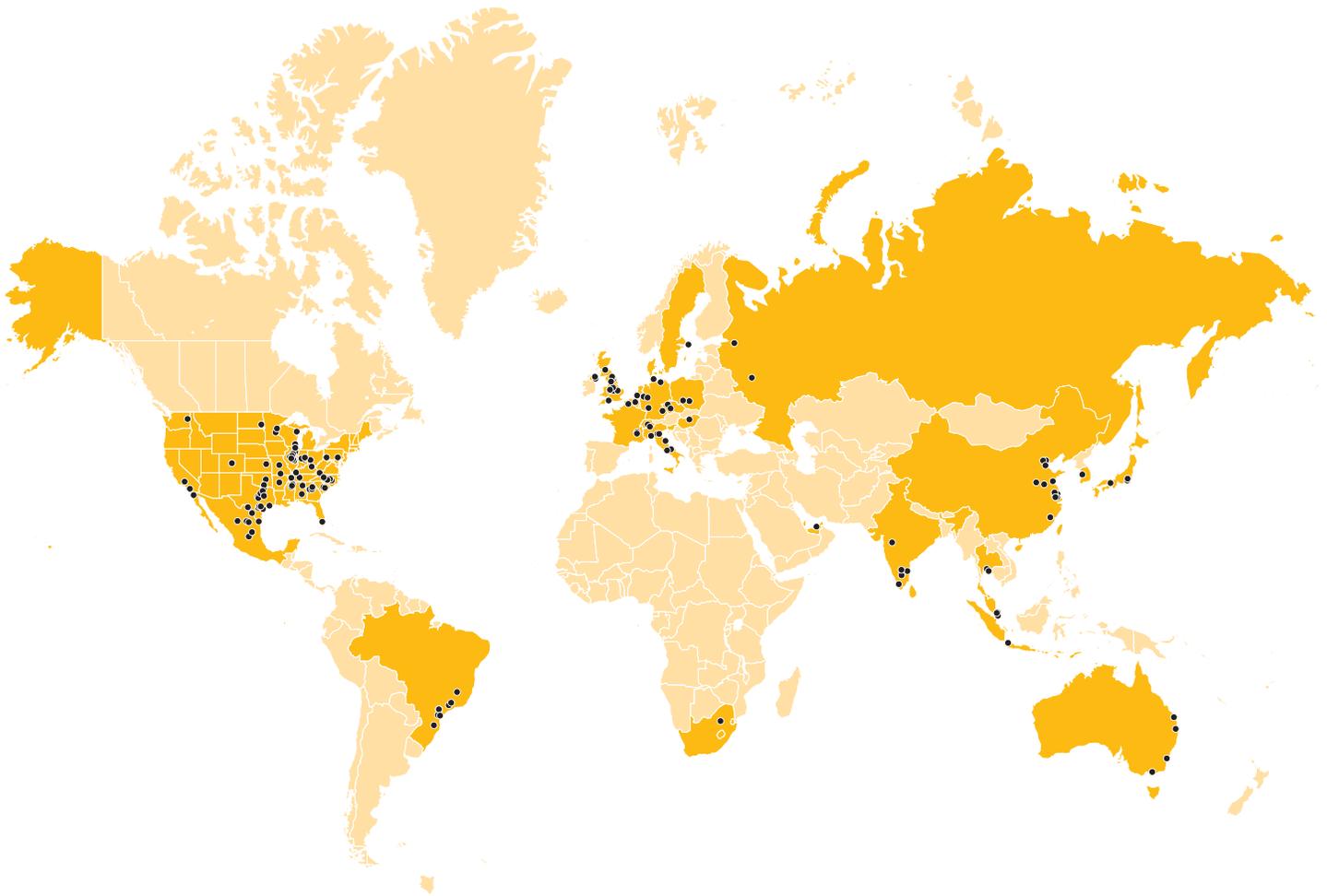
Our technology is backward-compatible within a model series, so an earlier model receiving a certified rebuild can be equipped with the latest technology. Dealers receive a list of parts (defined by program standards) that must be inspected and/or replaced. They also receive engineering updates and machine enhancements that can add capabilities the machine did not have when it was new. Over the years the program has evolved to meet shifting customer needs with the addition of Cat Certified Power Train. This was designed for customers with smaller machines and involves rebuilds from the radiator to the axles to enable performance.

Global Locations

Caterpillar's operations are highly integrated. Although the majority of our plants are involved primarily in production relating to our Construction Industries, Resource Industries or Energy & Transportation segments, several plants are involved in manufacturing relating to more than one business segment. Caterpillar's parts distribution centers are involved in the storage and distribution of parts for Construction Industries, Resource Industries and Energy & Transportation. The research and development activities carried on at our Technical Center in Mossville, Illinois, involve products for Construction Industries, Resource Industries and Energy & Transportation. Our manufacturing, marketing, logistics, services, research and development (R&D) and related facilities, along with our primary dealer locations, total more than 500 locations worldwide (not all locations shown on map below; map excludes dealer locations).

We have about 125 primary manufacturing facilities across the globe.

For more information please visit: <https://www.caterpillar.com/en/company/global-footprint>.



Facilities include locations where manufacturing, parts distribution, rail and remanufacturing work take place. In certain geographic areas, the facility symbol may represent multiple facilities.

Our Leadership

Jim Umpleby: Jim Umpleby is Chairman of the Board of Directors and Chief Executive Officer of Caterpillar Inc. He joined Solar Turbines, now a Caterpillar subsidiary, in 1980 as an associate engineer. During his career at Caterpillar, he has held a variety of positions in engineering, manufacturing, marketing, sales and services. Jim became President of Solar Turbines and a Caterpillar Vice President in 2010; from 2013 to 2016 he led Caterpillar's Energy & Transportation business segment as Group President. He has served as CEO since January 1, 2017, and was elected Chairman of the Board of Directors on December 12, 2018.

William P. Ainsworth: William (Billy) Ainsworth is a Group President of Caterpillar Inc. with responsibility for the Energy & Transportation segment, which includes the Rail Division, Solar Turbines, Large Power Systems Division, Industrial Power Systems Division, Electric Power Division and Oil, Gas and Marine Division.

Andrew R.J. Bonfield: Andrew Bonfield is Chief Financial Officer of Caterpillar Inc. with responsibility for Finance Services, Financial Products and Global Information Services.

Cheryl H. Johnson: Cheryl H. Johnson is Chief Human Resources Officer of Caterpillar Inc. She manages all aspects of Human Resources including Talent Acquisition and Management, Learning and Development, Diversity and Inclusion, Compensation and Benefits, Shared Services and Employee and Labor Relations.

Denise C. Johnson: Denise Johnson is a Group President of Caterpillar Inc. She has responsibility for Resource Industries, which includes Innovation and Technology Development, Material Handling & Underground and Surface Mining & Technology.

Bob De Lange: Bob De Lange is a Group President of Caterpillar Inc. He has leadership responsibility for Services, Distribution & Digital, which includes these divisions: Americas Distribution, Service & Marketing; Asia Pacific Distribution; Europe Africa Middle East Eurasia; Global Aftermarket Services; Cat Digital and Product Support & Logistics.

Suzette M. Long: Suzette Long is Chief Legal Officer, General Counsel and Corporate Secretary of Caterpillar Inc. She has responsibility for Law, Security & Public Policy, which includes Global Legal Services, Compliance, Environment, Health & Safety, Global Security and Global Government and Corporate Affairs.

Ramin Younessi: Ramin Younessi is a Group President of Caterpillar Inc. He is responsible for Caterpillar's Construction Industries Segment, which includes the Earthmoving, Excavation, Building Construction Products, China Operations and Global Construction & Infrastructure Divisions, as well as Global Rental and Used Equipment Services.

Investor Relations Team & Contacts

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Appendix: Non-GAAP Financial Measures

The following definitions are provided for the non-GAAP financial measures used in this report. These non-GAAP financial measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management does not intend these items to be considered in isolation or as a substitute for the related GAAP measures.

We believe it is important to separately quantify the profit impact of several significant items in order for our results to be meaningful to our readers. These items consist of (i) pension and OPEB mark-to-market losses resulting from plan remeasurements, (ii) U.S. tax reform impact, (iii) restructuring costs in 2018, 2017 and 2016, which were incurred to generate longer-term benefits, (iv) certain deferred tax valuation allowance adjustments, (v) a gain on the sale of an equity investment in 2017 and (vi) goodwill impairment charges in 2016. We do not consider these items indicative of earnings from ongoing business activities and believe the non-GAAP measures will provide investors with useful perspective on underlying business results and trends and aid with assessing our period-over-period results. In addition, we provide a calculation of ME&T free cash flow as we believe it is an important measure for investors to determine the cash generation available for financing activities including debt repayments, dividends and share repurchases.

Reconciliations of adjusted operating profit margin to the most directly comparable GAAP measure, operating profit as a percent of sales and revenues are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating profit as a percent of total sales and revenues	3.0%	9.8%	15.2%	15.4%
Restructuring costs ¹	4.2%	2.7%	0.7%	— %
Adjusted operating profit margin	7.2%	12.5%	15.9%	15.4%

¹ 2019 Restructuring costs were not material.

Reconciliations of adjusted profit before taxes to the most directly comparable GAAP measure, consolidated profit before taxes, are as follows:

(millions of dollars)	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Profit before taxes	\$139	\$4,082	\$7,822	\$7,812
Mark-to-market losses	\$985	\$301	\$495	\$468
Restructuring costs	\$1,019	\$1,256	\$386	\$ —
Gain on sale of equity investment	\$ —	\$(85)	\$ —	\$ —
Goodwill impairment	\$595	\$ —	\$ —	\$ —
Adjusted profit before taxes	\$2,738	\$5,554	\$8,703	\$8,280

Appendix: Non-GAAP Financial Measures – continued

Reconciliations of adjusted profit per share to the most directly comparable GAAP measure, profit per share – diluted, are as follows:

	2016	2017	2018	2019
Profit per share – diluted	\$(0.11)	\$1.26	\$10.26	\$10.74
Per share mark-to-market losses ¹	\$1.15	\$0.26	\$0.64	\$0.64
Per share U.S. tax reform impact	\$ —	\$3.95	\$(0.17)	\$(0.31)
Per share restructuring costs ²	\$1.16	\$1.68	\$0.50	\$ —
Per share deferred tax valuation allowance adjustments ³	\$0.24	\$(0.18)	\$(0.01)	\$ —
Per share gain on sale of equity investment ¹	\$ —	\$(0.09)	\$ —	\$ —
Per share goodwill impairment ⁴	\$0.98	\$ —	\$ —	\$ —
Adjusted profit per share	\$ 3.42	\$6.88	\$11.22	\$ 11.06

¹ At statutory tax rates. 2017 and 2016 at statutory tax rates prior to consideration of U.S. tax reform.

² At statutory tax rates. 2017 and 2016 at statutory tax rates prior to consideration of U.S. tax reform. 2017 also includes \$15 million increase to prior year taxes related to non-U.S. restructuring costs. 2019 restructuring costs were not material.

³ Net of U.S. federal tax at 35 percent in 2017 and 2016.

⁴ Includes a \$17 million tax benefit.

Per share amounts computed using fully diluted shares outstanding except for consolidated loss per share, which was computed using basic shares outstanding.

Reconciliations of ME&T free cash flow to the most directly comparable GAAP measure, net cash provided by operating activities are as follows:

(millions of dollars)	2016	2017	2018	2019
ME&T net cash provided by operating activities ¹	\$3,885	\$5,459	\$6,347	\$4,871
ME&T discretionary pension contributions	\$ —	\$1,000	\$1,000	\$1,500
ME&T capital expenditures	\$(1,206)	\$(916)	\$(1,221)	\$(1,074)
ME&T free cash flow	\$2,679	\$5,543	\$6,126	\$5,297

¹ A reconciliation of ME&T net cash provided by operating activities to consolidated net cash provided by operating activities can be found in our 2019, 2018 and 2017 Form 10-K filings with the SEC, which are available on our website at www.caterpillar.com/en/investors/sec-filings.html.