

Baird 2015 Industrial Conference

Energy and Transportation – Jim Umpleby
Investor Relations – Rich Moore

November 11, 2015

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Our 2015 third quarter financial results contain a reconciliation of Non-GAAP financial information which can be found on our website at www.caterpillar.com/earnings.

Discussion

- Third-Quarter Results / Outlook – Rich Moore
- Energy & Transportation Review – Jim Umpleby

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Third-Quarter 2015 Financial Results

	3rd Quarter 2014	3rd Quarter 2015	Change
Sales and Revenues	$ 13.5 Billion	$ 11.0 Billion	$ (2.5) Billion
Profit Per Share	$ 1.63	$ 0.62	$ (1.01)
Profit Per Share Excluding Restructuring Costs	$ 1.72	$ 0.75	$ (0.97)

Sales and Revenues

- Lower sales in all regions and for each segment
- Most significant decline in Energy & Transportation
- Price realization negative $60 million

Profit

- Lower sales volume was the primary reason for the decline in profit
- Significant unexpected items in the third quarter of 2015
  - ✓ Adjustment to incentive compensation expense as a result of lowering the 2015 outlook reduced Q3 2015 operating costs by about $70 million, or about $0.09 per share.
  - ✓ Currency translation losses on non US$ assets and liabilities and hedging losses combined were about $135 million, or about $0.17 per share in the quarter. Included in the *Other Income and Expense* line of the P&L, below *Operating Profit.*

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2015 Outlook#

Outlook

Sales and Revenues	Top end about $48 Billion
Profit Per Share	About $3.70
Profit Per Share Excluding Restructuring	About $4.60

Profit outlook reflects:

- Lower sales and revenues than expected in July.
- About $0.17 per share of currency translation and hedging losses from the third quarter.
- Additional cost reduction and lower incentive compensation.
- Significantly higher restructuring costs.

Outlook as of October 22, 2015; We are not updating our outlook today

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Preliminary Outlook for 2016 Sales & Revenues[#]

Expect 2016 to be down about 5% from 2015

4th consecutive down year

- Resource Industries expected to be down about 10% in 2016 … but from a very low base.
- Construction Industries flat to down 5% from 2015.
- Energy & Transportation down 5% to 10% ... mostly oil & gas, much of that a result of a higher backlog at the start of 2015.

Outlook as of October 22, 2015; We are not updating our outlook today

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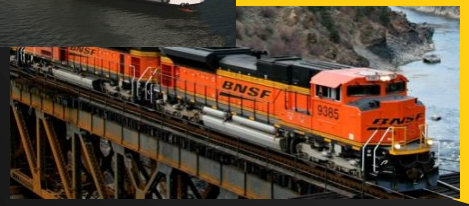
Energy & Transportation Sales













OIL & GAS

SOLUTIONS PROVIDER

- Reciprocating Engines
- Pumps & Transmissions
- Gas Turbines & Compressors

APPLICATIONS

- Offshore & Land Drilling
- Well Service
- Production
- Gas Compression

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Solar® Turbines
A Caterpillar Company



POWER GENERATION

SOLUTIONS PROVIDER

- Generator Sets (10kW – 22 MW)
- Reciprocating Engines
- Gas Turbines

DIESEL & GAS

- Data Centers
- Telecommunications
- Hospitals
- Universities

MWM
Energy. Efficiency. Environment.

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FG WILSON

ENERGY & TRANSPORTATION



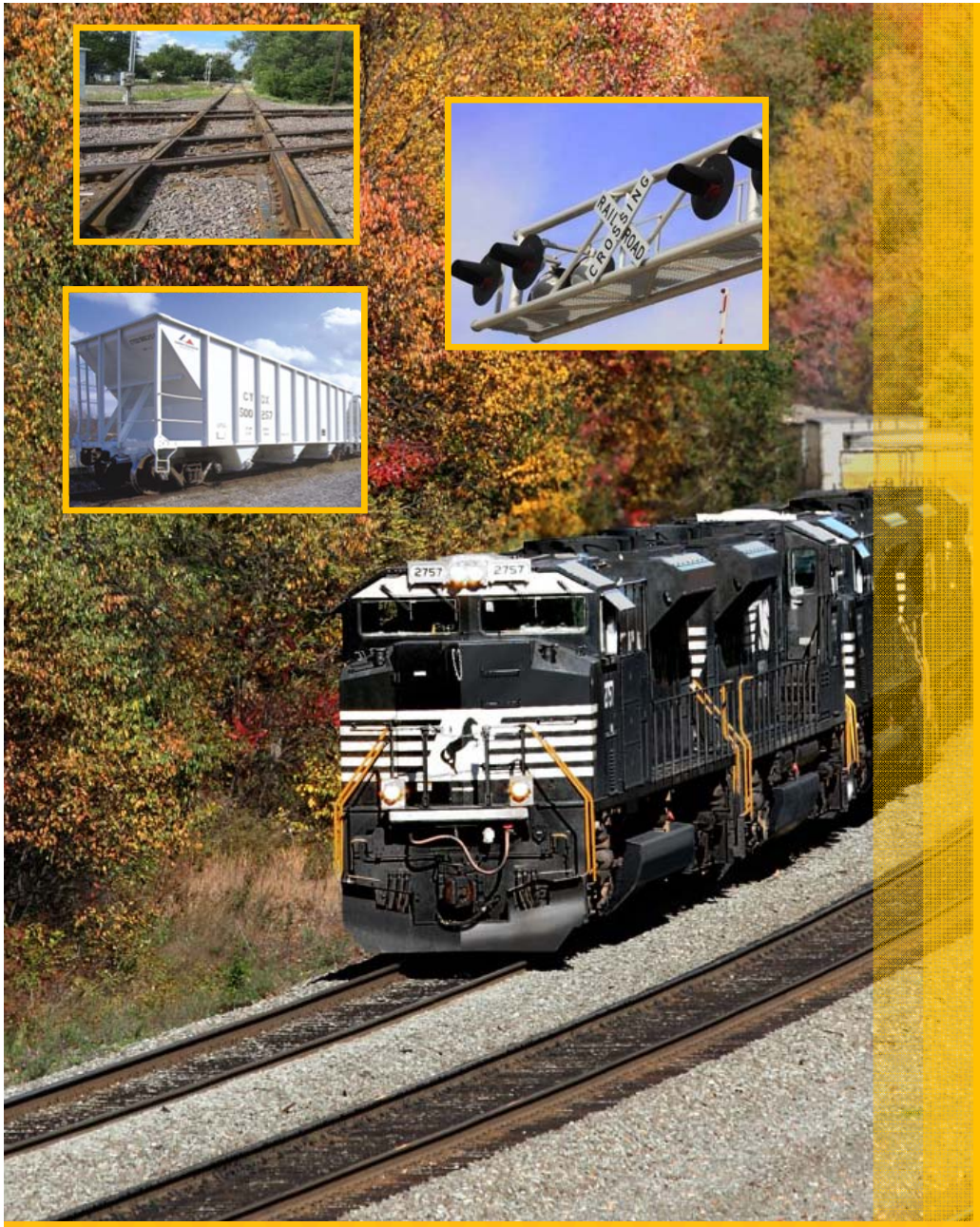
MARINE

SOLUTIONS PROVIDER

- Marine Engines
- Marine Auxiliary Units
- Cat Propulsion Systems (Berg)

APPLICATIONS

- Cargo
- Cruise and Ferry
- High Performance
- Commercial Workboat



RAIL

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- Freight and Transit Locomotives
- Freight Car, Signal and Track Services

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ELECTRO-MOTIVE



INDUSTRIAL ENGINES

- Power Generation
- Agriculture
- Material Handling
- Construction

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Power Generation

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Oil & Gas

Marine

Rail



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