2017 JEFFERIES INDUSTRIALS CONFERENCE

August 9, 2017



CATERPILLAR®

FORWARD-LOOKING STATEMENTS

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.

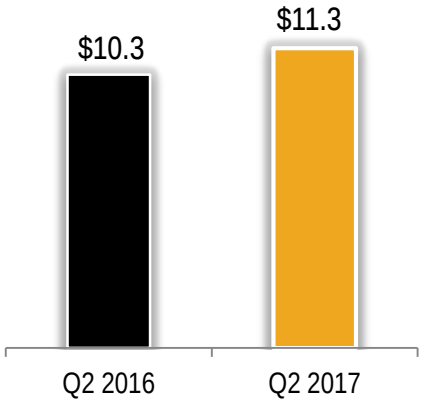
Caterpillar’s actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) commodity price changes, 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) 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.

A reconciliation of non-GAAP financial information referenced in this presentation can be found in our press release describing fourth quarter and full-year 2016 and 2017 second-quarter financial results which is available on our website at www.caterpillar.com/earnings.

SECOND-QUARTER 2017 FINANCIAL RESULTS

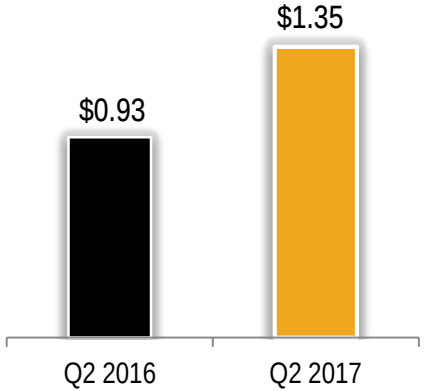
Sales and Revenues
(in billions of dollars)

$11.3



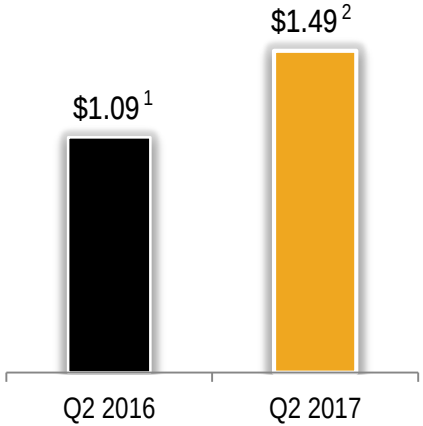
Profit Per Share
(in dollars)

$1.35



Adjusted Profit Per Share
(in dollars)

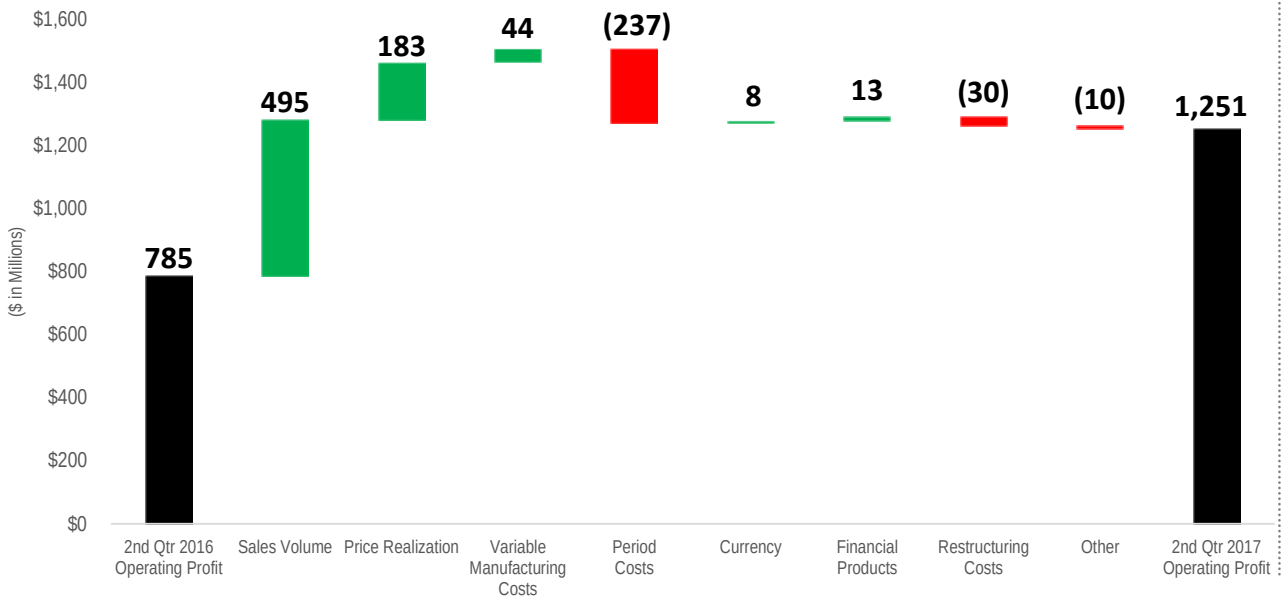
$1.49[2]



[1] Excluding restructuring costs
[2] Excluding restructuring costs and gain on sale of equity investment in IronPlanet

CONSOLIDATED OPERATING PROFIT

Second-Quarter 2017 vs. Second-Quarter 2016



Results

- Higher sales volume, including favorable mix of products
- Improved price realization
- Excluding an increase in short-term incentive compensation of $320 million, period costs were lower

FULL-YEAR 2017 OUTLOOK

	2016	Previous Outlook[1]	Current Outlook[2]
Sales and Revenues	$38.5 billion	$38 to $41 billion	$42 to $44 billion
Profit/(Loss) Per Share[3]	$(0.11)	$2.10	$3.50
Restructuring Costs	$1.019 billion	$1.25 billion	$1.20 billion
Adjusted Profit Per Share[3,4,5]	$3.42	$3.75	$5.00
		Sales and revenues Midpoint: $39.5 billion	Sales and revenues Midpoint: $43.0 billion

[1] As of April 25, 2017
[2] As of July 25, 2017
[3] At midpoint of 2017 sales and revenues outlook range
[4] 2017 adjusted profit per share outlook excludes restructuring costs, gain on sale of equity investment in IronPlanet
[5] 2016 excludes restructuring costs, mark-to-market losses related to pension and OPEB, goodwill impairment, deferred tax valuation allowance

2017 FULL-YEAR SALES & REVENUES OUTLOOK COMPARED WITH 2016



Construction Industries

▲10 - 15%



Resource Industries

▲20 - 25%



Energy & Transportation

▲5 - 10%

2017 FULL-YEAR OUTLOOK
2ND HALF EXPECTATIONS VS. 1ST HALF PERFORMANCE



Construction Industries

- Sales:
  - Continued strength in China and North America
  - Typical seasonality with 2nd Half sales lower than 1st Half
- Segment Profit %: Headwinds for price and material costs



Resource Industries

- Sales:
  - Higher sales of new equipment partially offset by lower parts sales
- Segment Profit %: Headwinds for regional mix of sales and material costs



Energy & Transportation

- Sales:
  - Continued demand for rebuilds of well-serving equipment
  - Higher new equipment sales for Oil & Gas applications
- Segment Profit %: Headwinds for cost absorption and material costs, offset by favorable mix & higher sales

All 3 Primary Product Segments increasing investments for key initiatives in 2nd half.

KEY TAKEAWAYS

- Great quarter – Higher year-over-year sales and revenues of about $1.0 billion
- Strong operating profit pull through
- Delivered strong operating cash flow and increased the quarterly cash dividend
- Raised the 2017 full-year outlook

Q & A



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