

Wells Fargo Industrials Conference

May 8, 2018

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) 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, 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 non-GAAP financial information referenced in this presentation can be found in our press release describing 2018 first-quarter financial results which is available on our website at www.caterpillar.com/earnings.

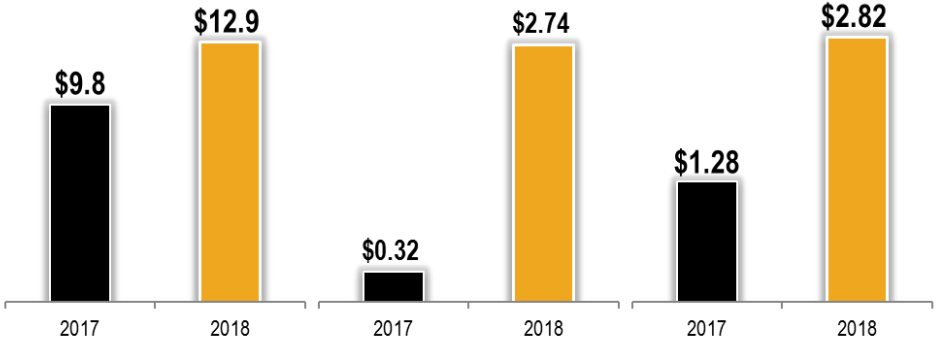
2018 Financial Results

First Quarter Results and Full Year Outlook

First Quarter Results

Sales and Revenues
(in billions of dollars)

$12.9



Profit Per Share
(in dollars)

$2.74

Adjusted PPS[1]
(in dollars)

$2.82

[1] Excludes restructuring costs

Full Year 2018 Outlook

	Previous Outlook[2]	Current Outlook[3]
Profit per share	$7.75 to $8.75	$9.75 to $10.75
Restructuring Costs	~ $400 million	~ $400 million
Adjusted Profit per Share[1]	$8.25 to $9.25	$10.25 to $11.25

[1] Excludes restructuring costs
[2] As of January 25, 2018
[3] As of April 24, 2018

2018 Outlook* – End Market Assumptions

*As of April 24, 2018

Construction Industries

- North America – strength in building construction, infrastructure and pipeline activity
- Asia/Pacific – strength across the region primarily driven by China
- EAME – high business confidence and stability in oil producing countries
- Latin America – recovery that started in 2017 is expected to continue, region remains below historical levels

Resource Industries

- Favorable commodity price levels driving higher production, declining parked fleets and higher machine utilization
- Improving miner profitability expected to drive higher equipment sales
- Strong global economic conditions supporting higher sales to heavy construction and quarry and aggregate customers
- Mining industry recovery continues

Energy & Transportation

- Oil and Gas – strength in well servicing and gas compression in North America; drilling and offshore weak
- Power Generation – up after a multi-year downturn, industry remains at low levels
- Industrial – expected to be up primarily due to projected demand in EAME
- Transportation – increase primarily from growth in rail services; locomotive and marine challenges continue



Resource Industries

Denise Johnson, Group President

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Resource Industries Machine Portfolio



Surface

- Draglines
- Electric Rope Shovels
- Large Mining Trucks
- Hydraulic Mining Shovels








Material Handling

- Large Wheel Loaders
- Large TT Tractors
- Articulated Trucks
- Off-Highway Trucks
- Wheel Tractor Scrapers
- Surface Drills








Underground

- Longwall Systems
- Hard Rock Vehicles






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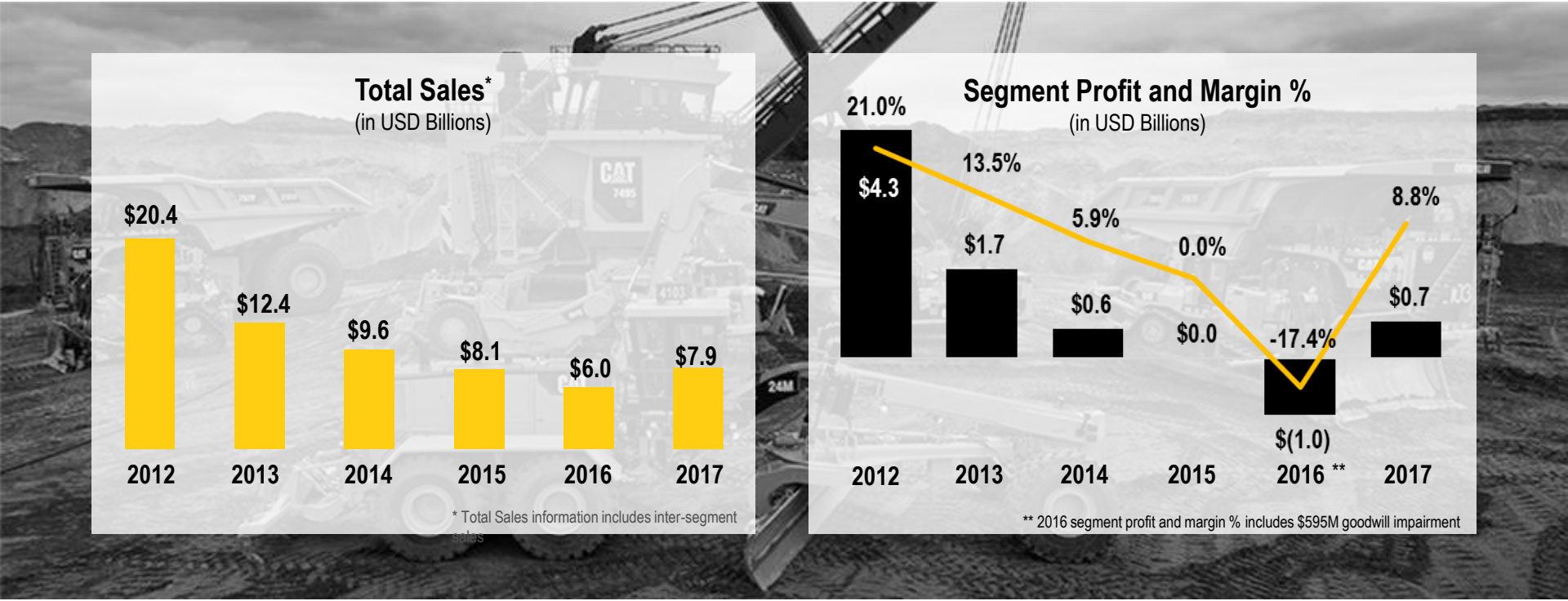
RESOURCE INDUSTRIES

Resource Industries Financial Results



Resource Industries Business Overview

Key Business Metrics | Q1 2018

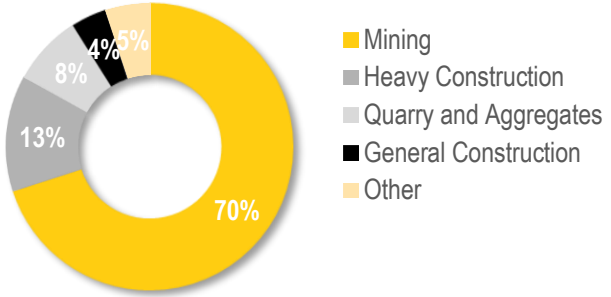
$2.3B* TOTAL SALES

16% SEGMENT MARGIN

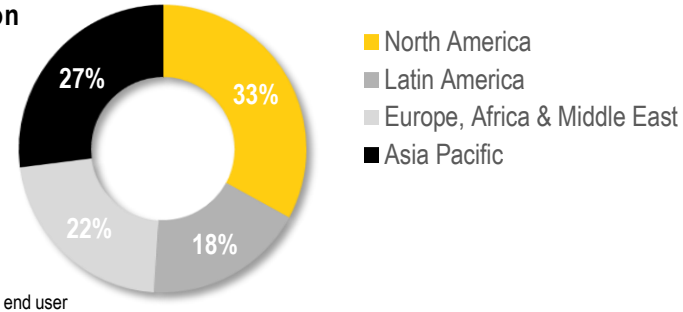
* Total Sales information includes inter-segment sales

Key Business Breakdown | 2012-2017 Average***

Industry Mix



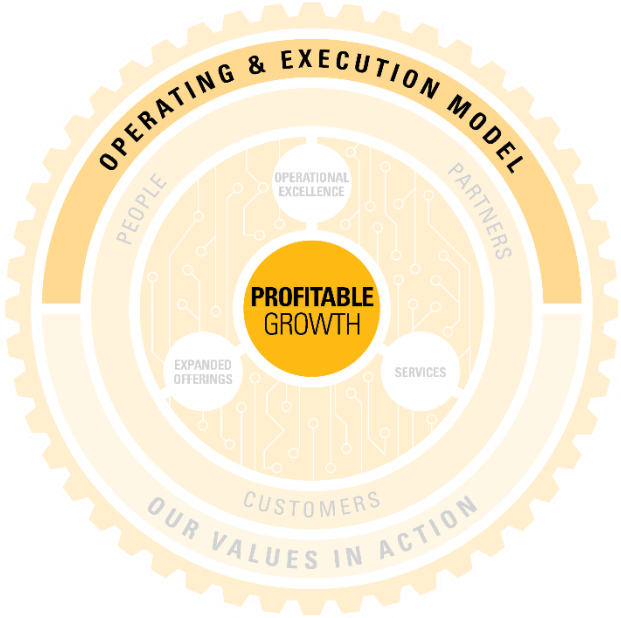
Sales by Region



*** Retail machine sales by end user

The Operating & Execution Model

- It's how we will **run the company**
- **Clear definition of winning** – profitable growth
- Business **strategies based on granular understanding** of end markets and focused reinvestment
- Aligned beliefs and behaviors around value creation; **disciplined governance**



OPERATIONAL EXCELLENCE

Large Mining Truck Footprint Consolidation





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RESOURCE INDUSTRIES

EXPANDED OFFERINGS

Underground Mining Machine Electrification





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SERVICES

Providing for our Customers' Success – Autonomy





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CATERPILLAR®

RESOURCE INDUSTRIES

Caterpillar is well positioned for the future

- Lean, disciplined cost structure
- Deliver successful results
- Customer focused



Thank You.

Q&A