

Construction Industries

Tom Pellette, Group President

CATERPILLAR®

Forward-Looking Statements

Forward-looking Statements

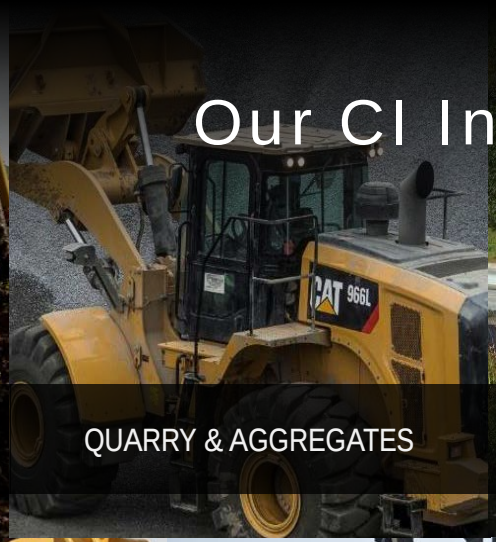
Certain statements in this presentation relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “project,” “intend,” “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) 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) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (x) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xi) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xii) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xiii) union disputes or other employee relations issues; (xiv) adverse effects of unexpected events including natural disasters; (xv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xvi) 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; (xvii) our Financial Products segment’s risks associated with the financial services industry; (xviii) changes in interest rates or market liquidity conditions; (xix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xx) currency fluctuations; (xxi) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xxii) increased pension plan funding obligations; (xxiii) alleged or actual violations of trade or anti-corruption laws and regulations; (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.


Energy & Transportation | Construction Industries | Resource Industries
OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.
CATERPILLAR

Our CI Industries



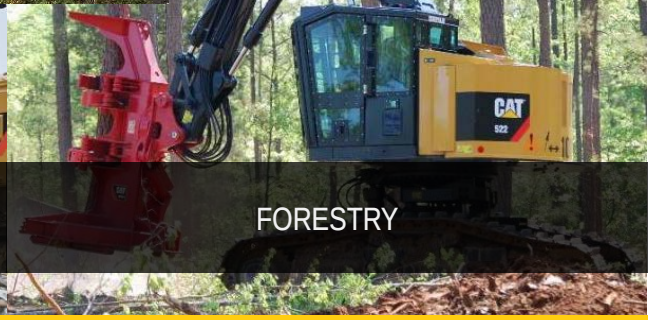












DIVERSE MARKETS, CUSTOMERS AND SOLUTIONS

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

CATERPILLAR®

We are in Industries with Long Term Growth Potential



INCREASED WORLD POPULATION

TODAY: 7.5B → 2040: 9B



URBANIZATION

TODAY: 55% → 2040: 65%

Increasing need for

GLOBAL

INFRASTRUCTURE

Industry

up +17%

in 2018

MARKET

VOLATILITY

to continue

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

CATERPILLAR®

Product Portfolio

EARTHMOVING DIVISION


Medium Tractor Products


Medium Wheel Loaders


Motor Graders


Paving Products


SEM Products

EXCAVATION DIVISION


Track Excavators


Forestry Machines


Wheel Excavators


Work Tools

BUILDING CONSTRUCTION PRODUCTS


Backhoe Loaders


Small Wheel Loaders


Compact Wheel Loaders


Small Track-Type Tractors


Mini Hydraulic Excavators


Compact Track Loaders


Skid Steer Loaders

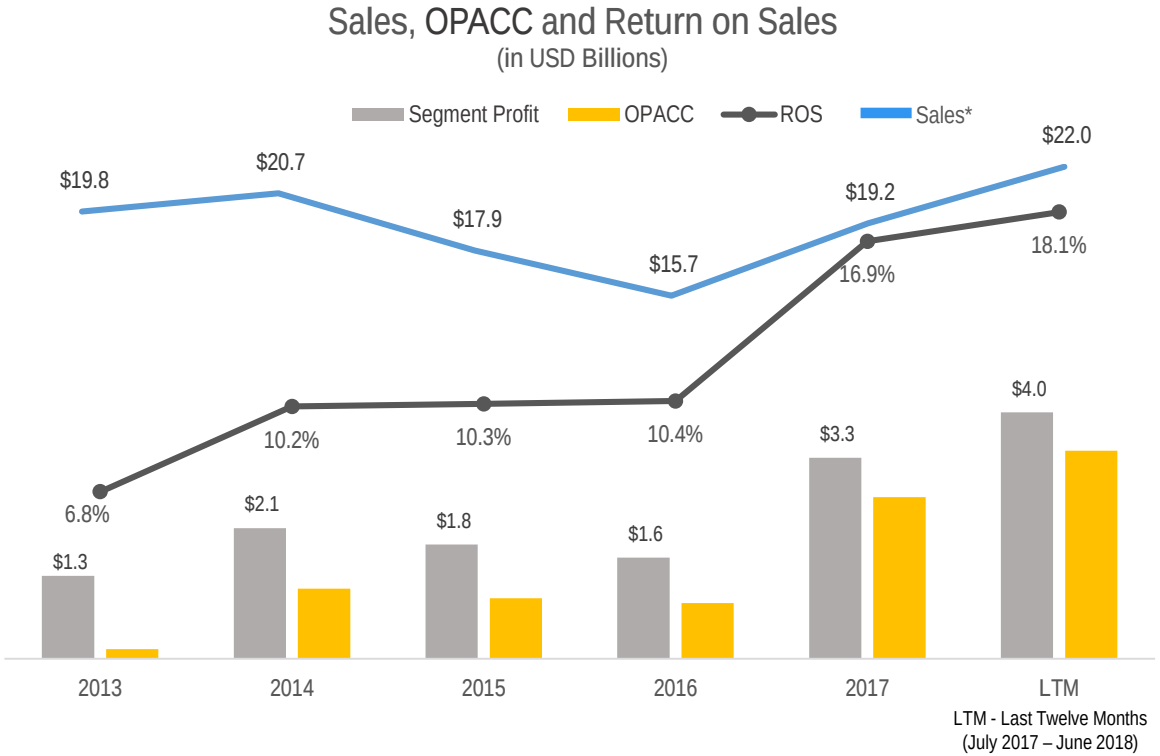

Telehandlers


UTVs

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

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CI Financial Trend



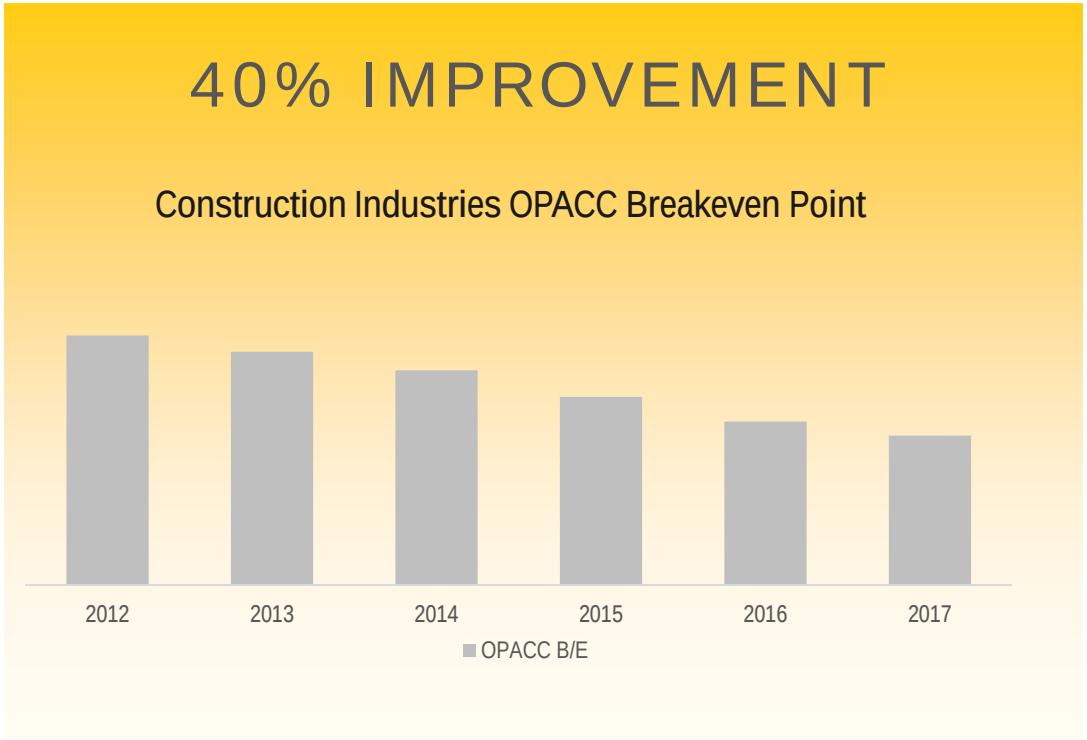
LTM - Last Twelve Months
(July 2017 – June 2018)

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

* Sales information includes inter-segment sales

CATERPILLAR®

CI OPACC Breakeven Improvement



- OPACC Biased Resource Allocation
- Margin Improvement
- Structural Cost Reduction
  - Competitive & Flexible Cost
  - Lean
- Capital Efficiency and Improved Asset Turns
  - Footprint Consolidation
  - Lean

CONSTRUCTION INDUSTRIES 'BIG ROCKS'

OPERATIONAL EXCELLENCE

- Quality
- End-to-End Lean
- Competitive & Flexible Cost Structure

EXPANDED OFFERINGS

- Best Products
- LCV / Utility

SERVICES

- Aftermarket
- Retail Channel
- Rental / Used



OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

CATERPILLAR®



Clear Strategy | O&E Model

- Clear DEFINITION OF WINNING
- Fact Based PROFIT POTENTIAL by Market
- Resources Aligned to OPACC IMPROVEMENT AGENDA
- Disciplined GOVERNANCE Process

NEXT GEN EXCAVATORS

Building a legacy that lasts...

Built specifically for digital connectivity, ease-of-use and semi-automated functionality:

- Improve Productivity
- Lower Total Owning & Operating Costs
- Decrease Downtime







LOWER Fuel Costs

IMPROVED Operator Comfort

INCREASED Operator Efficiency

LOWER Maintenance Costs

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

CATERPILLAR®

Scalable Customer Value – Application + Technology

General Site Work / Utility Applications

320 GC

Cat® Connect
Cat Link

Slope & Depth Indication
Bulk Earthwork

320 / 323

Cat Connect
Cat Grade with 2D
Cat Grade with Assist &
Cat Payload

Advanced 2D
Slope & Depth Indication
Bulk Earthwork

320 / 323

Cat Connect
Cat Grade with
Advanced 2D
Cat Grade with Assist
& Cat Payload

Complex Grade Indication
Slope & Depth Indication
Bulk Earthwork

320 / 323

Cat Connect
Cat Grade with 3D
Cat Grade with Assist
& Cat Payload

EQUIPMENT MANAGEMENT: Control costs, improve operations, manage people and reduce risk.



NEXT GENERATION CAT EXCAVATORS ■ 320GC ■ 320 ■ 323

CAT

CI Key Takeaways...

Long term growth potential

Serve a wide range of customers, industries and solutions

Strong financial performance

Driving growth through the O&E Model



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