OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

INVESTOR DAY **2019**

CATERPILLAR®

Forward-Looking Statements

Certain statements in this financial 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,” “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 including natural disasters; (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; and (xxvi) 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 the appendix to this presentation.

Agenda

Welcome

Strategy Execution – Jim Umpleby

Services – Bob De Lange

Operational Excellence / Expanded Offerings – Denise Johnson

Financial Framework – Andrew Bonfield

Q&A – Executive Office

OUR SOLUTIONS HELP OUR CUSTOMERS BUILD A BETTER WORLD.

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Strategy Execution

Jim Umpleby
Chairman & CEO

CATERPILLAR®

Our Company

2018 SALES & REVENUES ~ $55 BILLION

CONSTRUCTION INDUSTRIES

Sales $23B*

RESOURCE INDUSTRIES

Sales $10B*

ENERGY & TRANSPORTATION

Sales $23B*

FINANCIAL PRODUCTS

Revenues $3B*

SERVICES, DISTRIBUTION & DIGITAL

* Full-Year 2018 including inter-segment sales

Experienced Leadership Team

Jim Umpleby	Andrew Bonfield	Ramin Younessi	Denise Johnson	Billy Ainsworth	Bob De Lange	Cheryl Johnson	Suzette Long
Chairman & CEO	*Chief Financial Officer*	*Group President* Construction Industries	*Group President* Resource Industries	*Group President* Energy & Transportation	*Group President* Services, Distribution & Digital	*Chief Human Resources Officer*	*Chief Legal Officer, General Counsel & Corporate Secretary*

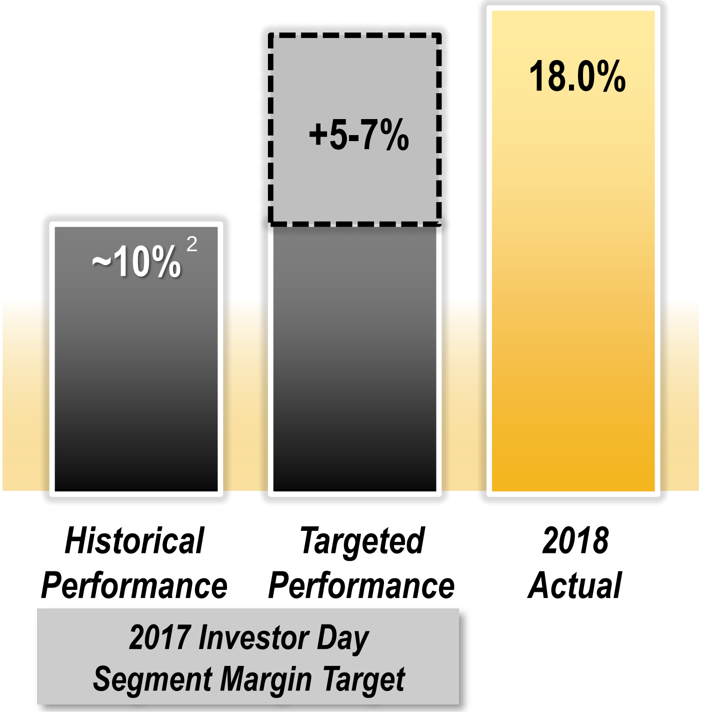
Executing Our Strategy

Achieved 2017 Investor Day Segment Targets

Construction Industries

Total Sales[1] ~$21B

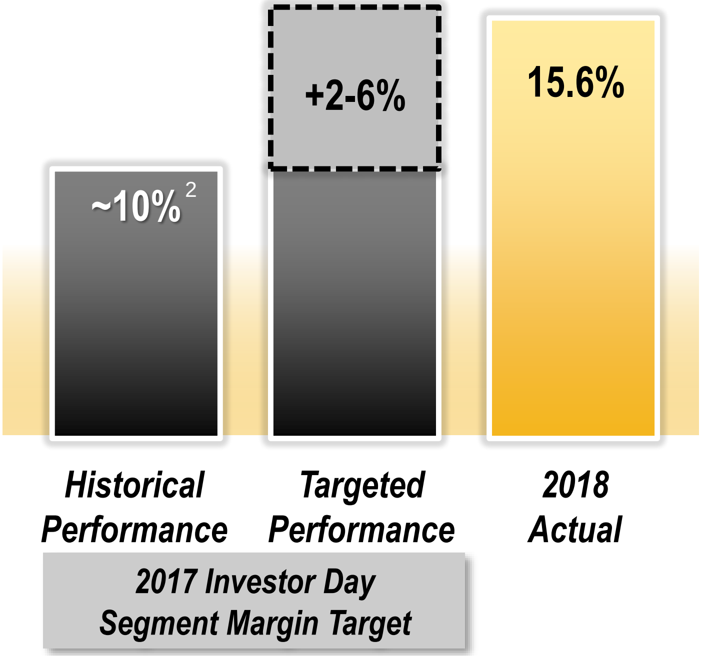
Total Sales[1] $23B



Resource Industries

Total Sales[1] ~$10-$12B

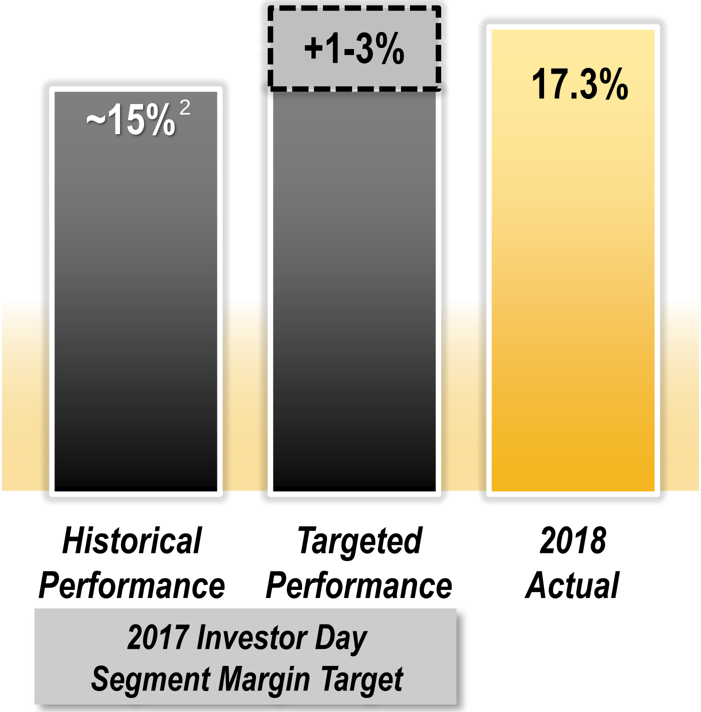
Total Sales[1] $10B



Energy & Transportation

Total Sales[1] ~$23B

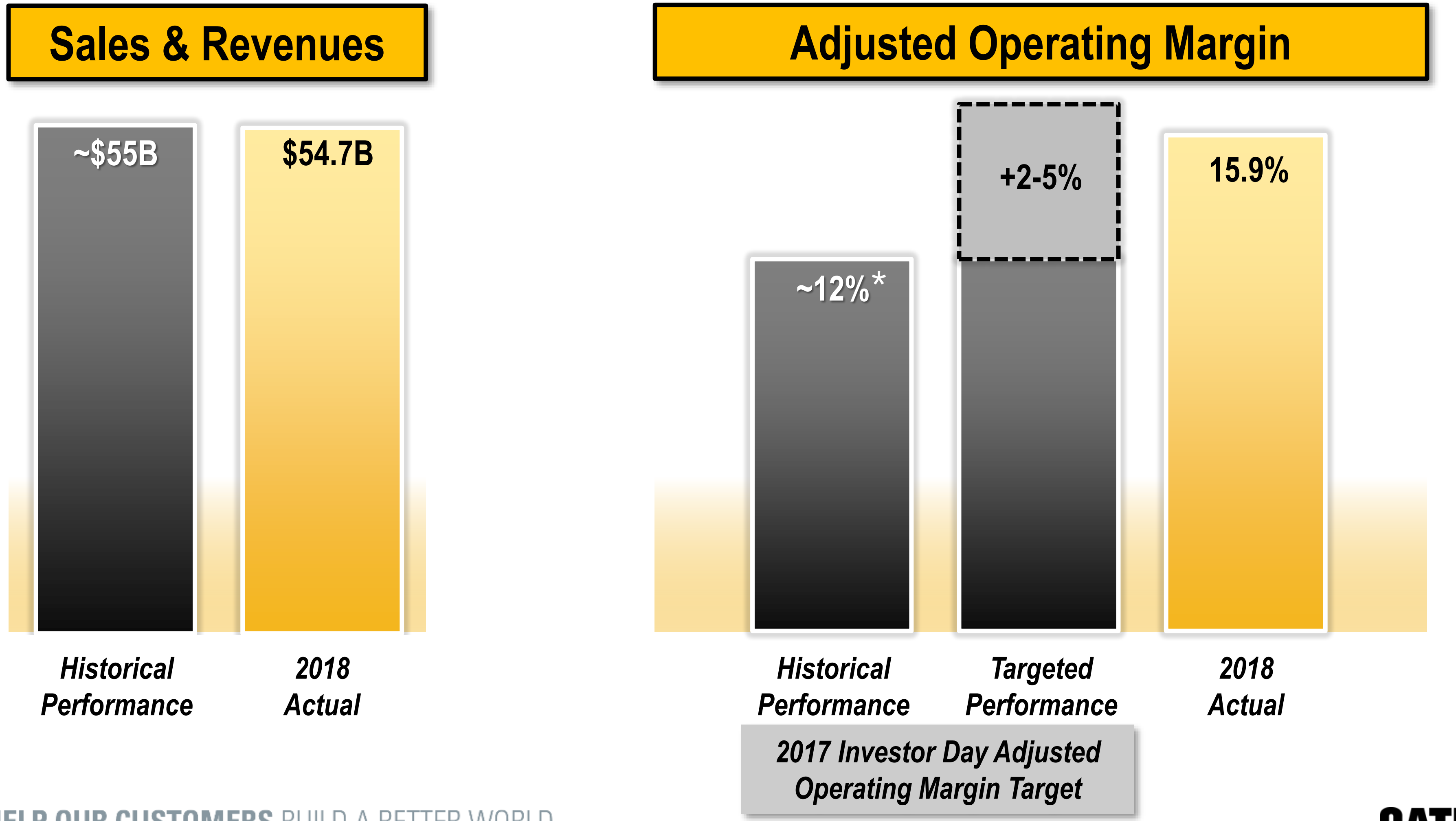
Total Sales[1] $23B



[1] Total sales includes inter-segment sales

[2] 2017 Investor Day Segment Margins were not adjusted for U.S. GAAP accounting standard change related to pension and OPEB cost effective January 1, 2018

Achieved 2017 Investor Day Enterprise Targets

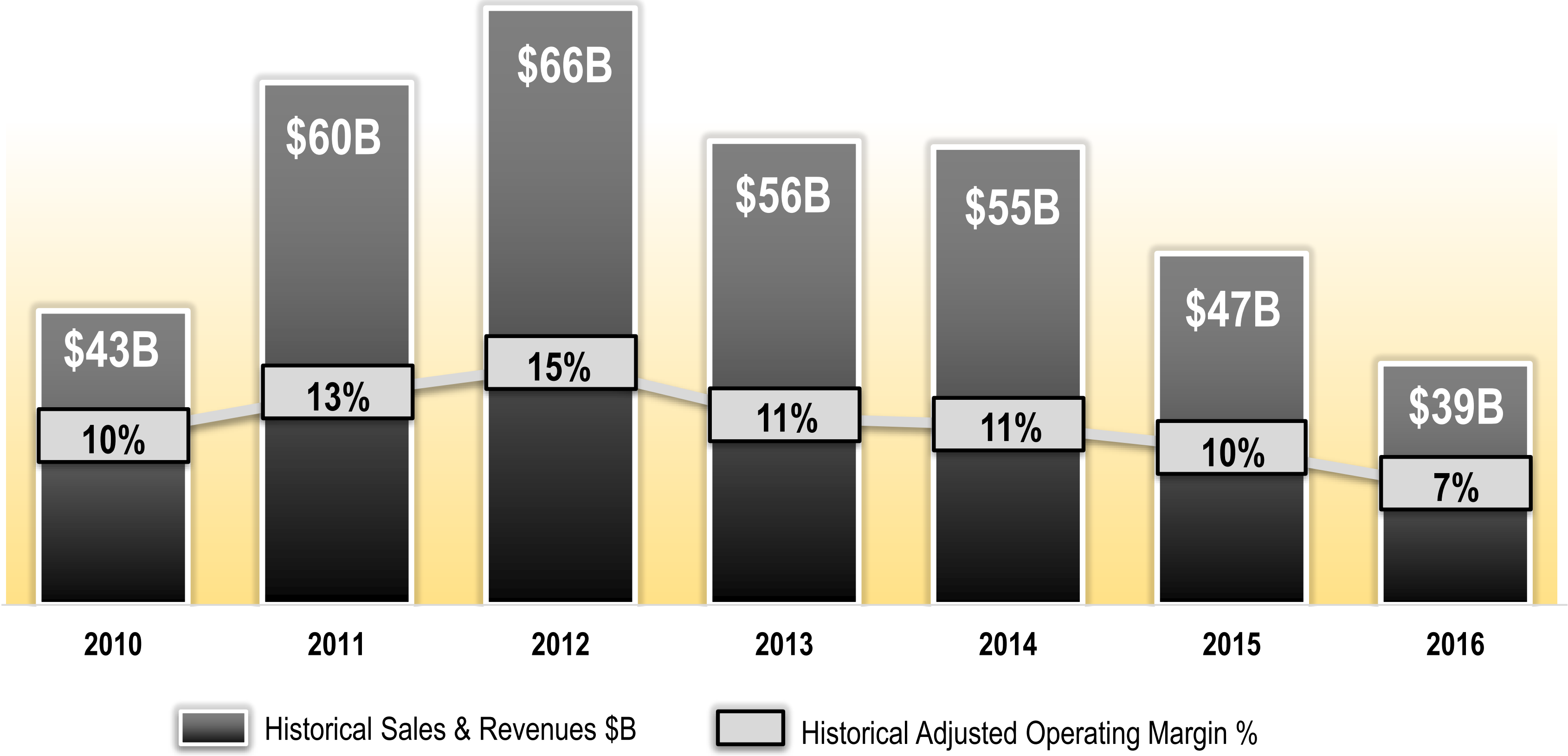


* 2017 Investor Day Adjusted Operating Margin Target was not adjusted for U.S. GAAP accounting standard change related to pension and OPEB cost effective January 1, 2018

Note: A reconciliation of Adjusted Operating Margin % to U.S. GAAP included in Appendix A

Historical Financial Results

Historical Adjusted Operating Margin Range <u>7% - 15%</u>



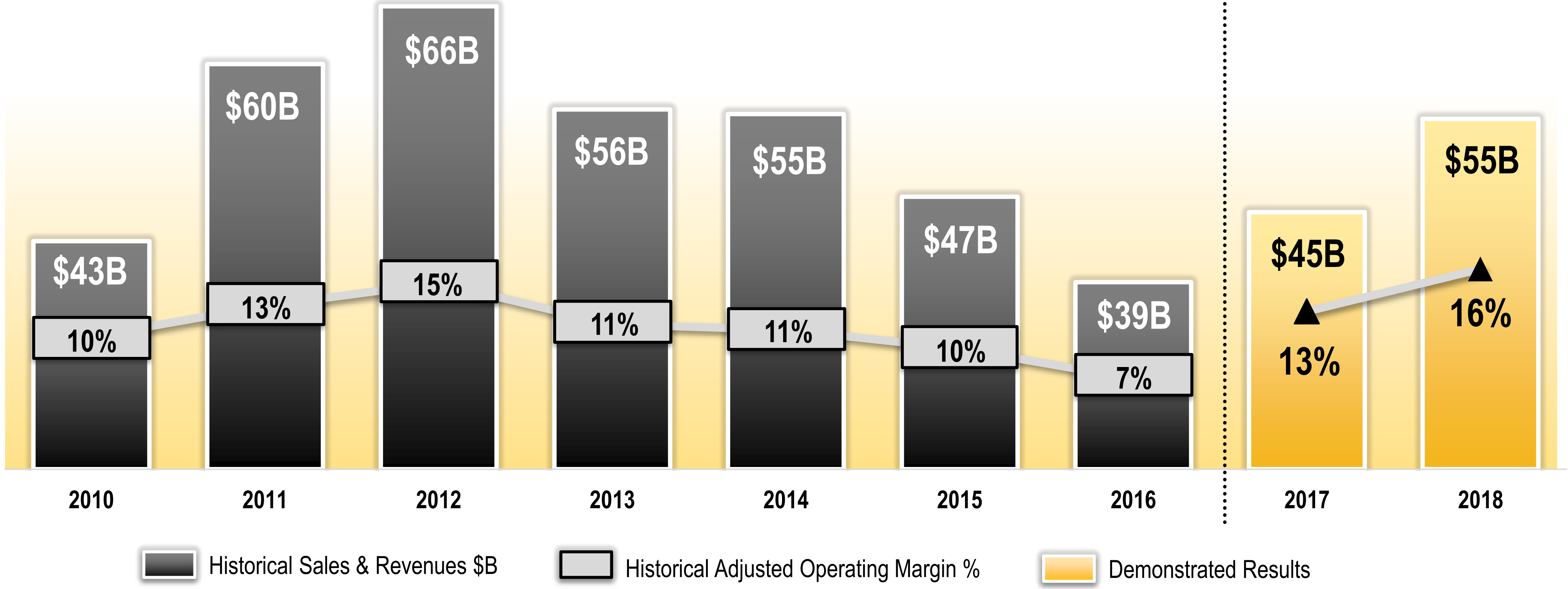
Note: A reconciliation of Adjusted Operating Margin % to U.S. GAAP included in Appendix A

Delivered Stronger Financial Results

Historical Adjusted Operating Margin Range 7% - 15%

Improved Financial Performance

Record PPS in 2018



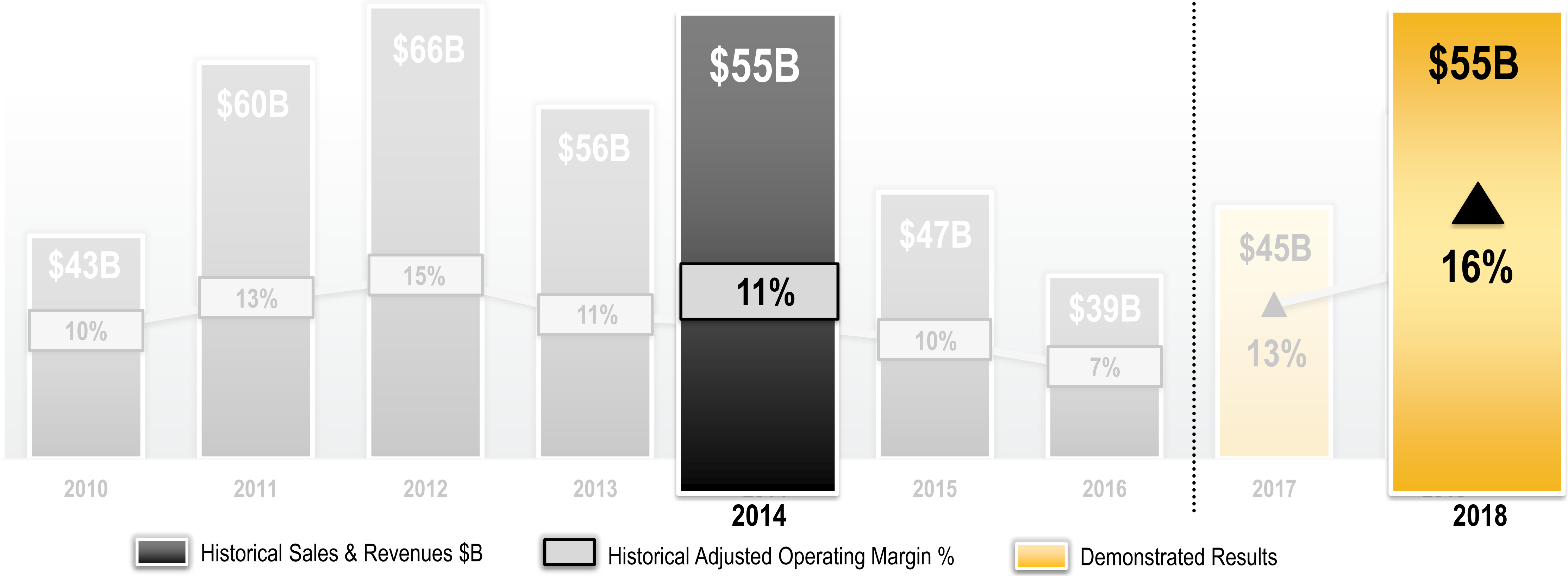
Note: A reconciliation of Adjusted Operating Margin % to U.S. GAAP included in Appendix A

Delivered Stronger Financial Results

Adjusted Operating Margin Improvement <u>5% pts</u>

Improved Financial Performance

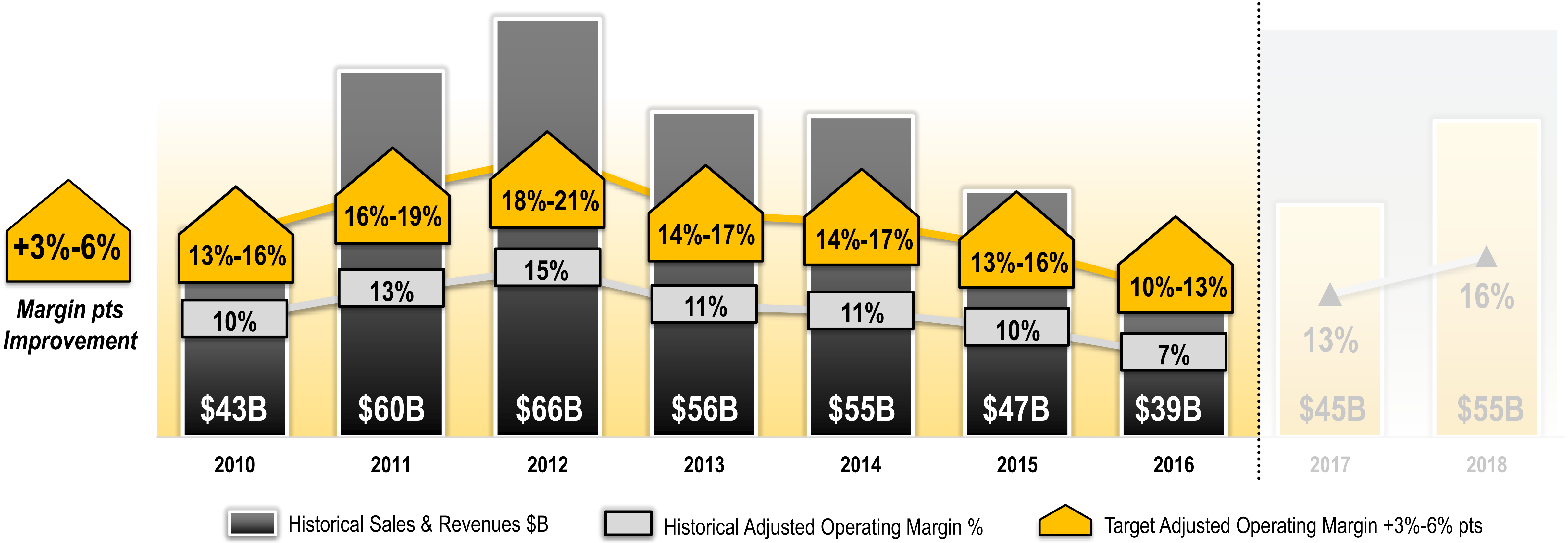
<u>Record PPS in 2018</u>



Note: A reconciliation of Adjusted Operating Margin % to U.S. GAAP included in Appendix A

Improved Adjusted Operating Margin Performance Through the Cycles

Future Expected Adjusted Operating Margin Range 10% - 21%



Note: Targeting 3%-6% pts improvement from 2010 – 2016 historical performance

Note: Targets are based on current business assumptions

Note: Target is not incremental to 2017 and 2018 performance

Note: A reconciliation of Adjusted Operating Margin to U.S. GAAP included in Appendix A

Returning Capital to Shareholders

Raising the
Quarterly Dividend
by **20%**

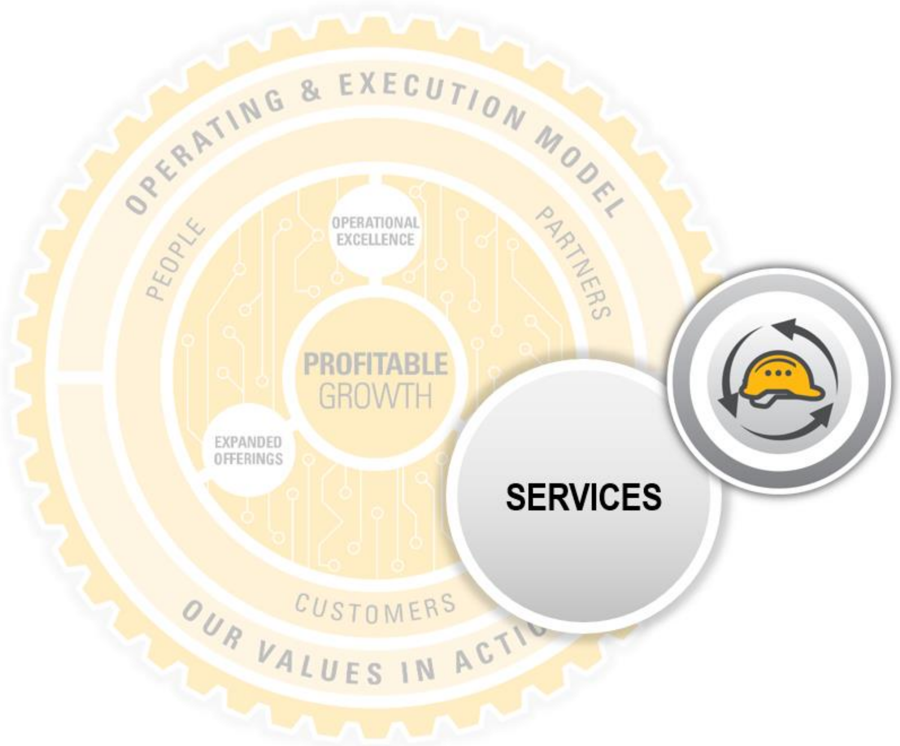
$1.03
per share
($4.12 annualized)

Targeting at least
high single-digit %
Dividend Increases
each of the next
4 years

Dividend payable on August 20, 2019 to shareholders of record at the close of business on July 22, 2019

Profitable Growth Through Services

Services Drive …



Increased Customer Value
Including Improved Asset Utilization

Reduced Cyclicality
of Sales & Revenues

Improved Profitability
Through the Cycles

Services at Strategy Launch

ME&T Services

~$14B Sales

2016 Baseline

Aftermarket Parts | **Other Caterpillar Services**

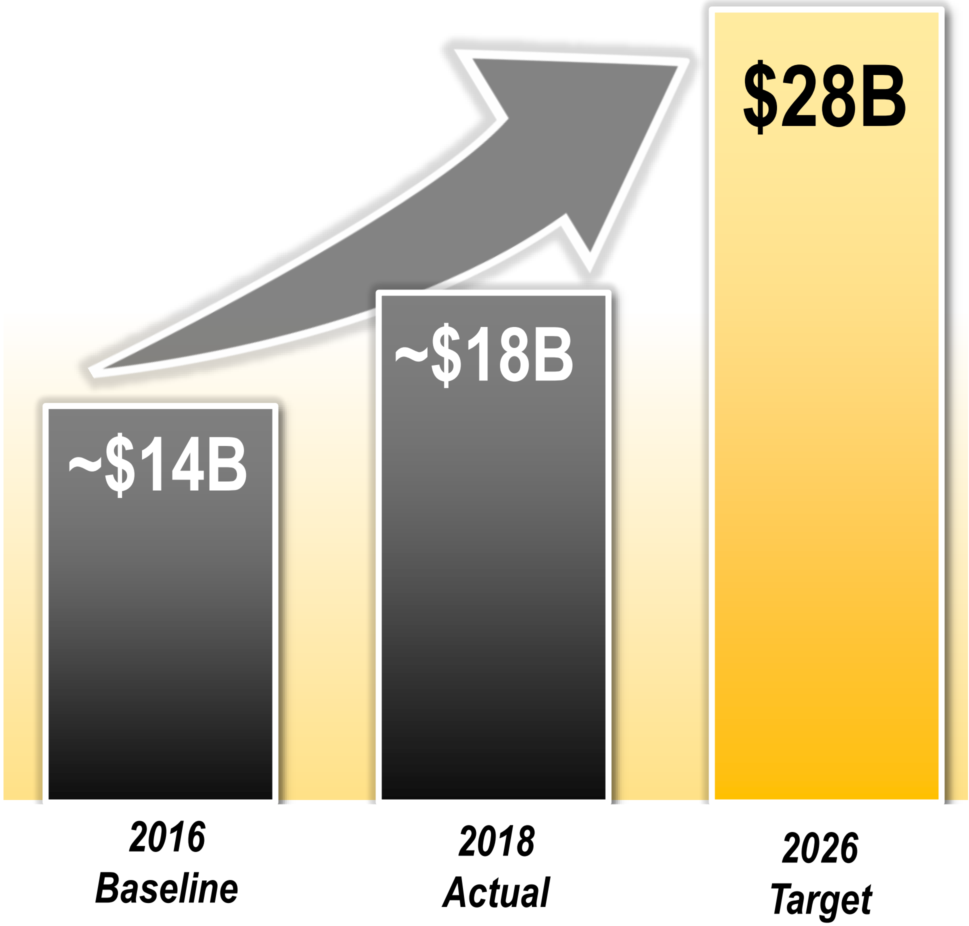
CAT® · FG WILSON · Perkins® · MaK · MWM Energy. Efficiency. Environment. · Progress Rail A Caterpillar Company · Solar Turbines A Caterpillar Company · SEM A Caterpillar Brand

Note: Machinery, Energy & Transportation (ME&T) Services include, but are not limited to, aftermarket parts and other service-related revenues (excludes Cat Financial and discontinued products)

Note: A reconciliation of ME&T Services Sales to Enterprise Services Revenues included in Appendix C

Double ME&T Services Sales by 2026

Double to $28B by 2026



Note: ME&T Services include, but are not limited to, aftermarket parts and other service-related revenues (excludes Cat Financial and discontinued products)
Note: A reconciliation of ME&T Services Sales to Enterprise Services Revenues included in Appendix C

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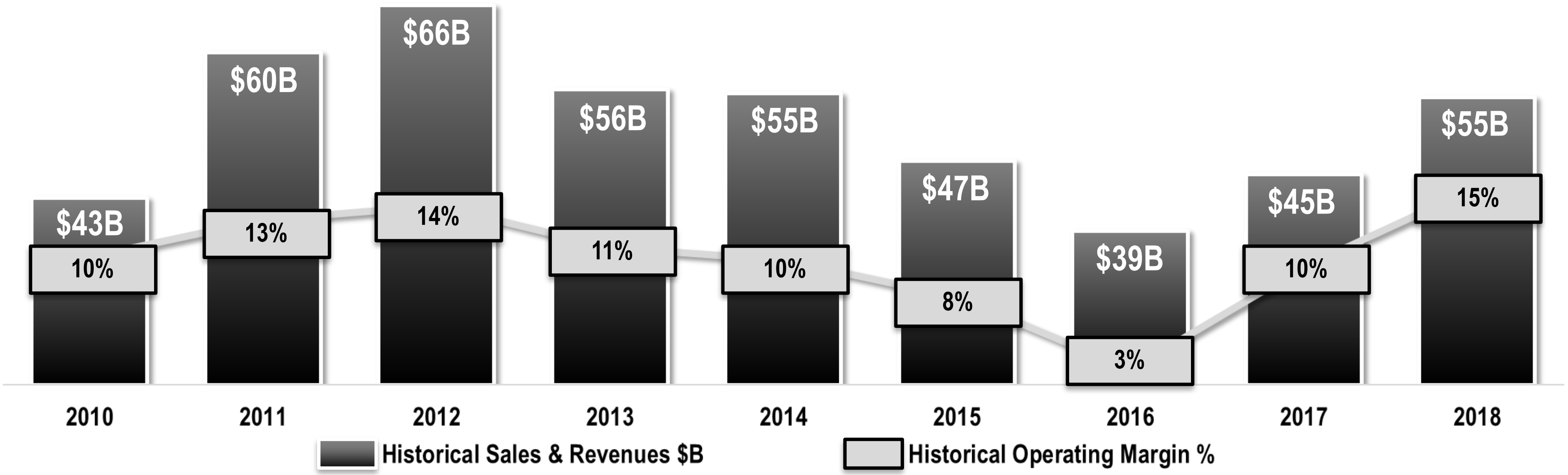
Appendix

Caterpillar Inc. – Appendix A of Reconciliation to U.S. GAAP

Operating Margin % to Adjusted Operating Margin %

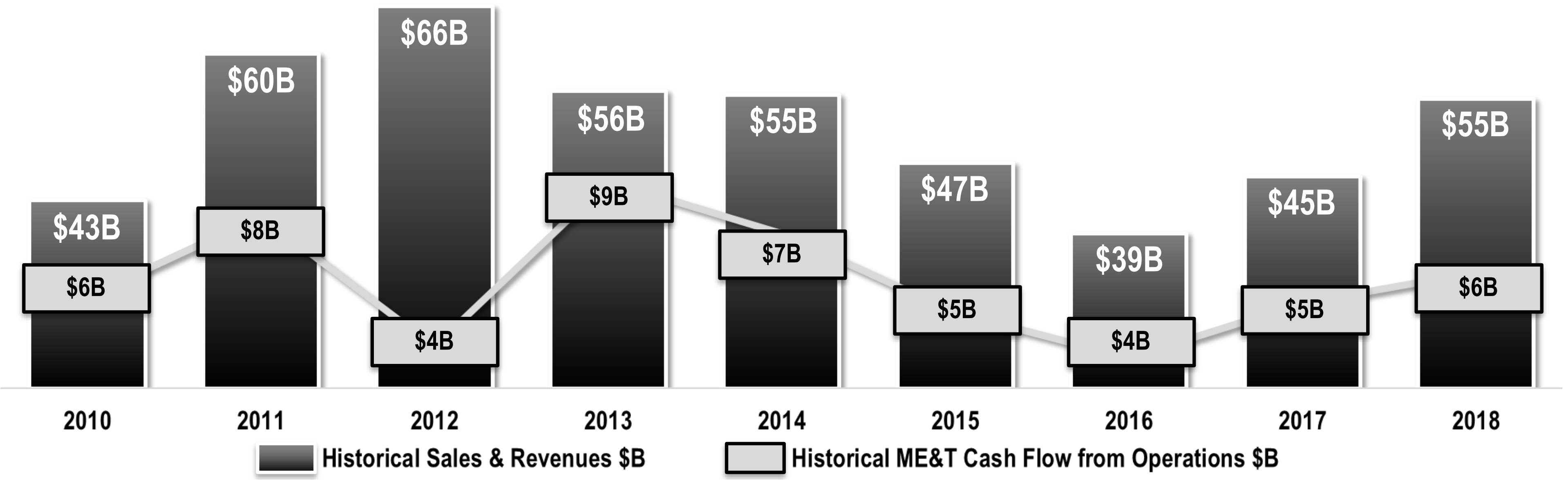


	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating margin %	10%	13%	14%	11%	10%	8%	3%	10%	15%
Operating margin % restructuring costs	-	-	-	-	1%	2%	3%	3%	1%
Operating margin % goodwill impairment	-	-	1%	-	-	-	2%	-	-
Adjusted operating margin %	10%	13%	15%	11%	11%	10%	7%	13%	16%

Note: Amounts may not add due to rounding.

Caterpillar Inc. – Appendix B of Reconciliation to U.S. GAAP

ME&T Cash Flow from Operations to ME&T Free Cash Flow



(USD in billions)	2010	2011	2012	2013	2014	2015	2016	2017	2018
ME&T cash flow from operations	$ 6	$ 8	$ 4	$ 9	$ 7	$ 5	$ 4	$ 5	$ 6
ME&T discretionary pension and OPEB plan contributions	-	-	-	-	-	-	-	1	1
ME&T capital expenditures	(2)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(1)
ME&T free cash flow	$ 4	$ 5	$ 1	$ 6	$ 6	$ 4	$ 3	$ 6	$ 6

Note: Amounts may not add due to rounding.

Note: See reconciliation of ME&T cash flow from operations to consolidated net cash provided by operating activities in the Supplemental Data for Statement of Cash Flow contained in our annual 10-K filing.

Caterpillar Inc. – Appendix C of Reconciliation to U.S. GAAP

Services Revenues to ME&T Services Sales

(USD in billions)	2016	2018
Services revenues	$ 18	$ 21
Financial Products' revenues	(3)	(3)
Discontinued products	(1)	(1)
ME&T services sales	$ 14	$ 18

Note: Amounts may not add due to rounding.

Note: Services - Enterprise services include, but are not limited to, aftermarket parts, Financial Products' revenues and other service-related revenues. Machinery, Energy & Transportation segments exclude Financial Products' revenues.