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.

INVESTOR DAY **2019**

Financial Framework

Andrew Bonfield

Chief Financial Officer

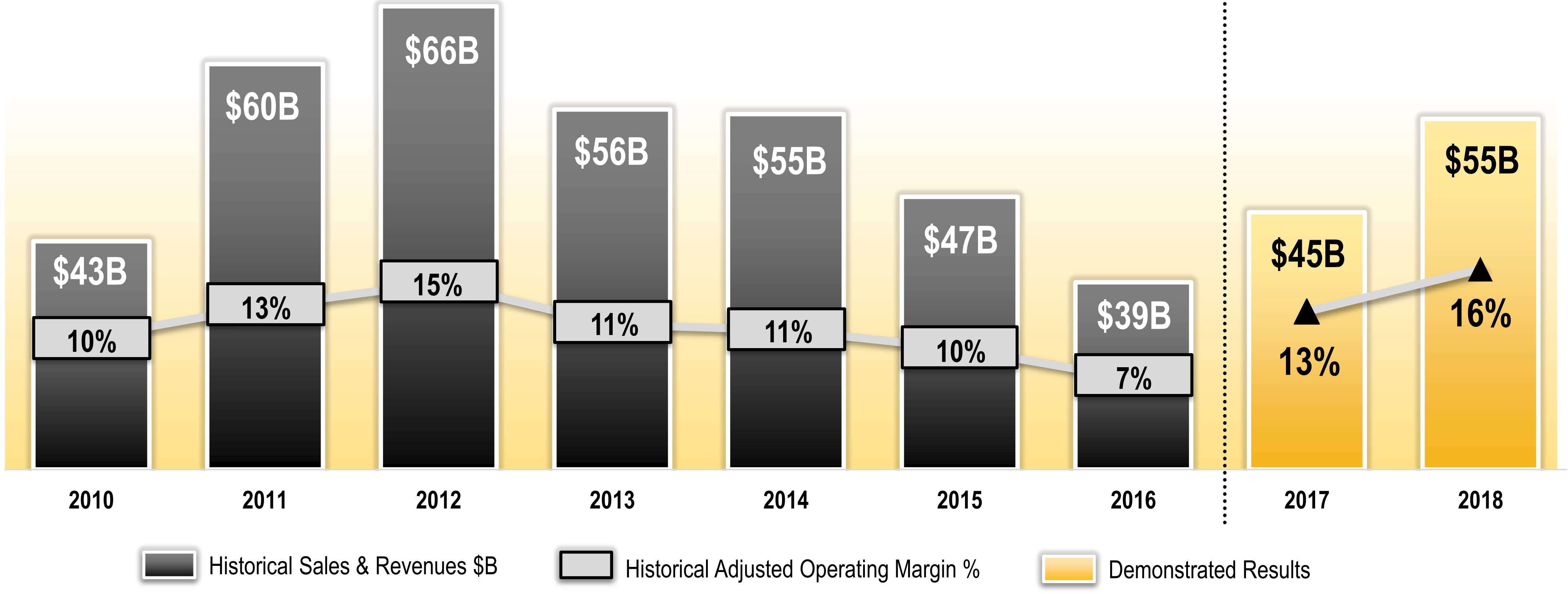
CATERPILLAR®

Delivered Stronger Financial Results

Improved Financial Performance

Record PPS in 2018

Historical Adjusted Operating Margin Range ***7% - 15%***



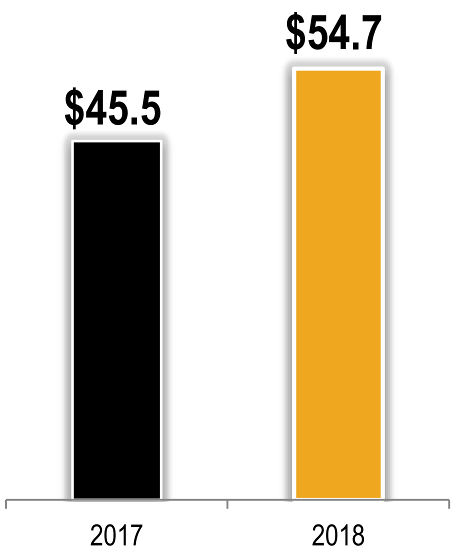
Note: A reconciliation of Adjusted Operating Margin % to U.S. GAAP included in Appendix A

2018 Financial Results: Record Profit Per Share

Full Year 2018 vs. Full Year 2017

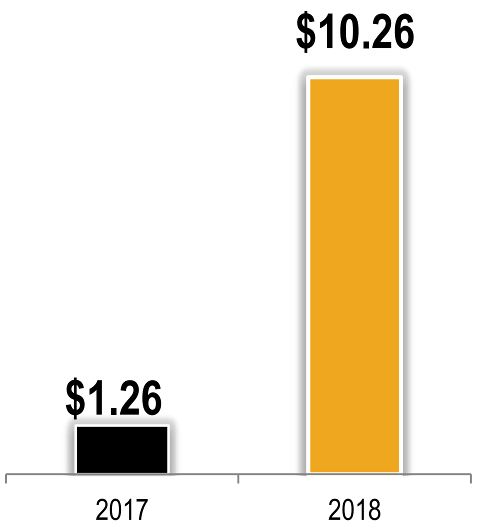
Sales and Revenues
(in billions of dollars)

$54.7



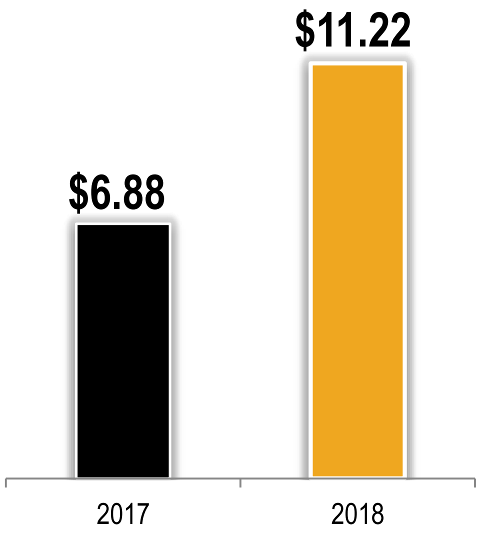
Profit Per Share
(in dollars)

$10.26



Adjusted Profit Per Share*
(in dollars)

$11.22



Full-Year Highlights

Sales and Revenues up 20%
- Increased across the three primary segments

Profit
- Record profit per share

Financial Position
- $7.9B enterprise cash on hand

* Excludes restructuring costs, pension and OPEB mark-to-market losses, deferred tax valuation allowance adjustments and the impact of U.S. tax reform. For 2017, also excludes a gain on the sale of an equity investment.

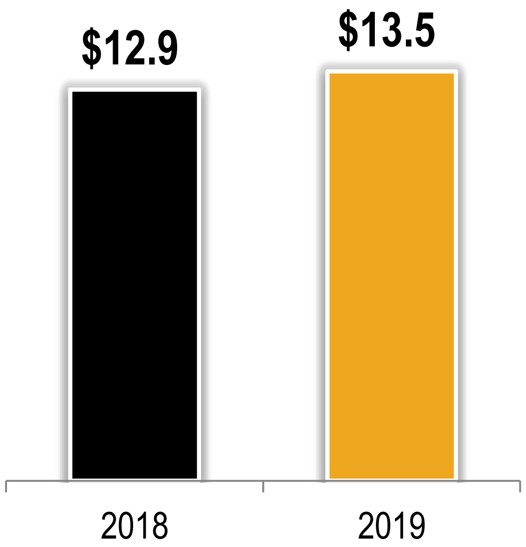
2019 First Quarter Financial Results: Another Record

First Quarter 2019 vs. First Quarter 2018

Sales and Revenues

(in billions of dollars)

$13.5



Profit Per Share

(in dollars)

$3.25 [1]

1st Quarter Highlights

Sales and Revenues up 5%

- Increase primarily in Resource Industries and Construction Industries
- Energy & Transportation about flat

Profit

- Record 1Q profit per share

Financial Position

- $1.2B in buybacks and dividends
- $7.1B enterprise cash on hand

[1] Profit Per Share for 2019 includes a discrete tax benefit of $0.31 per share related to U.S. tax reform.
[2] Profit Per Share for 2018 includes restructuring costs of $0.08 per share.

Full Year 2019 Outlook

	2018 Actual	Previous 2019 Outlook[1]	Current 2019 Outlook[2]
Profit Per Share	$10.26	$11.75 - $12.75	$12.06 - $13.06

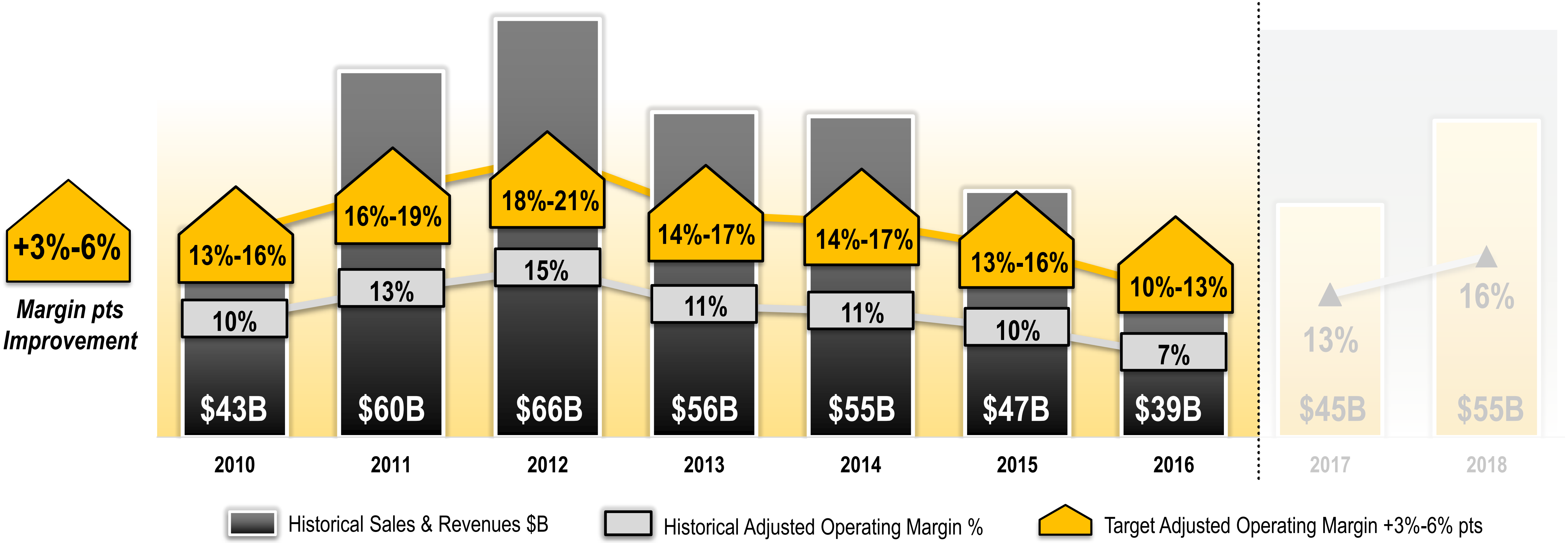
[1] As of January 28, 2019.
[2] As of April 24, 2019. Current outlook now includes a first-quarter discrete tax benefit related to U.S. tax reform of $0.31 per share.

2019 Assumptions:

- Modest year-over-year sales increase
- Price realization offsetting higher costs
- About $500M lower year-over-year short-term incentive compensation expense
- Restructuring costs of about $100M to $200M
- Tax rate 26%, excluding discrete tax items
- Capex of $1.3B to $1.5B

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

A Lean and Disciplined Company

Reduced Period Cost Structure
Over $1.8B in annual restructuring savings [1]

Reduced Manufacturing Footprint
29% reduction in sq. ft.[1]

Disciplined Capex
Less than depreciation & amortization

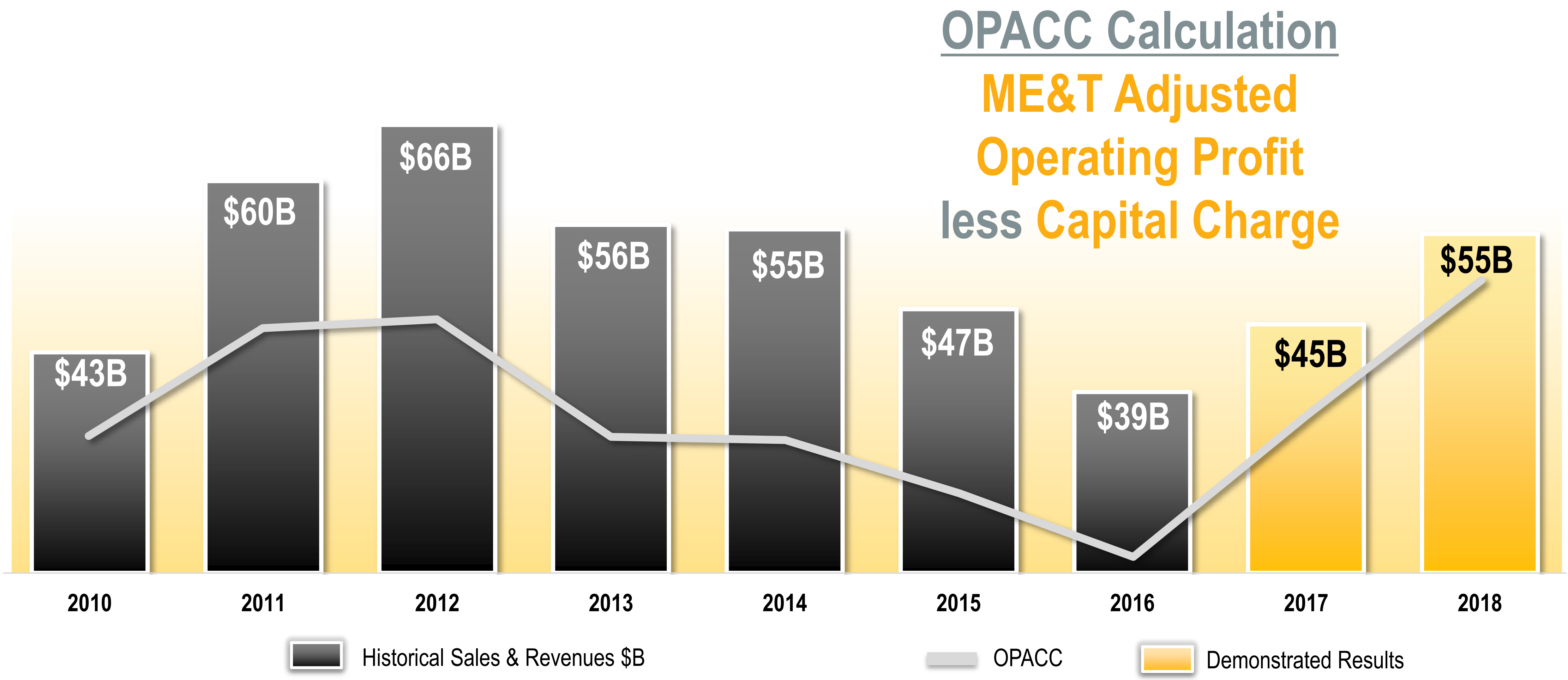
Consistently Invested
~$1.8B annually in R&D [2]

Maintained Strong Balance Sheet
ME&T debt to EBITDA within targeted range

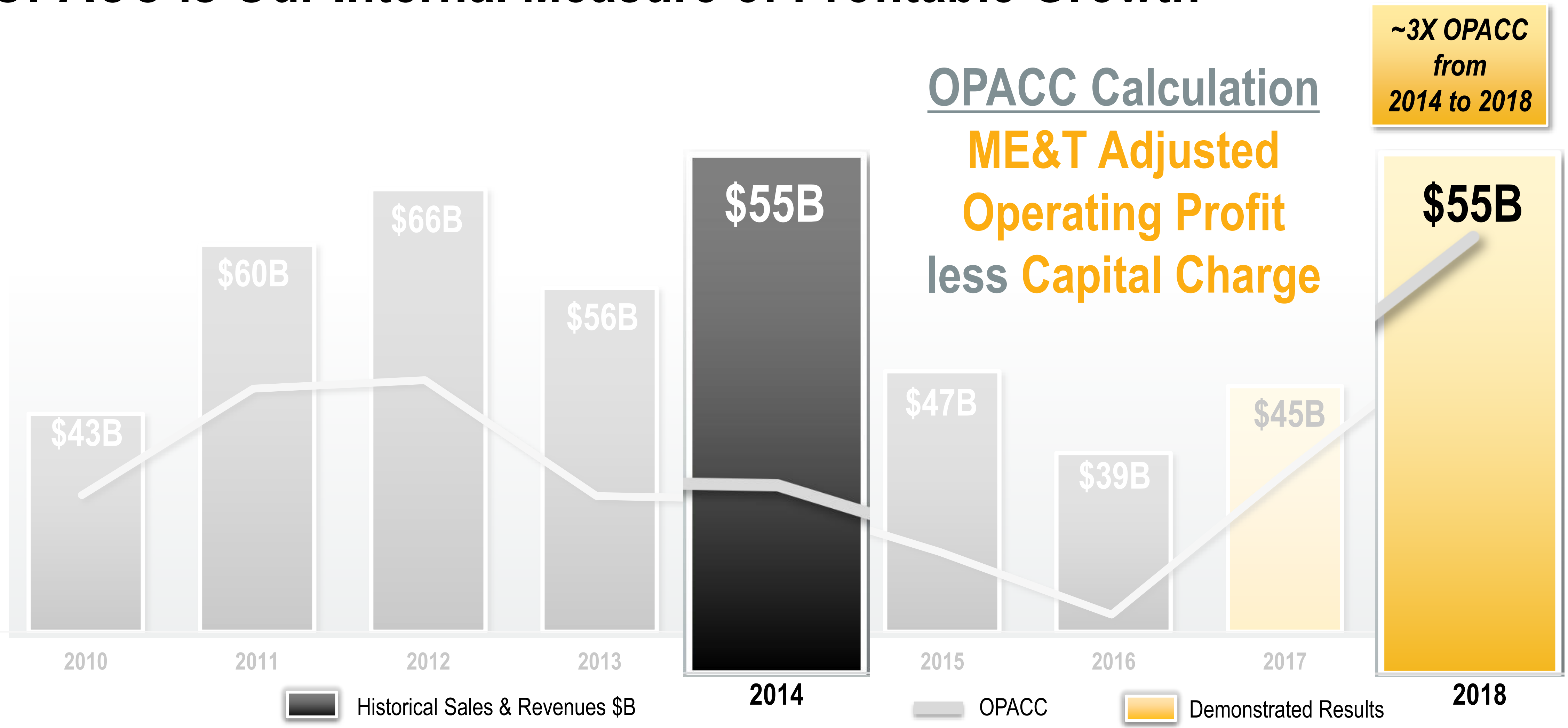
Delivered Solid ME&T Free Cash Flow
of $6.1B in 2018 [3]

[1] Reduction from 2014 to 2018
[2] Invested at least $1.8B in 2016, 2017 and 2018
[3] Excludes Discretionary Pension Contribution of $1B

OPACC is Our Internal Measure of Profitable Growth

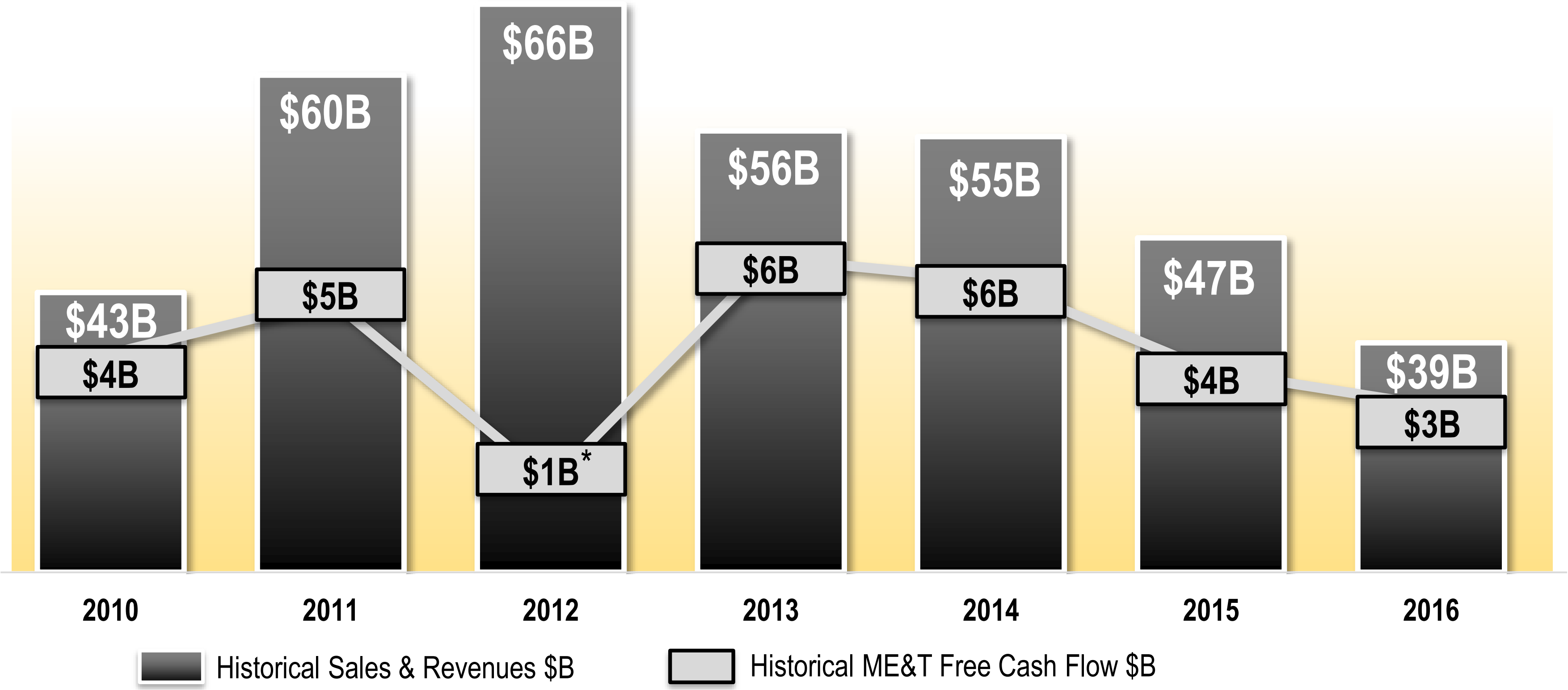


OPACC is Our Internal Measure of Profitable Growth



Historical Free Cash Flow Results

Historical ME&T Free Cash Flow Range $3B-$6B*



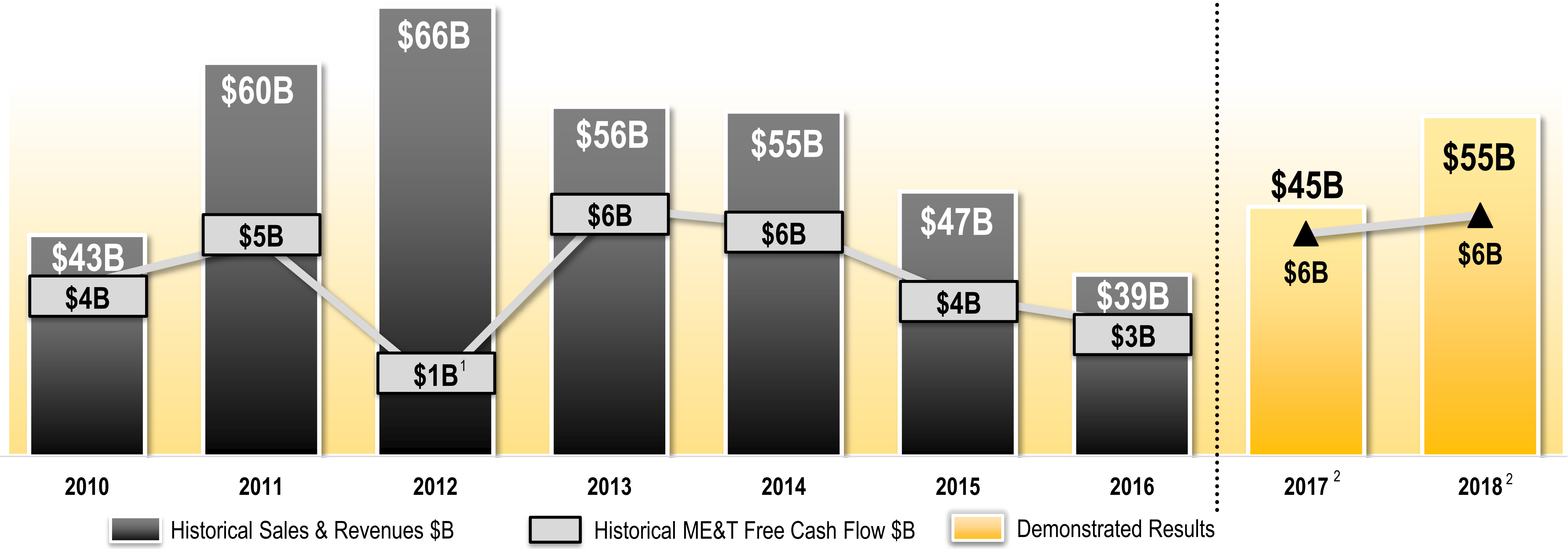
*Historical ME&T Free Cash Flow Range shown excludes 2012 due to a large unfavorable working capital impact and higher capex that is not expected to repeat

Note: A definition and reconciliation of ME&T Free Cash Flow to US GAAP included in Appendix B

Delivered Stronger Free Cash Flow

Historical ME&T Free Cash Flow Range <u>$3B-$6B</u>[1]

Strong Free Cash Flow on Increased Sales & Revenues



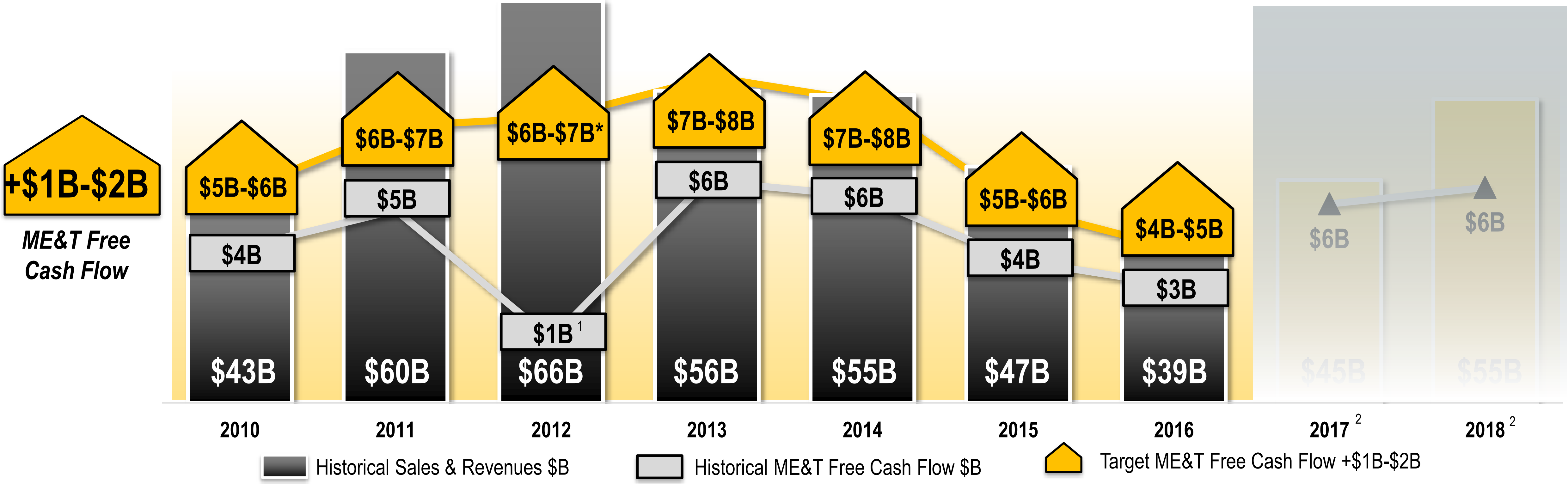
[1] Historical ME&T Free Cash Flow Range shown excludes 2012 due to a large unfavorable working capital impact and higher capex that is not expected to repeat

[2] Excludes Discretionary Pension Contribution of $1B

Note: A definition and reconciliation of ME&T Free Cash Flow to US GAAP included in Appendix B

Improved Free Cash Flow Performance Through the Cycles

Future Expected ME&T Free Cash Flow Range $4B-$8B



[1] Historical ME&T Free Cash Flow Range shown excludes 2012 due to a large unfavorable working capital impact and higher capex that is not expected to repeat

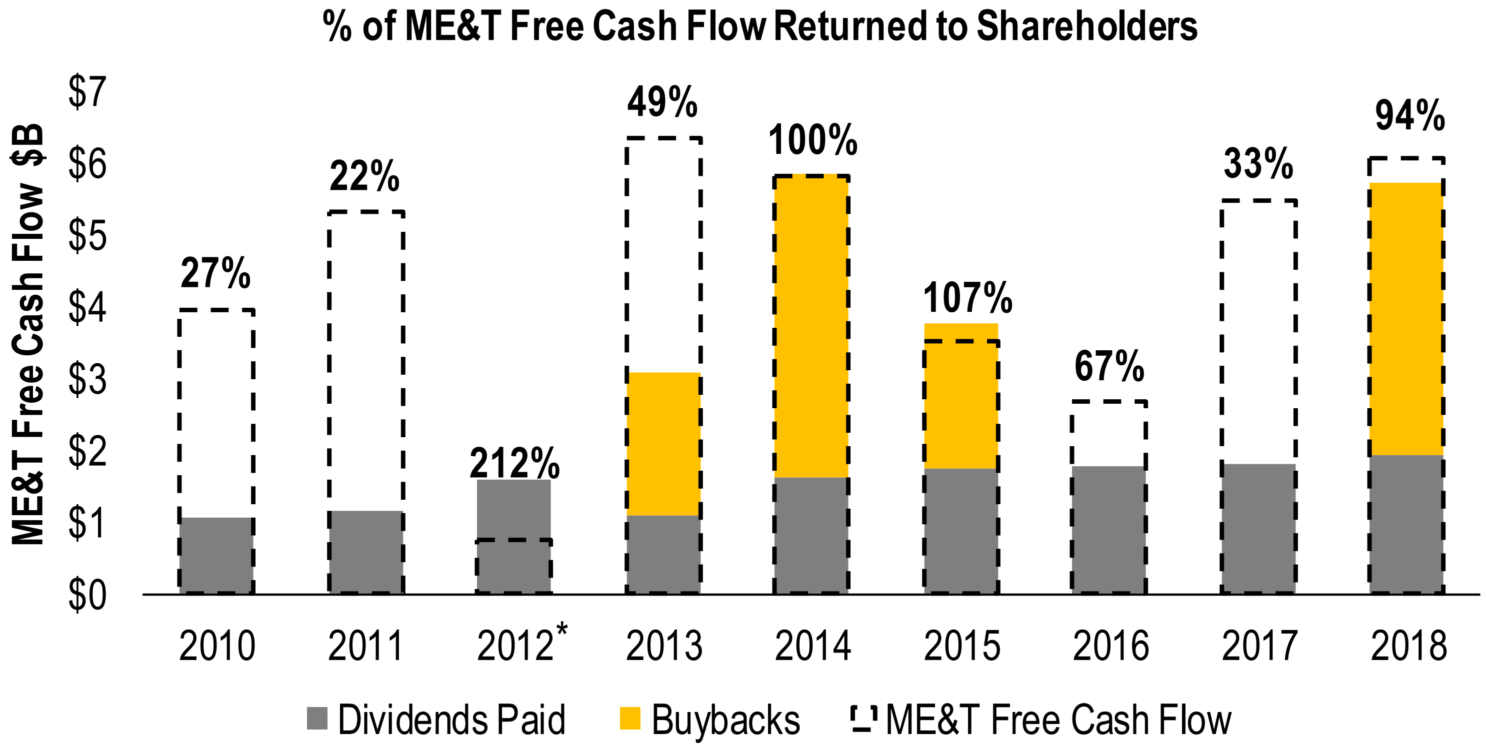
[2] Excludes Discretionary Pension Contribution of $1B

Note: Targets are based on current business assumptions

Note: Target is not incremental to 2017 and 2018 performance

Note: A definition and reconciliation of ME&T Free Cash Flow to US GAAP included in Appendix B

Inconsistent ME&T Free Cash Flow Deployment



65% of ME&T FCF returned to shareholders 2010-2018

Annual dividend increases the last 25 years

Historical share repurchases have been inconsistent

* There were five dividend payments in 2012 due to the acceleration of the fourth quarter dividend payment from January 2013 to December 2012
Note: A definition and reconciliation of ME&T Free Cash Flow to US GAAP included in Appendix B

Future ME&T FCF Deployment to Drive Improved Shareholder Returns

Return substantially all free cash flow to shareholders [1]

20% Dividend increase [2]
Targeting at least a high single-digit percent increase each of the next 4 years

More consistent share repurchases

Strong Balance Sheet

Disciplined M&A

[1] Target to return substantially all of ME&T free cash flow to shareholders based on current business assumptions
[2] Dividend payable on August 20, 2019 to shareholders of record at the close of business on July 22, 2019

Why Invest in Caterpillar?

Achieving Targets

Financially Stronger

Continuous Operational Improvement

Improving Cash Flow

Investing for Growth

Returning Capital to Shareholders

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.

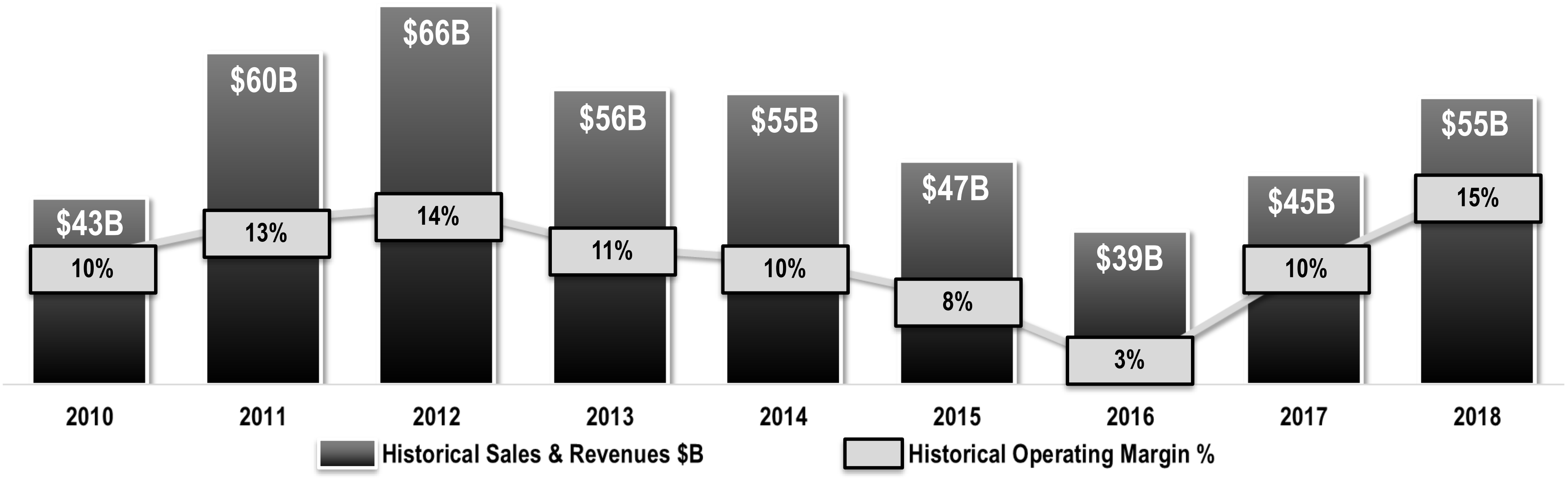
INVESTOR DAY 2019

Appendix

CATERPILLAR®

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

Operating Margin % to Adjusted Operating Margin %

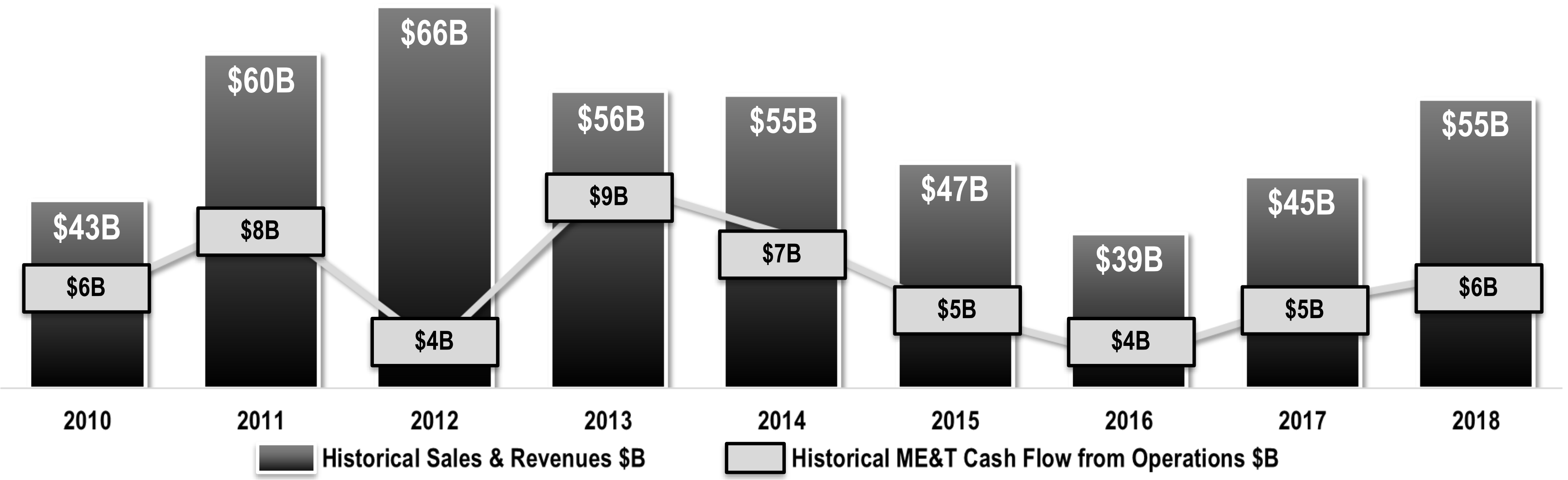


	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating margin %	10%	13%	14%	11%	10%	8%	3%	10%	15%
Operating margin % restructuring costs	-	-	-	-	1%	2%	3%	3%	1%
Operating margin % goodwill impairment	-	-	1%	-	-	-	2%	-	-
Adjusted operating margin %	10%	13%	15%	11%	11%	10%	7%	13%	16%

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.