OUR SOLUTIONS HELP OUR CUSTOMERS
BUILD A BETTER WORLD.

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," "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; (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; (xxvi) the duration and geographic spread of, business disruptions caused by, and the overall global economic impact of, the COVID-19 pandemic; and (xxvii) 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 can be found in our press release describing second-quarter 2020 financial results which is available on our website at www.caterpillar.com/earnings.



Andrew Bonfield

Chief Financial Officer

Andrew Bonfield is Chief Financial Officer of Caterpillar Inc. with responsibility for Finance Services, Financial Products and Global Information Services.

Andrew joined Caterpillar on September 1, 2018 and brings more than three decades of financial expertise to the role, most recently serving as Group CFO and board member of National Grid plc, a British multinational electricity and gas utility company. Prior to National Grid, Andrew held the position of Chief Financial Officer at Cadbury plc and also served as Executive Vice President and Chief Financial Officer at Bristol Myers Squibb.

Andrew is a chartered accountant and holds a bachelor of commerce degree from the University of Natal in Durban, South Africa.

He serves as a non-executive director and Chairman of the Audit Committee at Reckitt Benckiser Group plc, a British multinational consumer goods company.

COVID-19 and Business Update



Supporting our customers doing **essential business**



Dedicated to the **health** and **safety** of our **global team**



Continued **focus** on **flexible** and **competitive cost structure**



Well positioned with **strong balance sheet** and **liquidity**

Executing Our Strategy

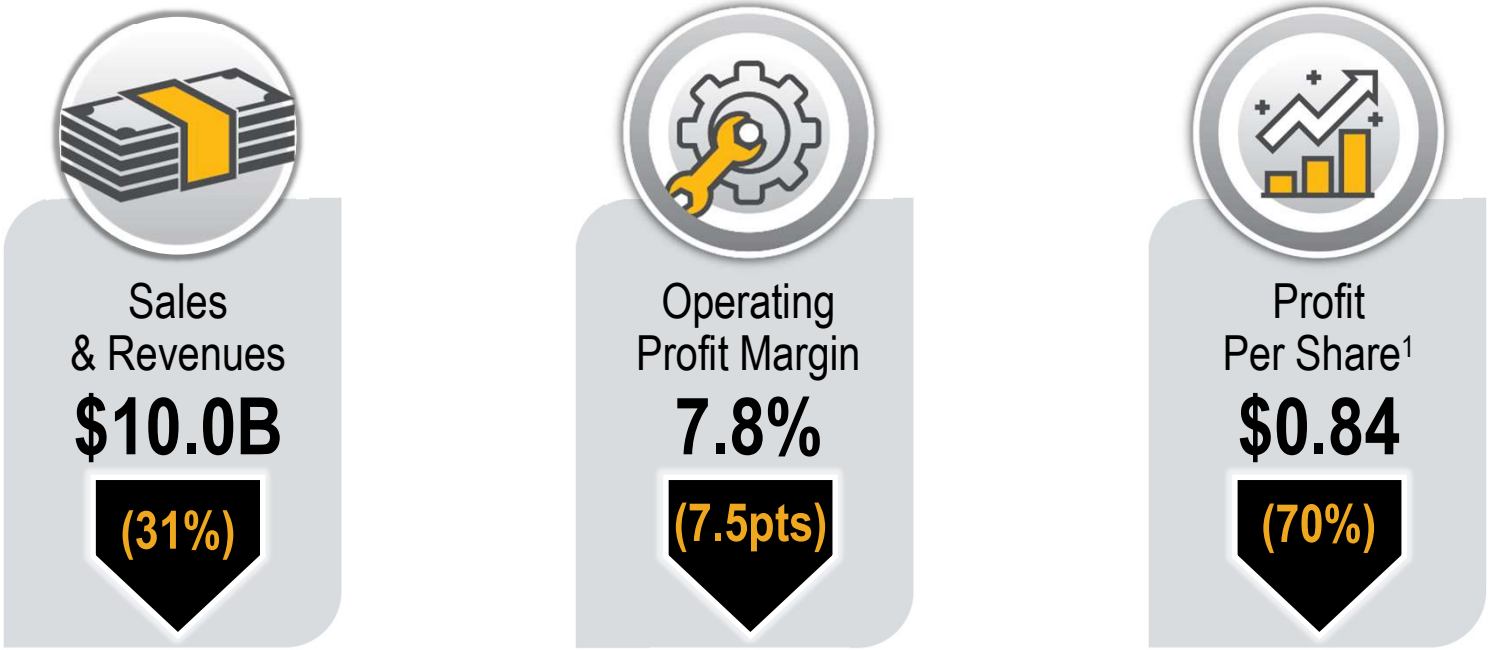


Focused on operational excellence, **continue to invest** in enablers of **services** growth, including enhancing our **digital** capabilities, and **expanded offerings**



Prepared to respond to changes in demand, positive or negative

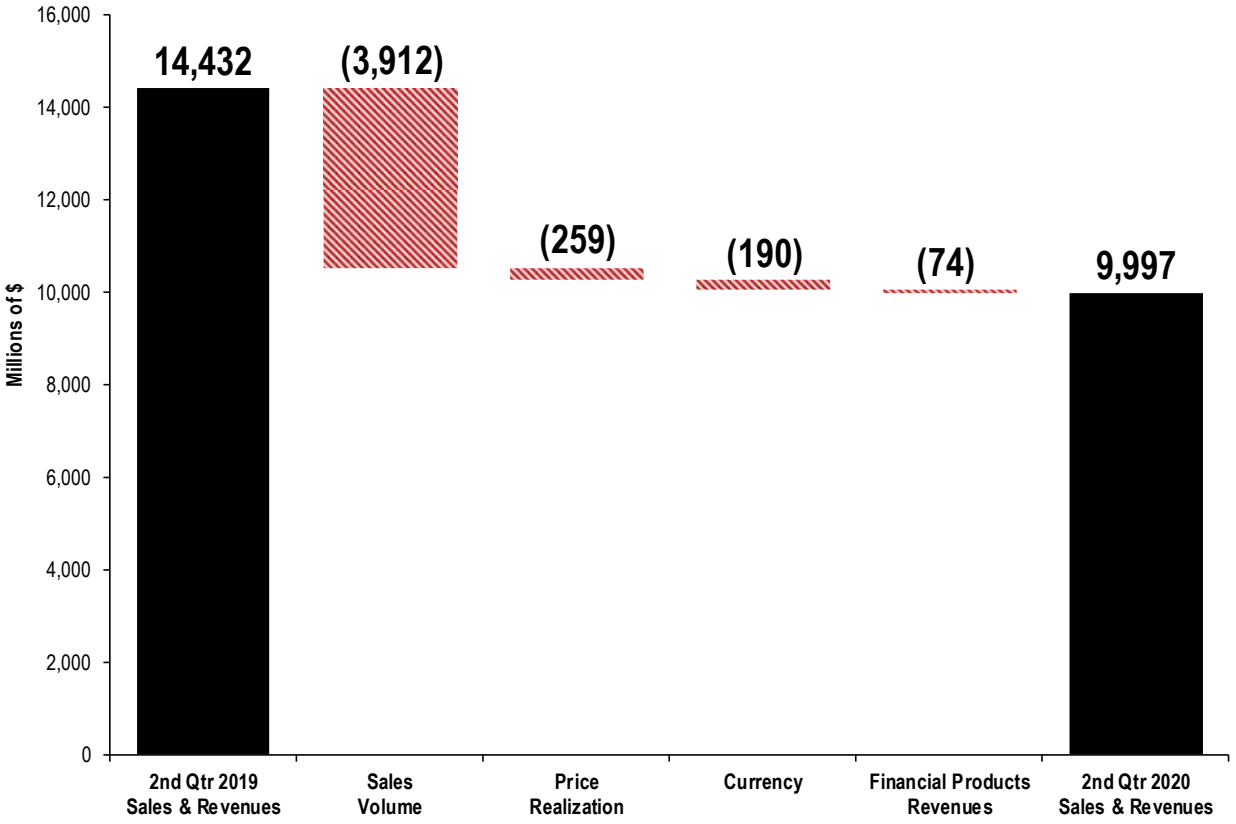
Second Quarter 2020 Financial Results



[1] Second-quarter 2020 profit per share included remeasurement losses of $0.19 per share resulting from settlements of pension obligations.

Consolidated Sales & Revenues

Second Quarter 2020 vs. Second Quarter 2019



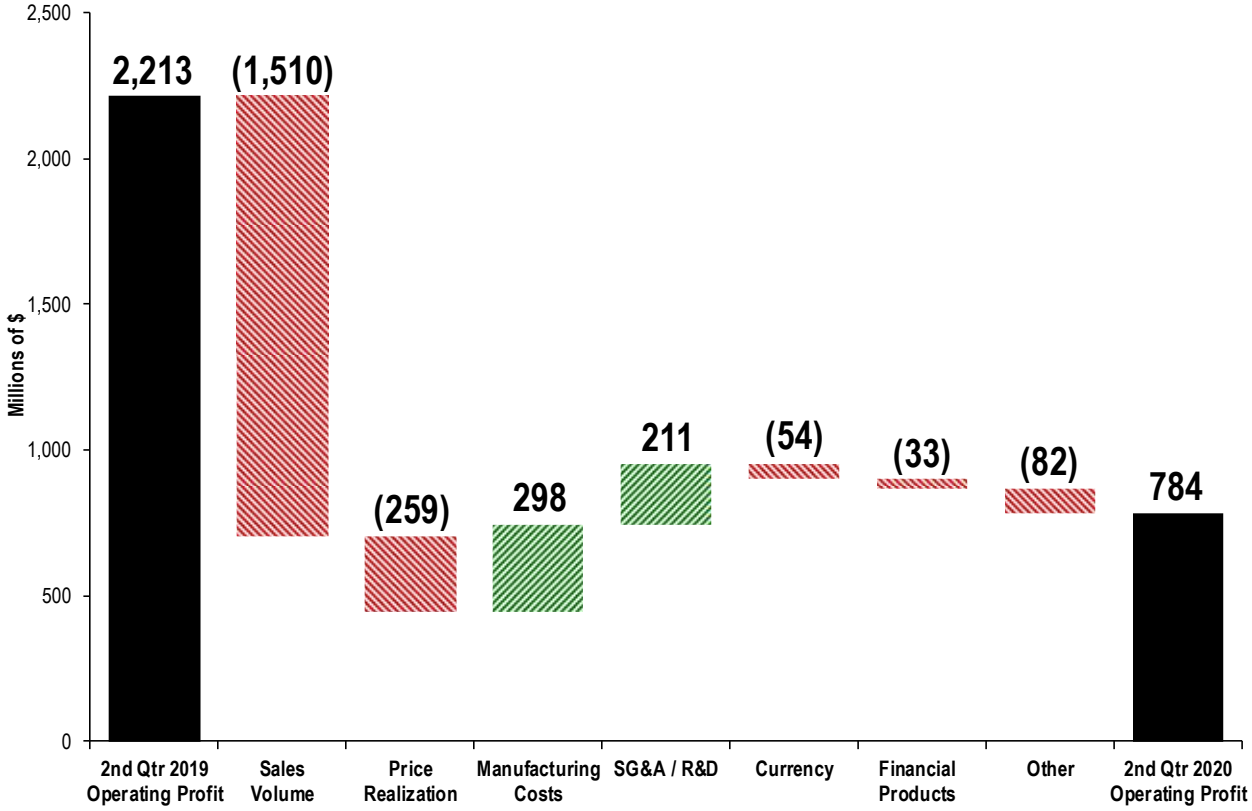
2nd Quarter Highlights

Sales & Revenues Decreased ($4.4B) or (31%)

- Sales volume decreased across the three primary segments and all regions
- Lower end-user demand
- Changes in dealer inventories
- Unfavorable price realization

Consolidated Operating Profit

Second Quarter 2020 vs. Second Quarter 2019



2nd Quarter Highlights

Operating Profit Decreased ($1.4B) or (65%)

- Decreased sales volume
- Unfavorable price realization
- Favorable manufacturing costs and lower SG&A/R&D mainly driven by short-term incentive compensation expense

Operating Profit Margin of 7.8%

Q&A