



First-Quarter 2019 Financial Review

April 24, 2019

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 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 can be found in our press release describing first-quarter 2019 financial results which is available on our website at www.caterpillar.com/earnings.

2019 First-Quarter Highlights

Profit Per Share
was a first-quarter record



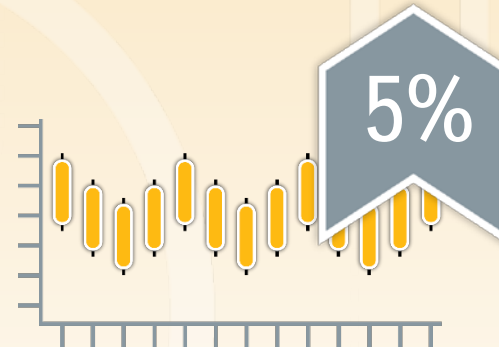
\$3.25

Consolidated
Sales & Revenues



Growth from
Resource Industries
& Construction Industries

Operating Profit



With favorable price
realization, volume gains
and lower STIP

Repurchased



\$751M
in company stock

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.

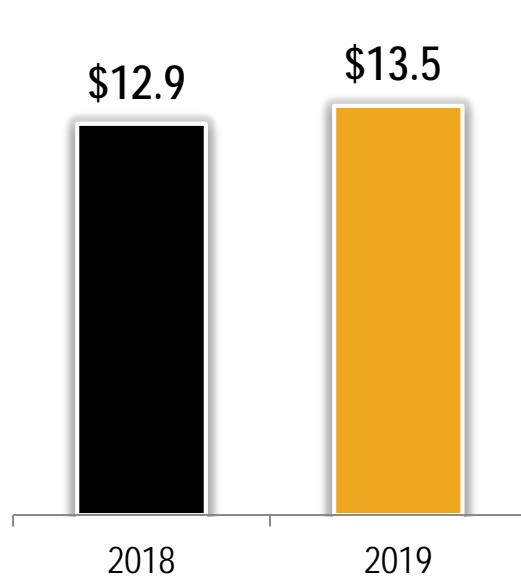
2019 Financial Results

First Quarter 2019 vs. First Quarter 2018

Sales and Revenues

(in billions of dollars)

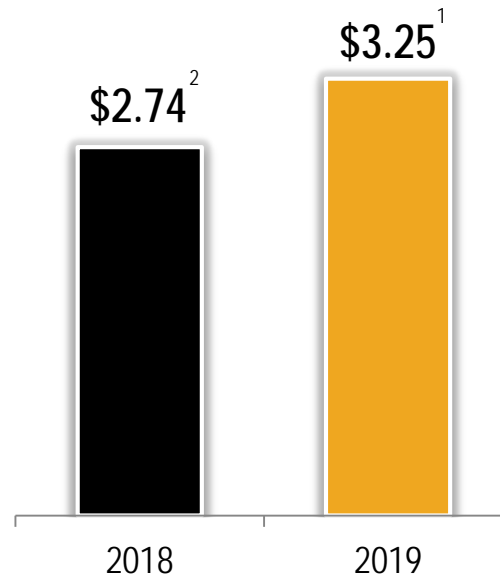
\$13.5



Profit Per Share

(in dollars)

\$3.25¹



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.

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

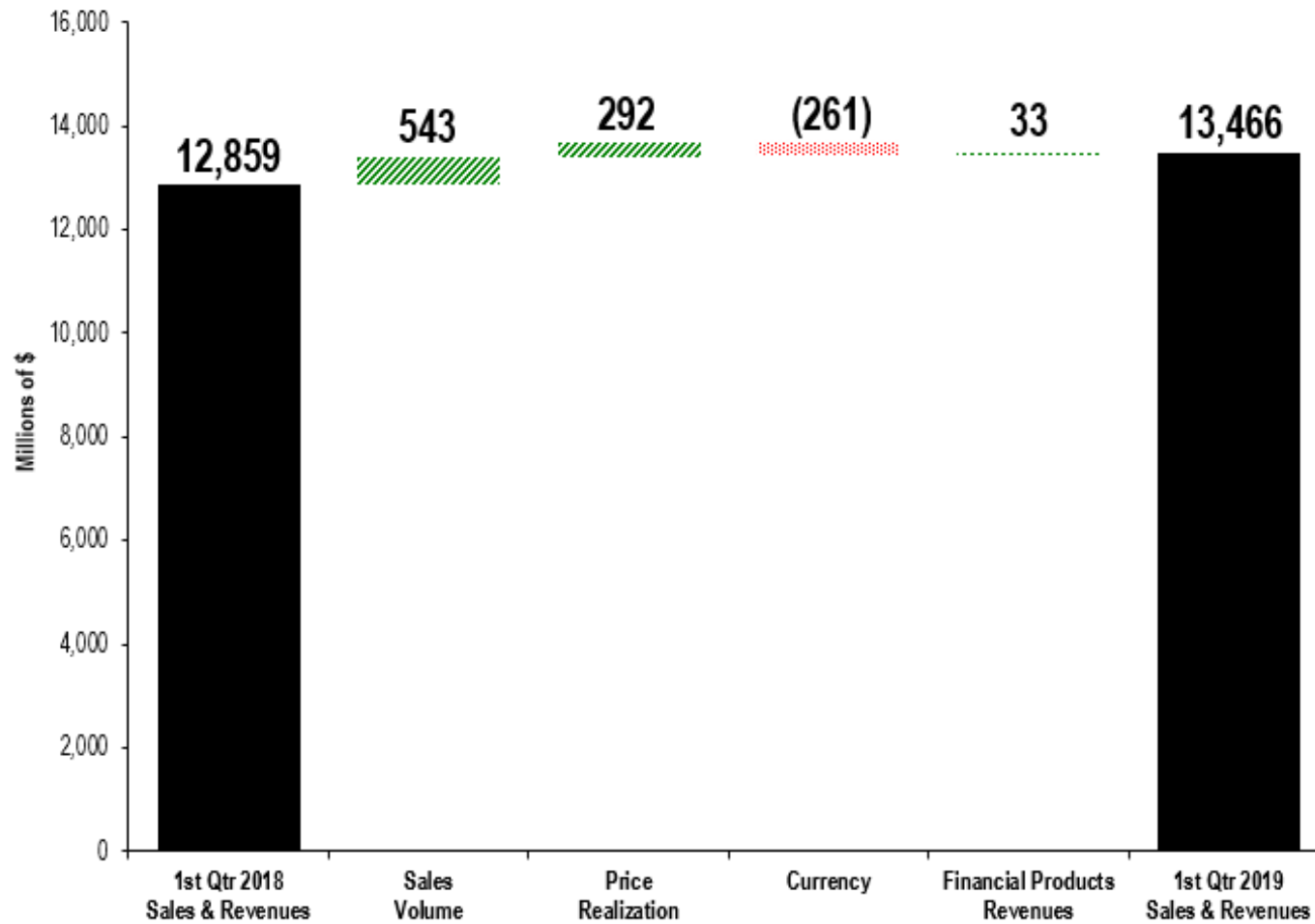
Financial Position

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



Consolidated Sales & Revenues

First Quarter 2019 vs. First Quarter 2018



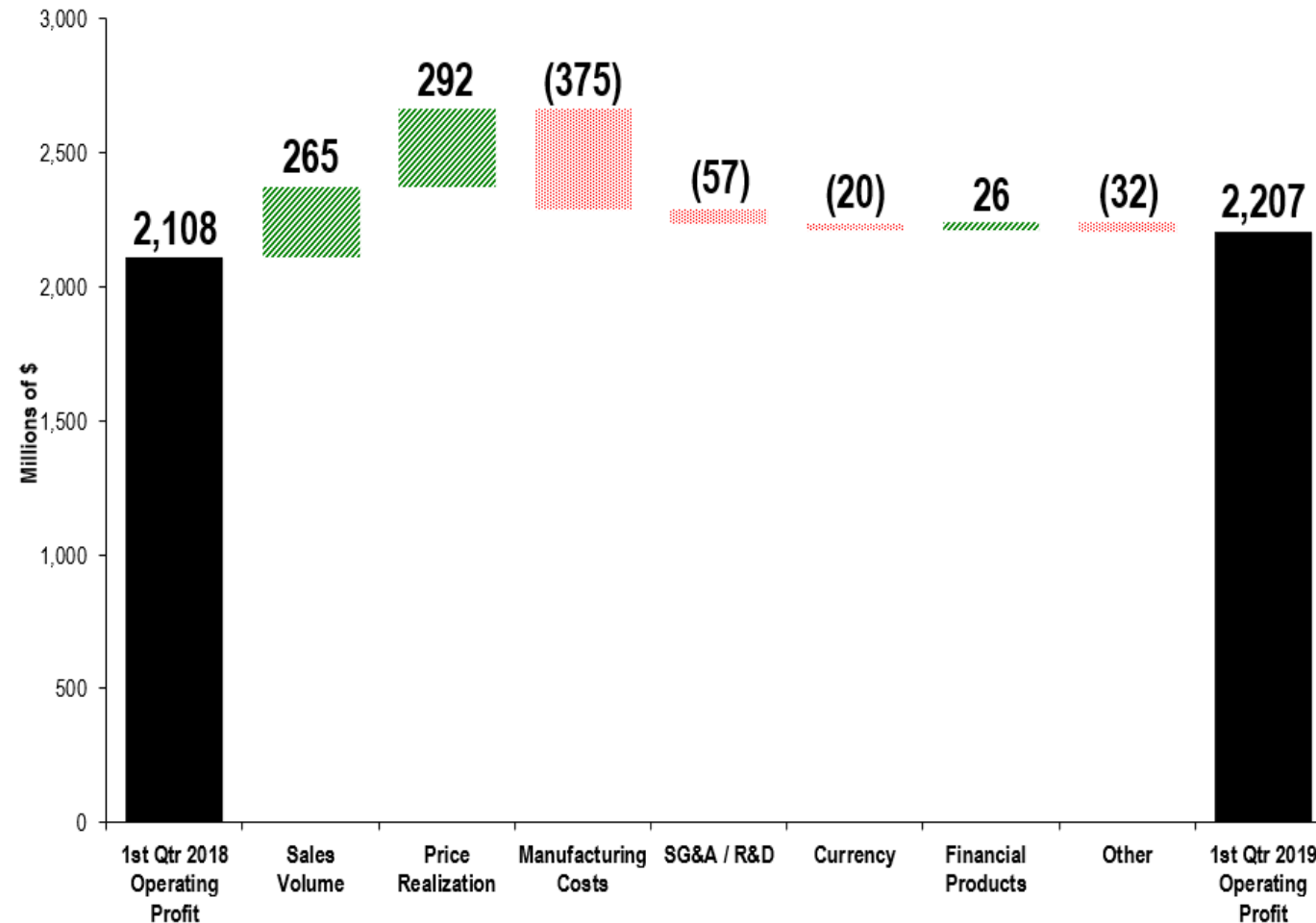
1st Quarter Highlights

Sales and Revenues up 5%

- Higher sales volume for both equipment and services
- Favorable price realization, primarily in Construction Industries and Resource Industries
- Unfavorable currency

Consolidated Operating Profit

First Quarter 2019 vs. First Quarter 2018



1st Quarter Highlights

Operating profit up 5%

- Higher price realization and sales volume
- Higher manufacturing costs
 - Variable labor and burden, including freight costs
 - Material costs, including tariffs
- Increased SG&A/R&D expenses

Construction Industries

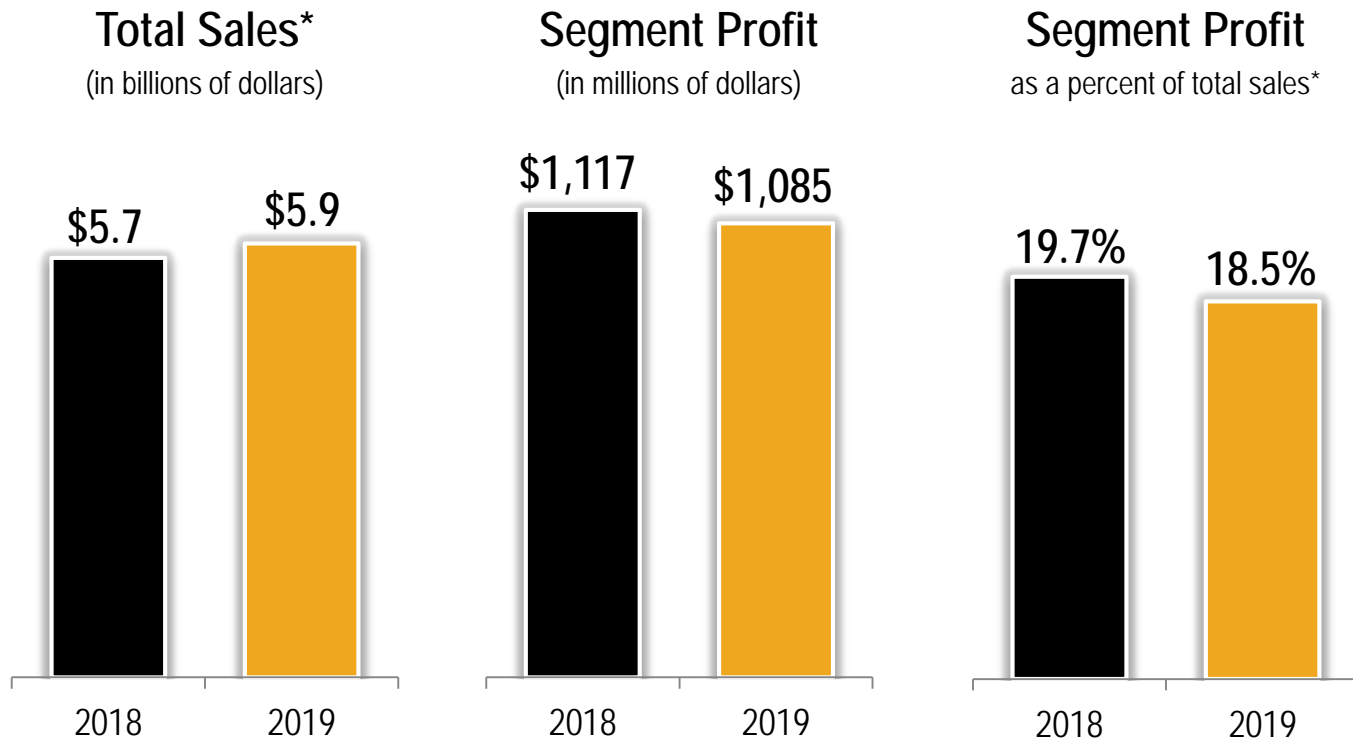
First Quarter 2019 vs. First Quarter 2018

2017 Investor Day

Segment

Margin Range

15%-17%



* Includes inter-segment sales.

1st Quarter Highlights

Total Sales Increased – \$196M, +3%

- North America – Higher demand to support road construction activities
- Latin America – Decreased as construction activities remained at low levels
- EAME – Smaller increase in dealer inventories drove a decline in sales
- Asia/Pacific – Decreased due to currency

Segment Profit Decreased – (\$32M), -3%

- Higher material, labor and freight costs
- Favorable price realization

Resource Industries

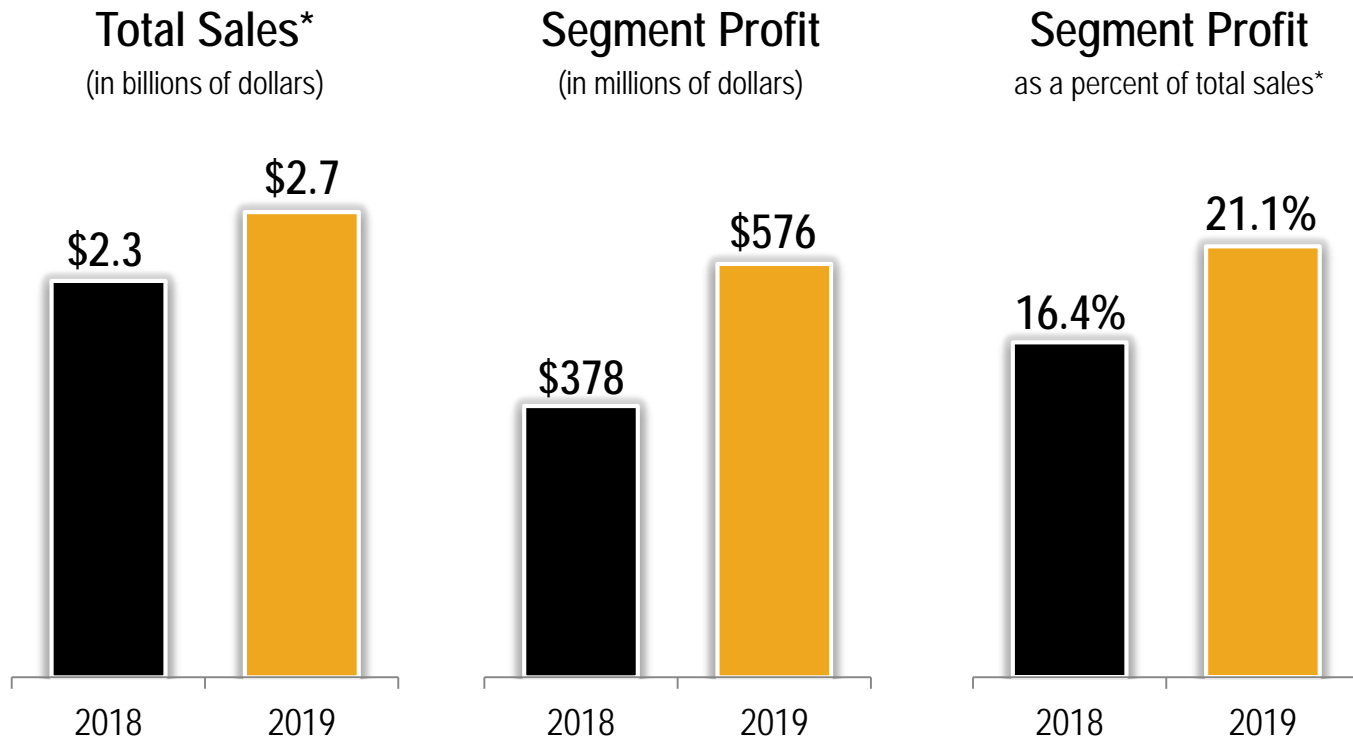
First Quarter 2019 vs. First Quarter 2018

2017 Investor Day

Segment

Margin Range

12%-16%



1st Quarter Highlights

Total Sales Increased – \$418M, +18%

- Mining production levels and commodity market fundamentals remained positive
- Higher demand for non-residential construction activities and quarry and aggregate operations

Segment Profit Increased – \$198M, +52%

- Higher sales volume
- Favorable price realization
- Higher material and freight costs

* Includes inter-segment sales.

Energy & Transportation

First Quarter 2019 vs. First Quarter 2018

2017 Investor Day

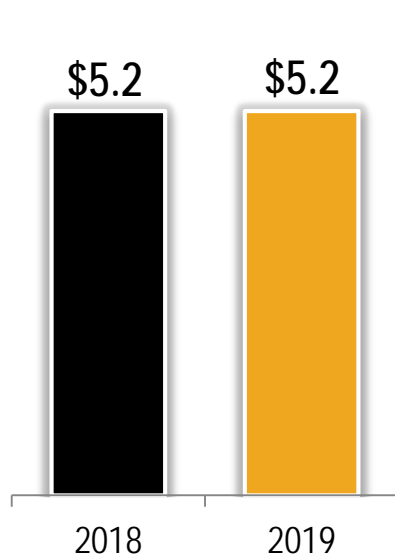
Segment

Margin Range

16%-18%

Total Sales*

(in billions of dollars)



Segment Profit

(in millions of dollars)



Segment Profit

as a percent of total sales*



* Includes inter-segment sales.

1st Quarter Highlights

Total Sales about flat – (\$9M)

- **Oil and Gas** – North America sales negatively impacted by timing of turbine deliveries
- **Power Generation** – Increase driven by large diesel engine applications
- **Industrial** – About flat
- **Transportation** – Slightly down due to currency

Segment Profit Decreased – (\$36M), -4%

- Higher freight, warranty, labor costs
- Favorable price realization
- Higher sales volume

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

Key Takeaways



Record first-quarter profit per share



Repurchased \$751M in company stock



Strong financial position



2019 profit outlook range of \$12.06 to \$13.06 per share



Executing our strategy and investing for long-term profitable growth

Q&A