

# CATERPILLAR INC.

## 4Q & Full-Year 2020 Financial Results

Below are key highlights from Caterpillar Inc.'s 4Q and full-year 2020 earnings results. For full financial results, please refer to the press release on Caterpillar's [Investor Relations site](https://investors.caterpillar.com). (<https://investors.caterpillar.com>)

### 2020 FOURTH-QUARTER & FULL-YEAR FINANCIAL RESULTS

(\$ in billions except per share data)

	FOURTH-QUARTER		FULL-YEAR	
	2020	2019	2020	2019
<b>Sales and Revenues</b>	\$11.2	\$13.1	\$41.7	\$53.8
<b>Profit Per Share</b>	\$ 1.42	\$ 1.97	\$ 5.46	\$10.74
<b>Adjusted Profit Per Share</b>	\$ 2.12	\$ 2.71	\$ 6.56	\$11.40

### FOURTH-QUARTER & FULL-YEAR HIGHLIGHTS

- Caterpillar reports strong operational performance
- Fourth-quarter 2020 profit per share of \$1.42; adjusted profit per share of \$2.12
- Full-year operating profit margin percentage of 10.9%; adjusted operating profit margin of 11.8%, within 2019 Investor Day target range
- Returned \$3.4 billion to shareholders through dividends and share repurchases in 2020

### Fourth-Quarter & Full-Year Comments from Caterpillar Chairman & CEO Jim Umpleby

*"I'm proud of our global team's continued resilience in safely navigating COVID-19 while continuing to provide the essential products and services the world needs. Our fourth-quarter and full-year results reflect the team's agility in a challenging environment while executing our strategy for long-term profitable growth. We achieved the adjusted operating margin established during our 2019 Investor Day while continuing to invest in products and services. We are well-positioned for the future and will emerge from the pandemic as an even stronger company."*

## FOURTH-QUARTER NEWS & NOTES (Click each story to learn more)

### OUR STRATEGY AT WORK

#### SERVICES

**Offering Services Solutions** through Customer Value Agreements, Rental and Remote Service Locations



**Caterpillar Signs Agreement to Acquire Weir Oil & Gas**



**Launched Cat COMMAND for Compaction**



**Mining Technology Displayed at CES®**  
(Consumer Electronics Show)

#### EXPANDED OFFERINGS

**The Cat® GX Debuted at bauma China**



#### PROFITABLE GROWTH

**Caterpillar Inc. Maintains Dividend and Remains a Member of the S&P 500 Dividend Aristocrat Index**



#### OUR VALUES IN ACTION

Cat® 3512E Tier 4 Dynamic Gas Blending (DGB)™ Engine Receives **EPA Clean Air Excellence Award**



#### PEOPLE

**Caterpillar Joins Employer Coalition to Create One Million Jobs for Black Americans Over 10 Years**



**Caterpillar Named #1 Company to Work for in Brazil for the 4th Time**

## FULL-YEAR NEWS & NOTES (Click each story to learn more)

#### OUR RESPONSE TO COVID-19

**The Caterpillar Foundation Commits \$10M to COVID-19 Relief Efforts**



**Providing Power When We Need It Most**

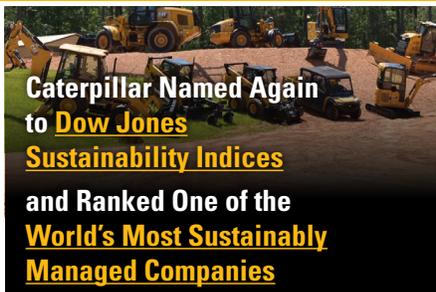


#### OUR VALUES IN ACTION

**Caterpillar Foundation Announces Commitment to Help Fight Racism and Social Injustice**



**Caterpillar Named Again to Dow Jones Sustainability Indices and Ranked One of the World's Most Sustainably Managed Companies**



#### PARTNERS

**Progress Rail and Pacific Harbor Line Sign Agreement for Battery Locomotive**



**FORWARD-LOOKING STATEMENTS**

Certain statements in this press release 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.

**NON-GAAP FINANCIAL MEASURES**

The following definitions are provided for the non-GAAP financial measures. These non-GAAP financial measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management does not intend these items to be considered in isolation or as a substitute for the related GAAP measures.

**ADJUSTED PROFIT PER SHARE**

The company believes it is important to separately quantify the profit impact of three significant items in order for the company’s results to be meaningful to readers. These items consist of (i) pension and OPEB mark-to-market losses resulting from plan remeasurements, (ii) restructuring costs, which were incurred to generate longer-term benefits, and (iii) U.S. tax reform impact in 2019. The company does not consider these items indicative of earnings from ongoing business activities and believes the non-GAAP measure provides investors with useful perspective on underlying business results and trends and aids with assessing the company’s period-over-period results.

**Reconciliations of adjusted profit before taxes to the most directly comparable GAAP measure, consolidated profit before taxes, are as follows:**

	FOURTH-QUARTER		FULL-YEAR	
	2020	2019	2020	2019
(millions of dollars)				
<b>Profit before taxes</b>	\$ 941	\$ 1,365	\$ 3,995	\$ 7,812
<b>Mark-to-market losses</b>	\$ 438	\$ 468	\$ 383	\$ 468
<b>Restructuring costs</b>	\$ 58	\$ 54	\$ 354	\$ 236
<b>Adjusted profit before taxes</b>	\$ 1,437	\$ 1,887	\$ 4,732	\$ 8,516

**Reconciliations of adjusted profit per share to the most directly comparable GAAP measure, diluted profit per share, are as follows:**

	FOURTH-QUARTER		FULL-YEAR	
	2020	2019	2020	2019
<b>Profit per share</b>	\$ 1.42	\$ 1.97	\$ 5.46	\$ 10.74
<b>Per share mark-to-market losses<sup>1</sup></b>	\$ 0.63	\$ 0.65	\$ 0.55	\$ 0.64
<b>Per share restructuring costs<sup>1</sup></b>	\$ 0.07	\$ 0.08	\$ 0.55	\$ 0.34
<b>Per share U.S. tax reform impact</b>	\$ —	\$ —	\$ —	\$ (0.31)
<b>Adjusted profit per share</b>	\$ 2.12	\$ 2.71	\$ 6.56	\$ 11.40

<sup>1</sup> At statutory tax rates

For more details, see the appendix in the full press release.