

STATEMENT 1

Caterpillar Inc.

Consolidated Results of Operations for the Years Ended December 31

(Dollars in millions except per share data)

	2019	2018	2017
Sales and revenues:			
Sales of Machinery, Energy & Transportation	\$ 50,755	\$ 51,822	\$ 42,676
Revenues of Financial Products	3,045	2,900	2,786
Total sales and revenues	53,800	54,722	45,462
Operating costs:			
Cost of goods sold	36,630	36,997	31,260
Selling, general and administrative expenses	5,162	5,478	4,999
Research and development expenses	1,693	1,850	1,842
Interest expense of Financial Products	754	722	646
Other operating (income) expenses	1,271	1,382	2,255
Total operating costs	45,510	46,429	41,002
Operating profit	8,290	8,293	4,460
Interest expense excluding Financial Products	421	404	531
Other income (expense)	(57)	(67)	153
Consolidated profit before taxes	7,812	7,822	4,082
Provision (benefit) for income taxes	1,746	1,698	3,339
Profit of consolidated companies	6,066	6,124	743
Equity in profit (loss) of unconsolidated affiliated companies	28	24	16
Profit of consolidated and affiliated companies	6,094	6,148	759
Less: Profit (loss) attributable to noncontrolling interests	1	1	5
Profit ¹	\$ 6,093	\$ 6,147	\$ 754
Profit per common share	\$ 10.85	\$ 10.39	\$ 1.27
Profit per common share — diluted ²	\$ 10.74	\$ 10.26	\$ 1.26
Weighted-average common shares outstanding (millions)			
- Basic	561.6	591.4	591.8
- Diluted ²	567.5	599.4	599.3

¹ Profit attributable to common shareholders.² Diluted by assumed exercise of stock-based compensation awards, using the treasury stock method.

See accompanying notes to Consolidated Financial Statements.

STATEMENT 3**Caterpillar Inc.****Consolidated Financial Position at December 31**

(Dollars in millions)

	2019	2018
Assets		
Current assets:		
Cash and short-term investments	\$ 8,284	\$ 7,857
Receivables – trade and other	8,568	8,802
Receivables – finance	9,336	8,650
Prepaid expenses and other current assets	1,739	1,765
Inventories	11,266	11,529
Total current assets	39,193	38,603
Property, plant and equipment – net	12,904	13,574
Long-term receivables – trade and other	1,193	1,161
Long-term receivables – finance	12,651	13,286
Noncurrent deferred and refundable income taxes	1,411	1,439
Intangible assets	1,565	1,897
Goodwill	6,196	6,217
Other assets	3,340	2,332
Total assets	\$ 78,453	\$ 78,509
Liabilities		
Current liabilities:		
Short-term borrowings:		
Machinery, Energy & Transportation	\$ 5	\$ —
Financial Products	5,161	5,723
Accounts payable	5,957	7,051
Accrued expenses	3,750	3,573
Accrued wages, salaries and employee benefits	1,629	2,384
Customer advances	1,187	1,243
Dividends payable	567	495
Other current liabilities	2,155	1,919
Long-term debt due within one year:		
Machinery, Energy & Transportation	16	10
Financial Products	6,194	5,820
Total current liabilities	26,621	28,218
Long-term debt due after one year:		
Machinery, Energy & Transportation	9,141	8,005
Financial Products	17,140	16,995
Liability for postemployment benefits	6,599	7,455
Other liabilities	4,323	3,756
Total liabilities	63,824	64,429
Commitments and contingencies (Notes 21 and 22)		
Shareholders' equity		
Common stock of \$1.00 par value:		
Authorized shares: 2,000,000,000		
Issued shares: (2019 and 2018 – 814,894,624 shares) at paid-in amount	5,935	5,827
Treasury stock: (2019 - 264,812,014 shares; and 2018 – 239,351,886 shares) at cost	(24,217)	(20,531)
Profit employed in the business	34,437	30,427
Accumulated other comprehensive income (loss)	(1,567)	(1,684)
Noncontrolling interests	41	41
Total shareholders' equity	14,629	14,080
Total liabilities and shareholders' equity	\$ 78,453	\$ 78,509

See accompanying notes to Consolidated Financial Statements.

STATEMENT 5

Caterpillar Inc.

Consolidated Statement of Cash Flow for the Years Ended December 31

(Millions of dollars)

2019 2018 2017

Cash flow from operating activities:

Profit (loss) of consolidated and affiliated companies	\$ 6,094	\$ 6,148	\$ 759
Adjustments for non-cash items:			
Depreciation and amortization	2,577	2,766	2,877
Actuarial (gain) loss on pension and postretirement benefits	468	495	301
Provision (benefit) for deferred income taxes	28	220	1,213
Other	675	1,006	750
Changes in assets and liabilities, net of acquisitions and divestitures:			
Receivables – trade and other	171	(1,619)	(1,151)
Inventories	274	(1,579)	(1,295)
Accounts payable	(1,025)	709	1,478
Accrued expenses	172	101	175
Accrued wages, salaries and employee benefits	(757)	(162)	1,187
Customer advances	(10)	(183)	(8)
Other assets – net	(93)	41	(192)
Other liabilities – net	(1,662)	(1,385)	(388)
Net cash provided by (used for) operating activities	6,912	6,558	5,706

Cash flow from investing activities:

Capital expenditures – excluding equipment leased to others	(1,056)	(1,276)	(898)
Expenditures for equipment leased to others	(1,613)	(1,640)	(1,438)
Proceeds from disposals of leased assets and property, plant and equipment	1,153	936	1,164
Additions to finance receivables	(12,777)	(12,183)	(11,953)
Collections of finance receivables	12,183	10,901	12,018
Proceeds from sale of finance receivables	235	477	127
Investments and acquisitions (net of cash acquired)	(47)	(392)	(59)
Proceeds from sale of businesses and investments (net of cash sold)	41	16	100
Proceeds from sale of securities	529	442	932
Investments in securities	(552)	(506)	(1,048)
Other – net	(24)	13	89
Net cash provided by (used for) investing activities	(1,928)	(3,212)	(966)

Cash flow from financing activities:

Dividends paid	(2,132)	(1,951)	(1,831)
Common stock issued, including treasury shares reissued	238	313	566
Common shares repurchased	(4,047)	(3,798)	—
Proceeds from debt issued (original maturities greater than three months):			
- Machinery, Energy & Transportation	1,479	57	361
- Financial Products	8,362	8,850	8,702
Payments on debt (original maturities greater than three months):			
- Machinery, Energy & Transportation	(12)	(7)	(1,465)
- Financial Products	(8,285)	(7,822)	(6,923)
Short-term borrowings – net (original maturities three months or less)	(138)	762	(3,058)
Other – net	(3)	(54)	(9)
Net cash provided by (used for) financing activities	(4,538)	(3,650)	(3,657)
Effect of exchange rate changes on cash	(44)	(126)	38
Increase (decrease) in cash and short-term investments and restricted cash	402	(430)	1,121
Cash and short-term investments and restricted cash at beginning of period	7,890	8,320	7,199
Cash and short-term investments and restricted cash at end of period	\$ 8,292	\$ 7,890	\$ 8,320

All short-term investments, which consist primarily of highly liquid investments with original maturities of three months or less, are considered to be cash equivalents.

See accompanying notes to Consolidated Financial Statements.