Institutional Decisions

|  | 2 Q2013 | 3 Q2013 | 4 Q2013 |
| :--- | ---: | ---: | ---: |
| to Buy | 519 | 435 | 507 |
| to Sell | 523 | 556 | 545 |
| Hld's(000) | 401602 | 399815 | 404313 |
| 1998 | 1999 | 2000 | 2001 |


| 1998 | 1999 | 2000 | 2001 | 2 |
| :--- | :--- | :--- | :--- | :--- | :--- |


| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 29.36 | 27.72 | 29.38 | 29.78 | 29.27 | 33.1 |
| 3.33 | 2.66 | 3.02 | 2.87 | 2.93 | 3.62 |
| 2.06 | 1.32 | 1.51 | 1.16 | 1.15 | 1.62 |
| . 58 | . 64 | . 67 | . 70 | 70 |  |
| 1.78 | 1.28 | 1.35 | 1.60 | 2.58 | 2.57 |
| 7.18 | 7.69 | 8.15 | 8.17 | 7.95 | 8.8 |
| 714.40 | 710.78 | 686.79 | 686.75 | 688.51 | 687.5 |
| 12.3 | 20.6 | 12.8 | 21.0 | 20 |  |
| 64 | 1.17 | 83 | 1.08 | 1.14 | . 07 |
| 2.3\% | 2.4\% | 3.5\% | 2.9\% | 2.9\% |  |
| CAPITAL STRUCTURE as of $3 / 31 / 1$ |  |  |  |  |  |
| Total Debt $\$ 38.1$ bill. LT Debt $\$ 26.8$ bill. |  |  |  |  |  |
|  |  |  |  |  |  |
| Incl. \$25 |  |  |  |  |  | Incl. $\$ 25.0$ bill. in debt held by CAT Financial. (LT interest earned: 8.1x; Total interest coverage: $5.3 x$ )

(56\% of Cap'l)
Leases, Uncapitalized Annual rentals $\$ 244.0$ mill. Pension Assets-12/13 $\$ 19.3$ bill. Oblig. $\$ 19.0$ bill. Pfd Stock None

| Common Stock 624,233,901 shs. |  |  |  |
| :---: | :---: | :---: | :---: |
| MARKET CAP: $\$ 66.9$ billion (Large Cap) |  |  |  |
| CURRENT POSITION (\$MILL.) | 2012 | 2013 | 3/31/14 |
| Cash Assets | 5490 | 6081 | 5345 |
| Receivables | 18952 | 17176 | 17399 |
| Inventory (LIFO) | 15547 | 12625 | 12888 |
| Other | 2535 | 2453 | 2336 |
| Current Assets | 42524 | 38335 | 37968 |
| Accts Payable | 6753 | 6560 | 6731 |
| Debt Due | 12391 | 11031 | 11290 |
| Other | 10611 | 9706 | 9274 |
| Current Liab. | 29755 | 27297 | 27295 |


| ANNUAL RATES | Past | Past | Est'd '11-'13 |
| :--- | ---: | ---: | :---: |
| of change (per sh) | 10 Yrs. | 5 Yrs. | to '17.'19 |
| Sales | $12.0 \%$ | $4.5 \%$ | $4.0 \%$ |
| "Cash Flow" | $16.5 \%$ | $11.0 \%$ | $2.5 \%$ |
| Earnings | $19.5 \%$ | $7.0 \%$ | $5.0 \%$ |
| Dividends | $11.5 \%$ | $8.0 \%$ | $3.5 \%$ |
| Book Value | $12.5 \%$ | $17.5 \%$ | $8.5 \%$ |


| Cal- <br> endar | QUARTERLY SALES (\$ mill.) |  |  |  | Full |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |  |
| 2011 | 12949 | 14230 | 15716 | 17243 | 60138 |
| 2012 | 15981 | 17374 | 16445 | 16075 | 65875 |
| 2013 | 13210 | 14621 | 13423 | 14402 | 55656 |
| 2014 | 13241 | 14440 | 13800 | 14719 | 56200 |
| 2015 | 14041 | 15240 | 14600 | 15619 | 59500 |
| Cal- | EARNINGS PER SHARE A |  |  |  |  |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Yull |
| 2011 | 1.84 | 1.72 | 1.93 | 2.32 | 7.81 |
| 2012 | 2.37 | 2.54 | 2.54 | 1.91 | 9.36 |
| 2013 | 1.31 | 1.45 | 1.45 | 1.58 | 5.79 |
| 2014 | 1.61 | 1.50 | 1.45 | 1.69 | 6.25 |
| 2015 | 1.81 | 1.70 | 1.65 | 1.94 | 7.10 |
| Cal- | QUARTERLY DIVIDENDS PAID Ba | Full |  |  |  |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 2010 | .42 | .42 | .44 | .44 | 1.72 |
| 2011 | .44 | .44 | .46 | .46 | 1.80 |
| 2012 | .46 | .46 | .52 | 1.04 | 2.48 |
| 2013 | .- | .52 | .60 | .60 | 1.72 |
| 2014 | .60 | .60 |  |  |  |

## BUSINESS: Caterpillar Incorporated is the world's largest producer

 of earthmoving equipment. Major global markets include road building, mining, logging, agriculture, petroleum, and general construction. Products include tractors, scrapers, graders, compactors, loaders, off-highway truck engines, and pipelayers. Also makes diesel \& turbine engines and lift trucks. Foreign sales $67 \%$ of total;
## Caterpillar has reported better-than-

 anticipated results to start 2014. Firstquarter sales, at $\$ 13.24$ billion, were essentially even with the year-earlier tally, with momentum in the Construction Industries and Energy \& Transportation end markets compensating for sluggishness in Mining equipment (part of the Resource Industries division). Despite business and economic uncertainties globally, and a secular downturn in CAT's bread-andbutter mining business, a tight rein on expenses buoyed Caterpillar's share net. Excluding restructuring costs, this entity reported share earnings of $\$ 1.61$, which eclipsed our $\$ 1.22$ estimate and the yearearlier profit of $\$ 1.31$ a share.These healthy results were a surprise, given the mixed dealer data that have been released of late. Dealer statistics showed a worsening deterioration in global demand for Caterpillar mining equipment. In particular, the manufacturing company noted that sales of earth-moving equipment fell $12 \%$ year over year in March, after declining $8 \%$ in both J anuary and February. However, purchases by customers in the mining space plummeted $46 \%$ in
research \& development: $3.7 \%$ of sales. 2013 depreciation rate: $9.7 \%$. Has about 118,501 employees. Officers \& directors own less than $1.0 \%$ of common stock; State Street, 10.5\%; The Vanguard Group, $5.4 \%$ (4/14 proxy). Chairman \& Chief Executive Officer: Douglas R. Oberhelman. Inc.: DE. Addr.: 100 Northeast Adams St., Peoria, IL 61629. Tel.: 309-675-1000. Web: www.caterpillar.com.
March, following 37\% declines in both J anuary and February. The falloff in orders was most notable in the Asia Pacific region, previously an engine of growth, and in South America, where policies by newly elected governments have made mining prohibitively expensive.
The company's sales outlook for 2014 remains unchanged at $\$ 56.0$ billion. However, there are a range of macroeconomic and geopolitical uncertainties that could prove detrimental for global GDP and, thus, weigh on demand for Caterpillar's products. Given the solid performance in the March term, this manufacturer has increased its 2014 profit expectations by $\$ 0.25$, to $\$ 6.10$ a share, excluding restructuring costs. Our top- and bottom-line estimates are currently $\$ 56.2$ billion and $\$ 6.25$, respectively.
These shares have forged ahead recently, setting a new 52-week high. The likelihood of an eventual turnaround has led to improved investor sentiment. That said, this stock's long-term appreciation potential is somewhat limited, given its recent price strength.
Dominic B. Silva
(A) Diluted earnings. Excl. net nonrecurring gain (losses): '03, (6c); '06, (8¢); '07, 5¢; '08, (5¢); '11, (41¢); '12, (88¢). Includes 75¢ of restructuring costs in '09; est'd Health Care

Reform chg of 11¢ in 1Q, '10. Next egs report avail. (C) Incl. equip. purch. for leasing. late July. (B) Div'ds historically paid mid- $\quad$ (D) Incl. intang. In '13: \$10.6 bill., \$16.43/sh. | February, May, August, November. '13 1Q | (E) In mill., adjusted for split. (F) Accelerated |
| :--- | :--- | Divd's paid in '12 4Q. - Div'd reinvestment plan basis.

