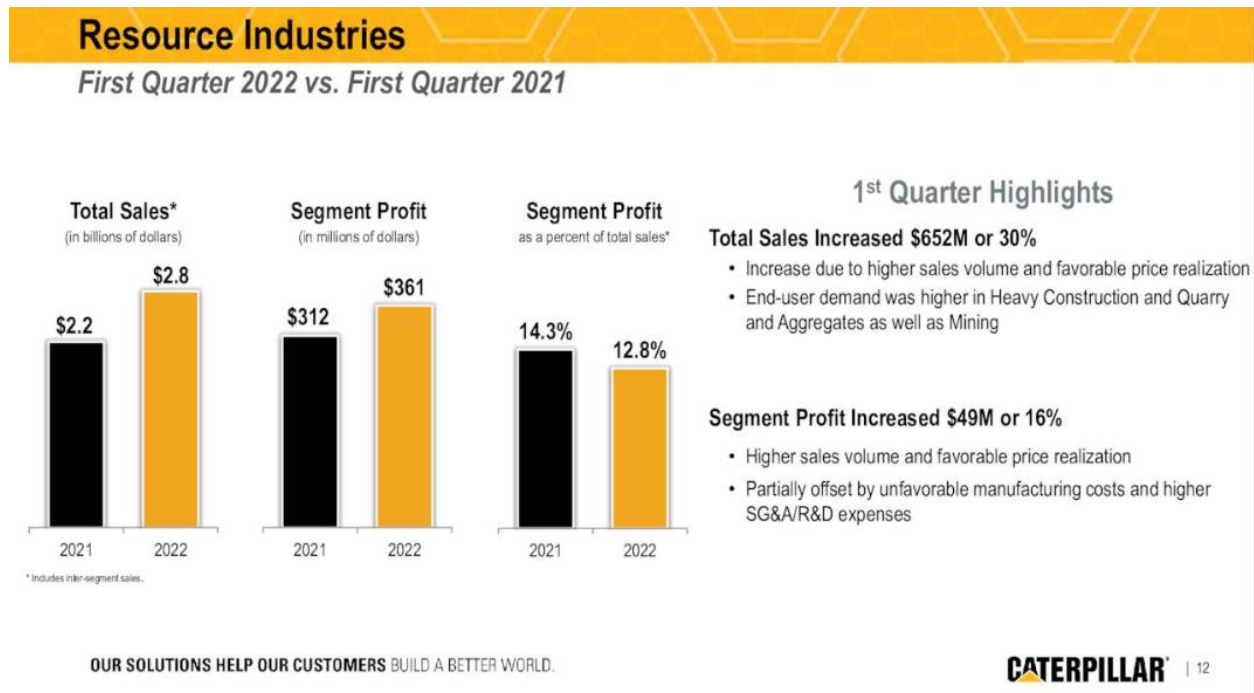


Inside Caterpillar: Last Quarter's Progress.

May 11, 2022

Caterpillar's first quarter was very similar to the previous quarter—strong demand from its customers but not quite able to meet that demand because of supply chain issues. For the 5th consecutive quarter, end user demand increased from its year prior comparison. Sales in all its business segments rose between 12% and 30%, arriving at a 14% overall revenue growth. However, higher freight and material costs rose more than the price increases that Caterpillar put into effect for its products, leading to smaller profit margins than a year ago. Caterpillar expects further price increases of its products to offset higher costs of supplies as the year progresses.

Resource Industries, Cat's strongest business segment for the quarter, recorded 30% growth. For a few years now, Cat has discussed how mining companies keep having discussions with them on new orders after years of little to no investment coming off of the last commodity cycle's low. Finally, the world is seeing strength in many commodities' prices over the past year or more. This strength has been enough to tip the scales in Cat's favor, as the mining industry expands their fleets, repairs older machines, and shows interest in Cat's new zero-emission and autonomous machines.



Caterpillar entered into an agreement with Ioneer, a Nevada-based lithium and boron miner, to be the sole equipment supplier for its Rhyolite Ridge mine, the largest known lithium and boron deposit in North America. Ioneer will use Cat's autonomous hauling system, which it tested to improve efficiency, costs and safety of the mine. Cat is the world leader in autonomous mining trucks. It passed the milestone of 500 trucks in operation this past quarter, far above the nearest competitor. The first prototype of an autonomous mining truck was developed by Cat in 1994, where it hauled limestone at a Texas site for 2.6 miles. This milestone has been a long time coming and hopefully is just the beginning of a successful revenue stream for Cat for years to come.