

Caterpillar Inc

Caterpillar is a leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. It also provides financing and related services through its financial products segment. Total revenues were up 21% y/y to USD15.0bn, 4% above consensus, with all its segments reporting better-than-expected revenues on improving volume trends (as supply-chain constraints seem to ease and dealers increased their inventories) and strong pricing (+14% y/y). Revenues in the mining equipment-related segment rose 30% y/y to USD3.1bn, driven by price gains, favourable dealer inventory changes, and higher sales to end-users and aftermarket parts. Revenues in the construction industries segment grew 19% y/y to USD6.3bn and in the energy and transportation segment increased 22% y/y to USD6.2bn. Dealer inventories rose by ca USD700m during the quarter compared with a USD300m decline in Q3 2021. Operating profit in the equipment segment was strong, up 43% y/y to USD2.7bn, 17% above consensus, with all the segments reporting better-than-expected profits/margins, due to strong pricing, which more than offset cost increases. Profit in the finance segment increased 27% y/y to USD220m. Adjusted EPS was up 49% y/y to USD 3.95, above consensus of USD 3.18. Management provided no specific 2022 guidance. However, management stated that it anticipates Q4 2022 to be the highest sales quarter of the year, reflecting typical seasonality. It also expects price realisation to more than offset input costs and strong operating margins in Q4 2022; this compares to consensus forecasts of 19% y/y revenue growth and an operating margin improvement of 300bps y/y to ca 14% in Q4 2022.

Corporate Ratings		Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated			C	Data	Adjusted (if Available)			
S&P	A													
Outlook	Stable													
Moody's	A2													
Outlook	Stable													
Fitch	A													
Outlook	Stable													
CDS Data														
5 YR CDS	42.83													
% 3 Months	-11.32													
% 6 Months	-8.88													
% 1 Year	24.61													
52 Week Low	28.15													
52 Week High	64.08													
Profitability		Balance Sheet Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
EBIT	7,891	Total Current Assets		42,577.0	42,577.0	41,982.0	42,570.0	43,455.0	41,893.0	42,946.0	42,581.0	39,464.0		
Operating Margin	13.93	Total Long-Term Assets		38,330.0	38,330.0	39,125.0	39,706.0	39,338.0	38,891.0	38,751.0	38,148.0	38,860.0		
Pretax Margin	14.98	Total Assets		80,907.0	80,907.0	81,107.0	82,276.0	82,793.0	80,784.0	81,697.0	80,729.0	78,324.0		
Return on Assets	8.69	Total Current Liabilities		30,202.0	30,202.0	28,963.0	29,532.0	29,847.0	25,976.0	27,508.0	26,578.0	25,717.0		
Return on Common Equity	43.58	Total Long-Term Liabilities		35,083.0	35,083.0	36,385.0	35,647.0	36,430.0	38,113.0	37,309.0	37,534.0	37,229.0		
Return on Capital	13.99	Total Liabilities		65,285.0	65,285.0	65,348.0	65,179.0	66,277.0	64,089.0	64,817.0	64,112.0	62,946.0		
Asset turnover	0.70	Total Shareholders' Equity		15,622.0	15,622.0	15,759.0	17,097.0	16,516.0	16,695.0	16,880.0	16,617.0	15,378.0		
		Shares Outstanding		520.4	520.4	527.9	533.4	535.9	540.9	545.3	545.3	545.3		
		Book Value per Share		31.2	30.1	30.0	30.0	29.8	32.0	30.8	30.8	30.4	28.1	
		Tangible Book Value / Sh		16.7	16.7	16.4	18.4	17.0	17.0	17.0	16.5	14.0		
		Shareholder Equity/Total Liab		19.3	19.3	19.4	20.8	19.9	20.7	20.7	20.6	19.6		
Structure		Cash Flow Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Current Ratio	1.41	Net Income		1,752.2	1,882.4	7,371.0	2,041.0	1,673.0	1,537.0	2,120.0	1,426.0	1,413.0	1,530.0	780.0
Quick Ratio	0.77	Depreciation and Amortization		383.5	409.1	1,732.0	481.0	482.0	485.0	284.0	518.0	511.0	509.0	307.0
Total Debt to Total Assets	45.14	Change in Working Capital				-3,542.0	-644.0	-19.0	-570.0	-2,309.0	479.0	-565.0	2,256.0	191.0
Total Debt to Com Equity	234.27	Cash - Operating Activities				6,439.0	2,481.0	2,233.0	313.0	1,412.0	1,740.0	2,118.0	1,928.0	2,072.0
Acct Receivable Turnover	3.40	Capital Expenditures		-341.0	-485.8	-2,676.0	-617.0	-595.0	-679.0	-785.0	-587.0	-596.0	-504.0	-624.0
Inventory Turnover	2.63	Cash - Investing Activities				-2,690.0	190.0	-575.0	-1,313.0	-992.0	-375.0	-1,240.0	-477.0	-526.0
Gross Margin	29.02	Cash - Financing Activities				-6,843.0	-2,339.0	-2,167.0	-1,731.0	-606.0	-2,758.0	-1,387.0	534.0	-1,499.0
EBIT / Total Inter	18.02	Net Changes in Cash				-3,094.0	332.0	-509.0	-2,731.0	-186.0	-1,393.0	-509.0	1,985.0	47.0
		Free Cash Flow		1,668.2	2,499.1	3,763.0	1,864.0	1,638.0	-366.0	627.0	1,153.0	1,522.0	1,424.0	1,448.0
Growth Potential														
Sales 1yr Growth	22.09													
Asset 1yr Growth	5.71													
Capital 1yr Growth	3.36													

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