

GENERAL MOTORS COMPANY AND SUBSIDIARIES

Item 8. Financial Statements and Supplementary Data

CONSOLIDATED INCOME STATEMENTS (In millions, except per share amounts)

	Years Ended December 31,		
	2018	2017	2016
Net sales and revenue			
Automotive	\$ 133,045	\$ 133,449	\$ 140,205
GM Financial	14,004	12,139	8,979
Total net sales and revenue (Note 3)	147,049	145,588	149,184
Costs and expenses			
Automotive and other cost of sales	120,656	116,229	121,784
GM Financial interest, operating and other expenses	12,298	11,128	8,369
Automotive and other selling, general and administrative expense	9,650	9,570	10,345
Total costs and expenses	142,604	136,927	140,498
Operating income	4,445	8,661	8,686
Automotive interest expense	655	575	563
Interest income and other non-operating income, net (Note 19)	2,596	1,645	1,603
Equity income (Note 8)	2,163	2,132	2,282
Income before income taxes	8,549	11,863	12,008
Income tax expense (Note 17)	474	11,533	2,739
Income from continuing operations	8,075	330	9,269
Loss from discontinued operations, net of tax (Note 22)	70	4,212	1
Net income (loss)	8,005	(3,882)	9,268
Net loss attributable to noncontrolling interests	9	18	159
Net income (loss) attributable to stockholders	<u>\$ 8,014</u>	<u>\$ (3,864)</u>	<u>\$ 9,427</u>
Net income (loss) attributable to common stockholders	\$ 7,916	\$ (3,880)	\$ 9,427
Earnings per share (Note 21)			
Basic earnings per common share – continuing operations	\$ 5.66	\$ 0.23	\$ 6.12
Basic loss per common share – discontinued operations	\$ 0.05	\$ 2.88	\$ —
Basic earnings (loss) per common share	\$ 5.61	\$ (2.65)	\$ 6.12
Weighted-average common shares outstanding – basic	1,411	1,465	1,540
Diluted earnings per common share – continuing operations	\$ 5.58	\$ 0.22	\$ 6.00
Diluted loss per common share – discontinued operations	\$ 0.05	\$ 2.82	\$ —
Diluted earnings (loss) per common share	\$ 5.53	\$ (2.60)	\$ 6.00
Weighted-average common shares outstanding – diluted	1,431	1,492	1,570

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In millions)

	Years Ended December 31,		
	2018	2017	2016
Net income (loss)	\$ 8,005	\$ (3,882)	\$ 9,268
Other comprehensive income (loss), net of tax (Note 20)			
Foreign currency translation adjustments and other	(715)	747	(384)
Defined benefit plans	(221)	570	(969)
Other comprehensive income (loss), net of tax	(936)	1,317	(1,353)
Comprehensive income (loss)	7,069	(2,565)	7,915
Comprehensive loss attributable to noncontrolling interests	15	20	218
Comprehensive income (loss) attributable to stockholders	<u>\$ 7,084</u>	<u>\$ (2,545)</u>	<u>\$ 8,133</u>

Reference should be made to the notes to consolidated financial statements.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,844	\$ 15,512
Marketable securities (Note 4)	5,966	8,313
Accounts and notes receivable (net of allowance of \$211 and \$278)	6,549	8,164
GM Financial receivables, net (Note 5; Note 11 at VIEs)	26,850	20,521
Inventories (Note 6)	9,816	10,663
Equipment on operating leases, net (Note 7)	247	1,106
Other current assets (Note 4; Note 11 at VIEs)	5,021	4,465
Total current assets	75,293	68,744
Non-current Assets		
GM Financial receivables, net (Note 5; Note 11 at VIEs)	25,083	21,208
Equity in net assets of nonconsolidated affiliates (Note 8)	9,215	9,073
Property, net (Note 9)	38,758	36,253
Goodwill and intangible assets, net (Note 10)	5,579	5,849
Equipment on operating leases, net (Note 7; Note 11 at VIEs)	43,559	42,882
Deferred income taxes (Note 17)	24,082	23,544
Other assets (Note 4; Note 11 at VIEs)	5,770	4,929
Total non-current assets	152,046	143,738
Total Assets	\$ 227,339	\$ 212,482
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	\$ 22,297	\$ 23,929
Short-term debt and current portion of long-term debt (Note 13)		
Automotive	935	2,515
GM Financial (Note 11 at VIEs)	30,956	24,450
Accrued liabilities (Note 12)	28,049	25,996
Total current liabilities	82,237	76,890
Non-current Liabilities		
Long-term debt (Note 13)		
Automotive	13,028	10,987
GM Financial (Note 11 at VIEs)	60,032	56,267
Postretirement benefits other than pensions (Note 15)	5,370	5,998
Pensions (Note 15)	11,538	13,746
Other liabilities (Note 12)	12,357	12,394
Total non-current liabilities	102,325	99,392
Total Liabilities	184,562	176,282
Commitments and contingencies (Note 16)		
Equity (Note 20)		
Common stock, \$0.01 par value	14	14
Additional paid-in capital	25,563	25,371
Retained earnings	22,322	17,627
Accumulated other comprehensive loss	(9,039)	(8,011)
Total stockholders' equity	38,860	35,001
Noncontrolling interests	3,917	1,199
Total Equity	42,777	36,200
Total Liabilities and Equity	\$ 227,339	\$ 212,482

GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2018	2017	2016
Cash flows from operating activities			
Income from continuing operations	\$ 8,075	\$ 330	\$ 9,269
Depreciation and impairment of Equipment on operating leases, net	7,604	6,805	4,804
Depreciation, amortization and impairment charges on Property, net	6,065	5,456	5,015
Foreign currency remeasurement and transaction losses	168	52	229
Undistributed earnings of nonconsolidated affiliates, net	(141)	(132)	(15)
Pension contributions and OPEB payments	(2,069)	(1,636)	(3,454)
Pension and OPEB income, net	(1,280)	(934)	(769)
Provision (benefit) for deferred taxes	(112)	10,880	2,228
Change in other operating assets and liabilities (Note 26)	(1,376)	(3,015)	580
Other operating activities	(1,678)	(468)	(894)
Net cash provided by operating activities – continuing operations	15,256	17,338	16,993
Net cash used in operating activities – discontinued operations	—	(10)	(386)
Net cash provided by operating activities	15,256	17,328	16,607
Cash flows from investing activities			
Expenditures for property	(8,761)	(8,453)	(8,384)
Available-for-sale marketable securities, acquisitions	(2,820)	(5,503)	(15,182)
Trading marketable securities, acquisitions	—	—	(262)
Available-for-sale marketable securities, liquidations	5,108	9,007	10,871
Trading marketable securities, liquidations	—	—	872
Acquisition of companies/investments, net of cash acquired	(83)	(41)	(804)
Purchases of finance receivables, net	(25,671)	(19,325)	(14,378)
Principal collections and recoveries on finance receivables	17,048	12,578	9,899
Purchases of leased vehicles, net	(16,736)	(19,180)	(19,495)
Proceeds from termination of leased vehicles	10,864	6,667	2,554
Other investing activities	122	178	162
Net cash used in investing activities – continuing operations	(20,929)	(24,072)	(34,147)
Net cash provided by (used in) investing activities – discontinued operations (Note 22)	166	(3,500)	(1,496)
Net cash used in investing activities	(20,763)	(27,572)	(35,643)
Cash flows from financing activities			
Net increase (decrease) in short-term debt	1,186	(140)	(282)
Proceeds from issuance of debt (original maturities greater than three months)	43,801	52,187	42,036
Payments on debt (original maturities greater than three months)	(33,323)	(33,592)	(20,727)
Payments to purchase common stock	(190)	(4,492)	(2,500)
Proceeds from issuance of subsidiary preferred and common stock (Note 20)	2,862	985	—
Dividends paid	(2,242)	(2,233)	(2,368)
Other financing activities	(640)	(305)	(163)
Net cash provided by financing activities – continuing operations	11,454	12,410	15,996
Net cash provided by financing activities – discontinued operations	—	174	1,081
Net cash provided by financing activities	11,454	12,584	17,077
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(299)	348	(213)
Net increase (decrease) in cash, cash equivalents and restricted cash	5,648	2,688	(2,172)
Cash, cash equivalents and restricted cash at beginning of period	17,848	15,160	17,332
Cash, cash equivalents and restricted cash at end of period	\$ 23,496	\$ 17,848	\$ 15,160
Cash, cash equivalents and restricted cash – continuing operations at end of period (Note 4)	\$ 23,496	\$ 17,848	\$ 14,487
Cash, cash equivalents and restricted cash – discontinued operations at end of period	\$ —	\$ —	\$ 673
Significant Non-cash Investing and Financing Activity			
Non-cash property additions – continuing operations	\$ 3,813	\$ 3,996	\$ 3,897
Non-cash property additions – discontinued operations	\$ —	\$ —	\$ 868
Non-cash business acquisition – continuing operations	\$ —	\$ —	\$ 290
Non-cash proceeds on sale of discontinued operations (Note 22)	\$ —	\$ 808	\$ —