

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (LOSS)
(in millions, except per share data)

	<i>Year Ended December 31,</i>		
	2019	2018	2017
Net sales	\$ 4,353.1	\$ 4,517.2	\$ 3,793.7
Cost of goods sold	(3,465.3)	(3,555.3)	(3,026.4)
Gross profit	887.8	961.9	767.3
Selling, general and administrative expenses	(552.8)	(549.4)	(539.1)
Income (loss) from operations	335.0	412.5	228.2
Other income (expense)			
Interest income	6.5	8.7	6.3
Interest expense	(87.9)	(72.8)	(67.2)
Loss on early extinguishment of debt	—	(0.7)	(52.6)
Other income (expense) – net	(6.1)	(60.6)	48.7
Income (loss) from continuing operations before income taxes	247.5	287.1	163.4
(Provision for) benefit from income taxes	(37.8)	(45.4)	(52.4)
Income (loss) from continuing operations	209.7	241.7	111.0
Income (loss) from discontinued operations – net of tax	(155.4)	(130.4)	(49.6)
Gain (loss) on disposition of discontinued operations – net of tax	0.1	2.4	67.3
Net income (loss)	<u>\$ 54.4</u>	<u>\$ 113.7</u>	<u>\$ 128.7</u>
Basic earnings (loss) per share:			
Income (loss) from continuing operations	\$ 2.95	\$ 3.21	\$ 1.20
Income (loss) from discontinued operations – net of tax	(2.18)	(1.73)	(0.53)
Gain (loss) on disposition of discontinued operations – net of tax	—	0.03	0.72
Net income (loss)	<u>\$ 0.77</u>	<u>\$ 1.51</u>	<u>\$ 1.39</u>
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	\$ 2.92	\$ 3.14	\$ 1.17
Income (loss) from discontinued operations – net of tax	(2.16)	(1.69)	(0.52)
Gain (loss) on disposition of discontinued operations – net of tax	—	0.03	0.71
Net income (loss)	<u>\$ 0.76</u>	<u>\$ 1.48</u>	<u>\$ 1.36</u>
Weighted average number of shares outstanding in per share calculation			
Basic	71.1	75.4	92.8
Diluted	<u>71.8</u>	<u>76.9</u>	<u>94.9</u>

The accompanying notes are an integral part of these consolidated financial statements.

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions, except par value)

	<i>December 31,</i>	
	<i>2019</i>	<i>2018</i>
Assets		
Current assets		
Cash and cash equivalents	\$ 535.1	\$ 339.5
Trade receivables (net of allowance of \$9.9 and \$9.1 at December 31, 2019 and 2018, respectively)	401.9	535.0
Inventories	847.7	918.9
Prepaid and other current assets	225.8	170.1
Current assets held for sale	9.2	459.5
Total current assets	2,019.7	2,423.0
Non-current assets		
Property, plant and equipment – net	389.4	317.3
Goodwill	269.9	265.2
Intangible assets – net	9.7	11.4
Other assets	506.3	400.6
Non-current assets held for sale	0.6	68.4
Total assets	\$ 3,195.6	\$ 3,485.9
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 6.9	\$ 4.1
Trade accounts payable	508.1	687.2
Accrued compensation and benefits	100.3	123.1
Other current liabilities	248.7	220.8
Current liabilities held for sale	8.4	179.5
Total current liabilities	872.4	1,214.7
Non-current liabilities		
Long-term debt, less current portion	1,168.8	1,210.6
Other non-current liabilities	220.9	113.1
Non-current liabilities held for sale	1.2	86.5
Total liabilities	2,263.3	2,624.9
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value – authorized 300.0 shares; issued 82.2 and 81.3 shares at December 31, 2019 and 2018, respectively	0.8	0.8
Additional paid-in capital	824.4	797.3
Retained earnings	771.4	749.0
Accumulated other comprehensive income (loss)	(257.5)	(284.8)
Less cost of shares of common stock in treasury – 11.8 and 11.7 shares at December 31, 2019 and 2018, respectively	(406.8)	(401.8)
Total Terex Corporation stockholders' equity	932.3	860.5
Noncontrolling interest	—	0.5
Total stockholders' equity	932.3	861.0
Total liabilities and stockholders' equity	\$ 3,195.6	\$ 3,485.9

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TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	<i>Year Ended December 31,</i>		
	2019	2018	2017
Operating Activities			
Net income (loss)	\$ 54.4	\$ 113.7	\$ 128.7
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	49.6	59.7	66.5
(Gain) loss on disposition of discontinued operations	(0.1)	(2.4)	(68.7)
Deferred taxes	(17.6)	(9.1)	37.6
Impairments	83.6	9.0	6.8
(Gain) loss on sale of assets	(9.8)	(1.9)	(58.0)
Loss on early extinguishment of debt	—	0.7	52.6
Stock-based compensation expense	43.1	36.7	38.5
Pension plan settlements	—	67.8	1.5
Inventory and other non-cash charges	47.6	30.3	34.0
Changes in operating assets and liabilities (net of effects of acquisitions and divestitures):			
Trade receivables	176.1	(107.9)	(0.5)
Inventories	20.3	(284.2)	(33.5)
Trade accounts payable	(220.1)	213.2	25.0
Other assets and liabilities	(57.0)	(25.1)	(46.0)
Foreign exchange and other operating activities, net	3.3	(6.3)	(31.5)
Net cash provided by (used in) operating activities	173.4	94.2	153.0
Investing Activities			
Capital expenditures	(108.9)	(103.8)	(43.5)
Proceeds from sale of capital assets	4.3	2.8	20.2
Proceeds from disposition of investments	30.7	19.3	783.2
Proceeds (payments) from disposition of discontinued operations	177.7	2.5	775.7
Other investing activities, net	—	(6.7)	—
Net cash provided by (used in) investing activities	103.8	(85.9)	1,535.6
Financing Activities			
Repayments of debt	(1,660.5)	(1,150.1)	(1,594.1)
Proceeds from issuance of debt	1,616.6	1,382.3	1,010.7
Payment of debt extinguishment costs	—	(0.5)	(36.4)
Share repurchases	(7.4)	(427.5)	(924.9)
Dividends paid	(31.4)	(30.0)	(29.5)
Other financing activities, net	(21.0)	(19.1)	(32.3)
Net cash provided by (used in) financing activities	(103.7)	(244.9)	(1,606.5)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5.5)	(21.4)	46.1
Net Increase (Decrease) in Cash and Cash Equivalents	168.0	(258.0)	128.2
Cash and Cash Equivalents at Beginning of Period	372.1	630.1	501.9
Cash and Cash Equivalents at End of Period	\$ 540.1	\$ 372.1	\$ 630.1

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