

DEERE & COMPANY
STATEMENT OF CONSOLIDATED INCOME
For the Years Ended November 3, 2019, October 28, 2018, and October 29, 2017
(In millions of dollars and shares except per share amounts)

	2019	2018	2017
Net Sales and Revenues			
Net sales	\$ 34,886	\$ 33,351	\$ 25,885
Finance and interest income	3,493	3,107	2,732
Other income	879	900	1,121
Total	39,258	37,358	29,738
Costs and Expenses			
Cost of sales	26,792	25,571	19,866
Research and development expenses	1,783	1,658	1,373
Selling, administrative and general expenses	3,551	3,455	3,098
Interest expense	1,466	1,204	899
Other operating expenses	1,578	1,399	1,348
Total	35,170	33,287	26,584
Income of Consolidated Group before Income Taxes	4,088	4,071	3,154
Provision for income taxes	852	1,727	971
Income of Consolidated Group	3,236	2,344	2,183
Equity in income (loss) of unconsolidated affiliates	21	27	(24)
Net Income	3,257	2,371	2,159
Less: Net income attributable to noncontrolling interests	4	3	
Net Income Attributable to Deere & Company	\$ 3,253	\$ 2,368	\$ 2,159
Per Share Data			
Basic	\$ 10.28	\$ 7.34	\$ 6.76
Diluted	\$ 10.15	\$ 7.24	\$ 6.68
Dividends declared	\$ 3.04	\$ 2.58	\$ 2.40
Average Shares Outstanding			
Basic	316.5	322.6	319.5
Diluted	320.6	327.3	323.3

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY
CONSOLIDATED BALANCE SHEET
As of November 3, 2019 and October 28, 2018
(In millions of dollars)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 3,857	\$ 3,904
Marketable securities	581	490
Receivables from unconsolidated affiliates	46	22
Trade accounts and notes receivable - net	5,230	5,004
Financing receivables - net	29,195	27,054
Financing receivables securitized - net	4,383	4,022
Other receivables	1,487	1,736
Equipment on operating leases - net	7,567	7,165
Inventories	5,975	6,149
Property and equipment - net	5,973	5,868
Investments in unconsolidated affiliates	215	207
Goodwill	2,917	3,101
Other intangible assets - net	1,380	1,562
Retirement benefits	840	1,298
Deferred income taxes	1,466	808
Other assets	1,899	1,718
Total Assets	\$ 73,011	\$ 70,108
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Short-term borrowings	\$ 10,784	\$ 11,062
Short-term securitization borrowings	4,321	3,957
Payables to unconsolidated affiliates	142	129
Accounts payable and accrued expenses	9,656	10,111
Deferred income taxes	495	556
Long-term borrowings	30,229	27,237
Retirement benefits and other liabilities	5,953	5,751
Total liabilities	61,580	58,803
Commitments and contingencies (Note 23)		
Redeemable noncontrolling interest	14	14
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value (authorized – 1,200,000,000 shares; issued – 536,431,204 shares in 2019 and 2018), at paid-in amount	4,642	4,474
Common stock in treasury, 223,290,789 shares in 2019 and 217,975,806 shares in 2018, at cost	(17,474)	(16,312)
Retained earnings	29,852	27,553
Accumulated other comprehensive income (loss)	(5,607)	(4,427)
Total Deere & Company stockholders' equity	11,413	11,288
Noncontrolling interests	4	3
Total stockholders' equity	11,417	11,291
Total Liabilities and Stockholders' Equity	\$ 73,011	\$ 70,108

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DEERE & COMPANY
STATEMENT OF CONSOLIDATED CASH FLOWS
For the Years Ended November 3, 2019, October 28, 2018, and October 29, 2017
(In millions of dollars)

	2019	2018	2017
Cash Flows from Operating Activities			
Net income	\$ 3,257	\$ 2,371	\$ 2,159
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	43	90	98
Provision for depreciation and amortization	2,019	1,927	1,716
Impairment charges	77	40	
Share-based compensation expense	82	84	68
(Gain) loss on sales of businesses and unconsolidated affiliates	5	(25)	(375)
Undistributed earnings of unconsolidated affiliates	9	(26)	(14)
Provision (credit) for deferred income taxes	(465)	1,480	100
Changes in assets and liabilities:			
Trade, notes, and financing receivables related to sales	(869)	(1,531)	(839)
Inventories	(780)	(1,772)	(1,305)
Accounts payable and accrued expenses	46	722	968
Accrued income taxes payable/receivable	173	(466)	(84)
Retirement benefits	(233)	(1,026)	(32)
Other	48	(6)	(304)
Net cash provided by operating activities	<u>3,412</u>	<u>1,822</u>	<u>2,196</u>
Cash Flows from Investing Activities			
Collections of receivables (excluding receivables related to sales)	16,706	15,589	14,671
Proceeds from maturities and sales of marketable securities	89	76	404
Proceeds from sales of equipment on operating leases	1,648	1,483	1,441
Proceeds from sales of businesses and unconsolidated affiliates, net of cash sold	93	156	114
Cost of receivables acquired (excluding receivables related to sales)	(18,873)	(17,013)	(15,222)
Acquisitions of businesses, net of cash acquired		(5,245)	(284)
Purchases of marketable securities	(140)	(133)	(118)
Purchases of property and equipment	(1,120)	(896)	(595)
Cost of equipment on operating leases acquired	(2,329)	(2,054)	(1,997)
Other	2	(139)	(76)
Net cash used for investing activities	<u>(3,924)</u>	<u>(8,176)</u>	<u>(1,662)</u>
Cash Flows from Financing Activities			
Increase (decrease) in total short-term borrowings	(917)	473	1,310
Proceeds from long-term borrowings	9,986	8,288	8,702
Payments of long-term borrowings	(6,426)	(6,245)	(5,397)
Proceeds from issuance of common stock	178	217	529
Repurchases of common stock	(1,253)	(958)	(6)
Dividends paid	(943)	(806)	(764)
Other	(116)	(93)	(88)
Net cash provided by financing activities	<u>509</u>	<u>876</u>	<u>4,286</u>
Effect of Exchange Rate Changes on Cash, Cash Equivalents, and Restricted Cash	<u>(56)</u>	<u>26</u>	<u>157</u>
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	<u>(59)</u>	<u>(5,452)</u>	<u>4,977</u>
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>4,015</u>	<u>9,467</u>	<u>4,490</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 3,956</u>	<u>\$ 4,015</u>	<u>\$ 9,467</u>

The notes to consolidated financial statements are an integral part of this statement.