

DEERE & CO  
Form 10-Q  
February 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 10-Q

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(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 27, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission file no: 1-4121

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DEERE & COMPANY

(Exact name of registrant as specified in its charter)

Delaware                                      36-2382580  
(State of incorporation)      (IRS employer identification no.)

One John Deere Place

Moline, Illinois 61265

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(Address of principal executive offices)

Telephone Number: (309) 765-8000

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer
Non-accelerated filer		Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

At January 27, 2019, 318,493,477 shares of common stock, \$1 par value, of the registrant were outstanding.



## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## DEERE &amp; COMPANY

## STATEMENT OF CONSOLIDATED INCOME

For the Three Months Ended January 27, 2019 and January 28, 2018

(In millions of dollars and shares except per share amounts) Unaudited

	2019	2018
Net Sales and Revenues		
Net sales	\$ 6,940.9	\$ 5,973.9
Finance and interest income	814.9	722.9
Other income	227.8	216.7
Total	7,983.6	6,913.5
Costs and Expenses		
Cost of sales	5,431.6	4,704.5
Research and development expenses	406.8	356.8
Selling, administrative and general expenses	763.7	705.0
Interest expense	353.0	286.3
Other operating expenses	351.3	343.0
Total	7,306.4	6,395.6
Income of Consolidated Group before Income Taxes	677.2	517.9
Provision for income taxes	184.1	1,057.5
Income (Loss) of Consolidated Group	493.1	(539.6)
Equity in income of unconsolidated affiliates	6.5	4.9
Net Income (Loss)	499.6	(534.7)
Less: Net income attributable to noncontrolling interests	1.1	.4
Net Income (Loss) Attributable to Deere & Company	\$ 498.5	\$ (535.1)
Per Share Data		
Basic	\$ 1.56	\$ (1.66)
Diluted	\$ 1.54	\$ (1.66)
Average Shares Outstanding		
Basic	318.5	322.8
Diluted	322.7	322.8

See Condensed Notes to Interim Consolidated Financial Statements.

DEERE & COMPANY  
 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME  
 For the Three Months Ended January 27, 2019 and January 28, 2018  
 (In millions of dollars) Unaudited

	2019	2018
Net Income (Loss)	\$ 499.6	\$ (534.7)
Other Comprehensive Income (Loss), Net of Income Taxes		
Retirement benefits adjustment	19.6	46.3
Cumulative translation adjustment	(161.5)	223.3
Unrealized gain (loss) on derivatives	(8.4)	5.4
Unrealized gain (loss) on debt securities	7.9	(.2)
Other Comprehensive Income (Loss), Net of Income Taxes	(142.4)	274.8
Comprehensive Income (Loss) of Consolidated Group	357.2	(259.9)
Less: Comprehensive income attributable to noncontrolling interests	1.1	.5
Comprehensive Income (Loss) Attributable to Deere & Company	\$ 356.1	\$ (260.4)

See Condensed Notes to Interim Consolidated Financial Statements.

DEERE & COMPANY  
 CONDENSED CONSOLIDATED BALANCE SHEET  
 (In millions of dollars) Unaudited

	January 27 2019	October 28 2018	January 28 2018
Assets			
Cash and cash equivalents	\$ 3,625.7	\$ 3,904.0	\$ 3,915.1
Marketable securities	523.5	490.1	462.3
Receivables from unconsolidated affiliates	35.6	21.7	33.7
Trade accounts and notes receivable – net	5,497.4	5,004.3	4,684.6
Financing receivables – net	25,149.7	27,054.1	23,855.1
Financing receivables securitized – net	4,563.4	4,021.4	4,474.0
Other receivables	1,650.9	1,735.5	1,036.1
Equipment on operating leases – net	6,903.6	7,165.4	6,619.8
Inventories	7,401.9	6,148.9	6,614.2
Property and equipment – net	5,785.2	5,867.5	5,781.2
Investments in unconsolidated affiliates	211.7	207.3	194.0
Goodwill	3,047.6	3,100.7	3,111.8
Other intangible assets – net	1,507.5	1,562.4	1,659.5