Fourth Quarter 2019 Press Release
(in millions of dollars)
Unaudited

| | Three Months Ended | | | Twelve Months Ended | | |
|---|---|---|---|---|---|---|
| | November 3 2019 | October 28 2018 | % Change | November 3 2019 | October 28 2018 | % Change |
| Net sales and revenues: | | | | | | |
| Agriculture and turf | $ 5,756 | $ 5,605 | +3 | $ 23,666 | $ 23,191 | +2 |
| Construction and forestry | 2,947 | 2,738 | +8 | 11,220 | 10,160 | +10 |
| Total net sales | 8,703 | 8,343 | +4 | 34,886 | 33,351 | +5 |
| Financial services | 971 | 851 | +14 | 3,621 | 3,252 | +11 |
| Other revenues | 222 | 222 | | 751 | 755 | -1 |
| Total net sales and revenues | $ 9,896 | $ 9,416 | +5 | $ 39,258 | $ 37,358 | +5 |
| Operating profit: * | | | | | | |
| Agriculture and turf | $ 527 | $ 567 | -7 | $ 2,506 | $ 2,816 | -11 |
| Construction and forestry | 261 | 295 | -12 | 1,215 | 868 | +40 |
| Financial services | 128 | 201 | -36 | 694 | 792 | -12 |
| Total operating profit | 916 | 1,063 | -14 | 4,415 | 4,476 | -1 |
| Reconciling items ** | (90) | (75) | +20 | (310) | (381) | -19 |
| Income taxes | (104) | (203) | -49 | (852) | (1,727) | -51 |
| Net income attributable to Deere & Company | $ 722 | $ 785 | -8 | $ 3,253 | $ 2,368 | +37 |

* Operating profit is income from continuing operations before corporate expenses, certain external interest expense, certain foreign exchange gains and losses, and income taxes. Operating profit of the financial services segment includes the effect of interest expense and foreign exchange gains or losses.

** Reconciling items are primarily corporate expenses, certain external interest expense, certain foreign exchange gains and losses, pension and postretirement benefit costs excluding the service cost component, and net income attributable to noncontrolling interests.

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

| | 2019 | 2018 |
|---|---|---|
| **Net Sales and Revenues** | | |
| Net sales | $ 8,703 | $ 8,343 |
| Finance and interest income | 956 | 844 |
| Other income | 237 | 229 |
| Total | 9,896 | 9,416 |
| **Costs and Expenses** | | |
| Cost of sales | 6,735 | 6,381 |
| Research and development expenses | 488 | 470 |
| Selling, administrative and general expenses | 945 | 899 |
| Interest expense | 388 | 322 |
| Other operating expenses | 515 | 365 |
| Total | 9,071 | 8,437 |
| **Income of Consolidated Group before Income Taxes** | 825 | 979 |
| Provision for income taxes | 104 | 204 |
| **Income of Consolidated Group** | 721 | 775 |
| Equity in income of unconsolidated affiliates | 1 | 9 |
| **Net Income** | 722 | 784 |
| Less: Net loss attributable to noncontrolling interests | | (1) |
| **Net Income Attributable to Deere & Company** | $ 722 | $ 785 |
| **Per Share Data** | | |
| Basic | $ 2.30 | $ 2.45 |
| Diluted | $ 2.27 | $ 2.42 |
| **Average Shares Outstanding** | | |
| Basic | 313.9 | 320.3 |
| Diluted | 317.9 | 324.7 |

See Condensed Notes to Consolidated Financial Statements.

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

| | 2019 | 2018 |
|---|---|---|
| **Net Sales and Revenues** | | |
| Net sales | $ 34,886 | $ 33,351 |
| Finance and interest income | 3,493 | 3,107 |
| Other income | 879 | 900 |
| Total | 39,258 | 37,358 |
| | | |
| **Costs and Expenses** | | |
| Cost of sales | 26,792 | 25,571 |
| Research and development expenses | 1,783 | 1,658 |
| Selling, administrative and general expenses | 3,551 | 3,455 |
| Interest expense | 1,466 | 1,204 |
| Other operating expenses | 1,578 | 1,399 |
| Total | 35,170 | 33,287 |
| | | |
| **Income of Consolidated Group before Income Taxes** | 4,088 | 4,071 |
| Provision for income taxes | 852 | 1,727 |
| **Income of Consolidated Group** | 3,236 | 2,344 |
| Equity in income of unconsolidated affiliates | 21 | 27 |
| **Net Income** | 3,257 | 2,371 |
| Less: Net income attributable to noncontrolling interests | 4 | 3 |
| **Net Income Attributable to Deere & Company** | $ 3,253 | $ 2,368 |
| | | |
| **Per Share Data** | | |
| Basic | $ 10.28 | $ 7.34 |
| Diluted | $ 10.15 | $ 7.24 |
| | | |
| **Average Shares Outstanding** | | |
| Basic | 316.5 | 322.6 |
| Diluted | 320.6 | 327.3 |

See Condensed Notes to Consolidated Financial Statements.

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

| | 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 |
| | | |
| Redeemable noncontrolling interest | 14 | 14 |
| | | |
| **Stockholders' Equity** | | |
| 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 |

See Condensed Notes to Consolidated Financial Statements.

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

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

See Condensed Notes to Consolidated Financial Statements.

Condensed Notes to Consolidated Financial Statements (Unaudited)

(1) Dividends declared and paid on a per share basis were as follows:

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | November 3 2019 | October 28 2018 | November 3 2019 | October 28 2018 |
| Dividends declared | $ .76 | $ .69 | $ 3.04 | $ 2.58 |
| Dividends paid | $ .76 | $ .69 | $ 2.97 | $ 2.49 |

(2) The calculation of basic net income per share is based on the average number of shares outstanding. The calculation of diluted net income per share recognizes any dilutive effect of share-based compensation.

(3) In the first quarter of 2019, the Company adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-18, which amends ASC 230, Statement of Cash Flows. The ASU requires that restricted cash be included with cash and cash equivalents in the statement of cash flows. The ASU was adopted on a retrospective basis. The Company's restricted cash held was as follows in millions of dollars:

| | November 3 2019 | October 28 2018 | October 29 2017 |
|---|---|---|---|
| Equipment operations | $ 21 | $ 7 | $ 6 |
| Financial services | 78 | 104 | 126 |
| Total | $ 99 | $ 111 | $ 132 |

The equipment operations' restricted cash relates to miscellaneous operations activities. The financial services' restricted cash relates to securitization of financing receivables. The restricted cash is recorded in other assets in the consolidated balance sheet.

(4) The consolidated financial statements represent the consolidation of all Deere & Company's subsidiaries. In the supplemental consolidating data in Note 5 to the financial statements, "Equipment Operations" include the Company's agriculture and turf operations and construction and forestry operations with "Financial Services" reflected on the equity basis.

(5) SUPPLEMENTAL CONSOLIDATING DATA
STATEMENT OF INCOME
For the Three Months Ended November 3, 2019 and October 28, 2018

| (In millions of dollars) Unaudited | EQUIPMENT OPERATIONS* | | FINANCIAL SERVICES | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Net Sales and Revenues** | | | | |
| Net sales | $ 8,703 | $ 8,343 | | |
| Finance and interest income | 40 | 56 | $ 1,007 | $ 870 |
| Other income | 267 | 244 | 50 | 54 |
| Total | 9,010 | 8,643 | 1,057 | 924 |
| **Costs and Expenses** | | | | |
| Cost of sales | 6,735 | 6,381 | | |
| Research and development expenses | 488 | 470 | | |
| Selling, administrative and general expenses | 840 | 776 | 106 | 125 |
| Interest expense | 75 | 72 | 323 | 261 |
| Interest compensation to Financial Services | 81 | 71 | | |
| Other operating expenses | 96 | 96 | 498 | 336 |
| Total | 8,315 | 7,866 | 927 | 722 |
| **Income of Consolidated Group before Income Taxes** | 695 | 777 | 130 | 202 |
| Provision (credit) for income taxes | 64 | 263 | 40 | (59) |
| **Income of Consolidated Group** | 631 | 514 | 90 | 261 |
| **Equity in Income of Unconsolidated Subsidiaries and Affiliates** | | | | |
| Financial Services | 90 | 261 | | |
| Other | 1 | 9 | | |
| Total | 91 | 270 | | |
| **Net Income** | 722 | 784 | 90 | 261 |
| Less: Net loss attributable to noncontrolling interests | | (1) | | |
| **Net Income Attributable to Deere & Company** | $ 722 | $ 785 | $ 90 | $ 261 |

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. Transactions between the “Equipment Operations” and “Financial Services” have been eliminated to arrive at the consolidated financial statements.

SUPPLEMENTAL CONSOLIDATING DATA (Continued)
STATEMENT OF INCOME
For the Years Ended November 3, 2019 and October 28, 2018

| (In millions of dollars) Unaudited | EQUIPMENT OPERATIONS* | | FINANCIAL SERVICES | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Net Sales and Revenues** | | | | |
| Net sales | $ 34,886 | $ 33,351 | | |
| Finance and interest income | 118 | 126 | $ 3,735 | $ 3,311 |
| Other income | 881 | 875 | 234 | 249 |
| Total | 35,885 | 34,352 | 3,969 | 3,560 |
| **Costs and Expenses** | | | | |
| Cost of sales | 26,793 | 25,573 | | |
| Research and development expenses | 1,783 | 1,658 | | |
| Selling, administrative and general expenses | 3,031 | 2,935 | 528 | 528 |
| Interest expense | 256 | 298 | 1,234 | 936 |
| Interest compensation to Financial Services | 336 | 300 | | |
| Other operating expenses | 299 | 315 | 1,506 | 1,298 |
| Total | 32,498 | 31,079 | 3,268 | 2,762 |
| **Income of Consolidated Group before Income Taxes** | 3,387 | 3,273 | 701 | 798 |
| Provision (credit) for income taxes | 689 | 1,869 | 163 | (142) |
| **Income of Consolidated Group** | 2,698 | 1,404 | 538 | 940 |
| **Equity in Income of Unconsolidated Subsidiaries and Affiliates** | | | | |
| Financial Services | 539 | 942 | 1 | 2 |
| Other | 20 | 25 | | |
| Total | 559 | 967 | 1 | 2 |
| **Net Income** | 3,257 | 2,371 | 539 | 942 |
| Less: Net income attributable to noncontrolling interests | 4 | 3 | | |
| **Net Income Attributable to Deere & Company** | $ 3,253 | $ 2,368 | $ 539 | $ 942 |

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. Transactions between the “Equipment Operations” and “Financial Services” have been eliminated to arrive at the consolidated financial statements.

SUPPLEMENTAL CONSOLIDATING DATA (Continued)
CONDENSED BALANCE SHEET
As of November 3, 2019 and October 28, 2018

| (In millions of dollars) Unaudited | EQUIPMENT OPERATIONS* | | FINANCIAL SERVICES | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Assets** | | | | |
| Cash and cash equivalents | $ 3,175 | $ 3,195 | $ 682 | $ 709 |
| Marketable securities | 1 | 8 | 580 | 482 |
| Receivables from unconsolidated subsidiaries and affiliates | 2,017 | 1,700 | | |
| Trade accounts and notes receivable - net | 1,482 | 1,374 | 5,153 | 4,906 |
| Financing receivables - net | 65 | 93 | 29,130 | 26,961 |
| Financing receivables securitized - net | 44 | 76 | 4,339 | 3,946 |
| Other receivables | 1,376 | 1,010 | 116 | 776 |
| Equipment on operating leases - net | | | 7,567 | 7,165 |
| Inventories | 5,975 | 6,149 | | |
| Property and equipment - net | 5,929 | 5,821 | 44 | 47 |
| Investments in unconsolidated subsidiaries and affiliates | 5,326 | 5,231 | 16 | 15 |
| Goodwill | 2,917 | 3,101 | | |
| Other intangible assets - net | 1,380 | 1,562 | | |
| Retirement benefits | 836 | 1,241 | 58 | 57 |
| Deferred income taxes | 1,896 | 1,503 | 57 | 69 |
| Other assets | 1,158 | 1,133 | 741 | 587 |
| **Total Assets** | $ 33,577 | $ 33,197 | $ 48,483 | $ 45,720 |
| **Liabilities and Stockholders' Equity** | | | | |
| **Liabilities** | | | | |
| Short-term borrowings | $ 987 | $ 1,434 | $ 9,797 | $ 9,628 |
| Short-term securitization borrowings | 44 | 75 | 4,277 | 3,882 |
| Payables to unconsolidated subsidiaries and affiliates | 142 | 129 | 1,970 | 1,678 |
| Accounts payable and accrued expenses | 9,232 | 9,383 | 1,836 | 2,056 |
| Deferred income taxes | 414 | 497 | 568 | 823 |
| Long-term borrowings | 5,415 | 4,714 | 24,814 | 22,523 |
| Retirement benefits and other liabilities | 5,912 | 5,660 | 94 | 91 |
| Total liabilities | 22,146 | 21,892 | 43,356 | 40,681 |
| Redeemable noncontrolling interest | 14 | 14 | | |
| **Stockholders' Equity** | | | | |
| Total Deere & Company stockholders' equity | 11,413 | 11,288 | 5,127 | 5,039 |
| Noncontrolling interests | 4 | 3 | | |
| Total stockholders' equity | 11,417 | 11,291 | 5,127 | 5,039 |
| **Total Liabilities and Stockholders' Equity** | $ 33,577 | $ 33,197 | $ 48,483 | $ 45,720 |

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. Transactions between the "Equipment Operations" and "Financial Services" have been eliminated to arrive at the consolidated financial statements.

SUPPLEMENTAL CONSOLIDATING DATA (Continued)
STATEMENT OF CASH FLOWS
For the Years Ended November 3, 2019 and October 28, 2018
(In millions of dollars) Unaudited

| | EQUIPMENT OPERATIONS* | | FINANCIAL SERVICES | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Cash Flows from Operating Activities** | | | | |
| Net income | $ 3,257 | $ 2,371 | $ 539 | $ 942 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Provision for credit losses | 14 | 39 | 29 | 51 |
| Provision for depreciation and amortization | 1,015 | 974 | 1,135 | 1,077 |
| Impairment charges | | | 77 | |
| (Gain) loss on sales of businesses and unconsolidated affiliates | 5 | (25) | | |
| Undistributed earnings of unconsolidated subsidiaries and affiliates | (102) | (503) | (2) | (2) |
| Provision (credit) for deferred income taxes | (222) | 1,504 | (243) | (24) |
| Changes in assets and liabilities: | | | | |
| Trade receivables and Equipment Operations' financing receivables | (142) | (239) | | |
| Inventories | (102) | (917) | | |
| Accounts payable and accrued expenses | 13 | 793 | 163 | 120 |
| Accrued income taxes payable/receivable | (355) | 103 | 528 | (569) |
| Retirement benefits | (235) | (985) | 2 | (41) |
| Other | 54 | 166 | 190 | 88 |
| Net cash provided by operating activities | 3,200 | 3,281 | 2,418 | 1,642 |
| **Cash Flows from Investing Activities** | | | | |
| Collections of receivables (excluding trade and wholesale) | | | 18,190 | 17,032 |
| Proceeds from maturities and sales of marketable securities | 12 | 11 | 77 | 65 |
| Proceeds from sales of equipment on operating leases | | | 1,648 | 1,483 |
| Proceeds from sales of business and unconsolidated affiliates, net of cash sold | 93 | 156 | | |
| Cost of receivables acquired (excluding trade and wholesale) | | | (20,321) | (18,778) |
| Acquisitions of businesses, net of cash acquired | | (5,245) | | |
| Purchases of marketable securities | (3) | | (137) | (133) |
| Purchases of property and equipment | (1,118) | (893) | (2) | (3) |
| Cost of equipment on operating leases acquired | | | (3,246) | (3,209) |
| Increase in investment in Financial Services | (8) | | | |
| Increase in trade and wholesale receivables | | | (935) | (1,222) |
| Other | 35 | 17 | 5 | (95) |
| Net cash used for investing activities | (989) | (5,954) | (4,721) | (4,860) |
| **Cash Flows from Financing Activities** | | | | |
| Increase (decrease) in total short-term borrowings | (149) | 16 | (768) | 457 |
| Change in intercompany receivables/payables | (305) | (748) | 305 | 748 |
| Proceeds from long-term borrowings | 1,348 | 149 | 8,638 | 8,139 |
| Payments of long-term borrowings | (972) | (163) | (5,454) | (6,082) |
| Proceeds from issuance of common stock | 178 | 217 | | |
| Repurchases of common stock | (1,253) | (958) | | |
| Capital investment from Equipment Operations | | | 8 | |
| Dividends paid | (943) | (806) | (427) | (464) |
| Other | (79) | (60) | (38) | (32) |
| Net cash provided by (used for) financing activities | (2,175) | (2,353) | 2,264 | 2,766 |
| **Effect of Exchange Rate Changes on Cash, Cash Equivalents, and Restricted Cash** | (42) | 54 | (14) | (28) |
| **Net Decrease in Cash, Cash Equivalents, and Restricted Cash** | (6) | (4,972) | (53) | (480) |
| **Cash, Cash Equivalents, and Restricted Cash at Beginning of Year** | 3,202 | 8,174 | 813 | 1,293 |
| **Cash, Cash Equivalents, and Restricted Cash at End of Year** | $ 3,196 | $ 3,202 | $ 760 | $ 813 |

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. Transactions between the “Equipment Operations” and “Financial Services” have been eliminated to arrive at the consolidated financial statements.

**Deere & Company**
**Other Financial Information**

| For the Twelve Months Ended | Equipment Operations* | | Agriculture and Turf | | Construction and Forestry* | |
|---|---|---|---|---|---|---|
| Dollars in millions | November 3 2019 | October 28 2018 | November 3 2019 | October 28 2018 | November 3 2019 | October 28 2018 |
| Net Sales | $ 34,886 | $ 33,351 | $ 23,666 | $ 23,191 | $ 11,220 | $ 10,160 |
| Net Sales - excluding Wirtgen | $ 31,693 | $ 30,324 | $ 23,666 | $ 23,191 | $ 8,027 | $ 7,133 |
| Average Identifiable Assets | | | | | | |
| With Inventories at LIFO | $ 20,761 | $ 19,701 | $ 10,748 | $ 10,219 | $ 10,013 | $ 9,482 |
| With Inventories at LIFO - excluding Wirtgen | $ 14,460 | $ 13,566 | $ 10,748 | $ 10,219 | $ 3,712 | $ 3,347 |
| With Inventories at Standard Cost | $ 22,139 | $ 20,959 | $ 11,860 | $ 11,233 | $ 10,279 | $ 9,726 |
| With Inventories at Standard Cost - excluding Wirtgen | $ 15,838 | $ 14,825 | $ 11,860 | $ 11,233 | $ 3,978 | $ 3,592 |
| Operating Profit | $ 3,721 | $ 3,684 | $ 2,506 | $ 2,816 | $ 1,215 | $ 868 |
| Operating Profit - excluding Wirtgen | $ 3,378 | $ 3,568 | $ 2,506 | $ 2,816 | $ 872 | $ 752 |
| Percent of Net Sales - excluding Wirtgen | 10.7 % | 11.8 % | 10.6 % | 12.1 % | 10.9 % | 10.5 % |
| Operating Return on Assets - excluding Wirtgen | | | | | | |
| With Inventories at LIFO - excluding Wirtgen | 23.4 % | 26.3 % | 23.3 % | 27.6 % | 23.5 % | 22.5 % |
| With Inventories at Standard Cost - excluding Wirtgen | 21.3 % | 24.1 % | 21.1 % | 25.1 % | 21.9 % | 20.9 % |
| SVA Cost of Assets - excluding Wirtgen | $ (1,900) | $ (1,778) | $ (1,423) | $ (1,347) | $ (477) | $ (431) |
| SVA - excluding Wirtgen | $ 1,478 | $ 1,790 | $ 1,083 | $ 1,469 | $ 395 | $ 321 |

| For the Twelve Months Ended | Financial Services | |
|---|---|---|
| Dollars in millions | November 3 2019 | October 28 2018** |
| Net Income Attributable to Deere & Company | $ 539 | $ 942 |
| Net Income Attributable to Deere & Company - Tax Adjusted | | $ 530 |
| Average Equity | $ 5,040 | $ 4,832 |
| Average Equity - Tax Adjusted | | $ 4,793 |
| Return on Equity | 10.7 % | 19.5 % |
| Return on Equity - Tax Adjusted | | 11.1 % |
| Operating Profit | $ 694 | $ 792 |
| Average Equity | $ 5,040 | $ 4,793 |
| Cost of Equity | $ (657) | $ (722) |
| SVA | $ 37 | $ 70 |

The Company evaluates its business results on the basis of accounting principles generally accepted in the United States. In addition, it uses a metric referred to as Shareholder Value Added (SVA), which management believes is an appropriate measure for the performance of its businesses. SVA is, in effect, the pretax profit left over after subtracting the cost of enterprise capital. The Company is aiming for a sustained creation of SVA and is using this metric for various performance goals. Certain compensation is also determined on the basis of performance using this measure. For purposes of determining SVA, each of the equipment segments is assessed a pretax cost of assets, which on an annual basis is approximately 12 percent of the segment's average identifiable operating assets during the applicable period with inventory at standard cost. Management believes that valuing inventories at standard cost more closely approximates the current cost of inventory and the Company's investment in the asset. The Financial Services segment is assessed an annual pretax cost of approximately 13 percent of the segment's average equity (15 percent in 2018). The cost of assets or equity, as applicable, is deducted from the operating profit or added to the operating loss of each segment to determine the amount of SVA.

* On December 1, 2017, the Company acquired the stock and certain assets of substantially all of Wirtgen Group Holding GmbH's operations (Wirtgen), the leading manufacturer worldwide of road building equipment. Wirtgen is included in the construction and forestry segment. Wirtgen is excluded from the metrics above.

** The 2018 SVA calculation was adjusted for certain effects of U.S. Tax Reform legislation enacted on December 22, 2017 due to the significant discrete income tax benefit in 2018. The 2019 SVA is calculated with unadjusted U.S. GAAP information.