

- (1) The amounts primarily represent proceeds from collections reinvested in revolving-period transfers.
- (2) Recorded to other expense within the Consolidated Statements of Operations.
- (3) Excludes \$650.3 million of trade accounts receivable sold, \$488.1 million of cash and \$13.9 million of net cash received prior to the amendment of the foreign asset-backed securitization program and under the previous North American asset-backed securitization program.

The asset-backed securitization programs require compliance with several covenants. The North American asset-backed securitization program covenants include compliance with the interest ratio and debt to EBITDA ratio of the five-year unsecured credit facility amended as of November 8, 2017 (“the 2017 Credit Facility”). The foreign asset-backed securitization program covenants include limitations on certain corporate actions such as mergers and consolidations. As of August 31, 2019 and 2018, the Company was in compliance with all covenants under the asset-backed securitization programs.

### ***Trade Accounts Receivable Sale Programs***

Following is a summary of the trade accounts receivable sale programs with unaffiliated financial institutions where the Company may elect to sell receivables and the unaffiliated financial institution may elect to purchase, at a discount, on an ongoing basis:

<b>Program</b>	<b>Maximum Amount (in millions)<sup>(1)</sup></b>	<b>Type of Facility</b>	<b>Expiration Date</b>
A .....	\$800.0	Uncommitted	August 31, 2022 <sup>(2)</sup>
B .....	\$150.0	Uncommitted	November 30, 2019 <sup>(3)</sup>
C .....	800.0 CNY	Uncommitted	June 30, 2020
D .....	\$100.0	Uncommitted	May 4, 2023 <sup>(4)</sup>
E .....	\$ 50.0	Uncommitted	August 25, 2020
F .....	\$150.0	Uncommitted	January 25, 2020 <sup>(5)</sup>
G .....	\$ 50.0	Uncommitted	February 23, 2023 <sup>(2)</sup>
H .....	\$100.0	Uncommitted	August 10, 2020 <sup>(6)</sup>
I .....	\$100.0	Uncommitted	July 21, 2020 <sup>(7)</sup>
J .....	\$740.0	Uncommitted	February 28, 2020 <sup>(8)</sup>
K .....	\$110.0	Uncommitted	April 11, 2020 <sup>(9)</sup>

- (1) Maximum amount available at any one time.
- (2) Any party may elect to terminate the agreement upon 15 days prior notice.
- (3) The program will automatically extend for one year at each expiration date unless either party provides 10 days notice of termination.
- (4) Any party may elect to terminate the agreement upon 30 days prior notice.
- (5) The program will be automatically extended through January 25, 2023 unless either party provides 30 days notice of termination.
- (6) The program will be automatically extended through August 10, 2023 unless either party provides 30 days notice of termination.
- (7) The program will be automatically extended through August 21, 2023 unless either party provides 30 days notice of termination.
- (8) The program will be automatically extended through February 28, 2024 unless either party provides 90 days notice of termination.
- (9) The program will be automatically extended each year through April 11, 2025 unless either party provides 30 days notice of termination.

In connection with the trade accounts receivable sale programs, the Company recognized the following (in millions):

	Fiscal Year Ended August 31,		
	2019	2018	2017
Trade accounts receivable sold	\$6,751	\$5,480	\$2,968
Cash proceeds received	\$6,723	\$5,463	\$2,962
Pre-tax losses on sale of receivables <sup>(1)</sup>	\$ 28	\$ 17	\$ 6

<sup>(1)</sup> Recorded to other expense within the Consolidated Statements of Operations.

### 3. Inventories

Inventories consist of the following (in thousands):

	August 31, 2019	August 31, 2018
Raw materials	\$2,310,081	\$2,070,569
Work in process	468,217	788,742
Finished goods	314,258	659,335
Reserve for excess and obsolete inventory	(69,553)	(60,940)
Inventories, net	<u>\$3,023,003</u>	<u>\$3,457,706</u>

### 4. Income Taxes

#### *Provision for Income Taxes*

Income (loss) before income tax expense is summarized below (in thousands):

	Fiscal Year Ended August 31,		
	2019	2018	2017
Domestic <sup>(1)</sup>	\$(415,707)	\$(426,897)	\$(373,690)
Foreign <sup>(1)</sup>	866,411	800,298	629,923
	<u>\$ 450,704</u>	<u>\$ 373,401</u>	<u>\$ 256,233</u>

<sup>(1)</sup> Includes the elimination of intercompany foreign dividends paid to the U.S.

Income tax expense (benefit) is summarized below (in thousands):

	Fiscal Year Ended August 31,		
	2019	2018	2017
Current:			
Domestic – federal	\$(23,675)	\$ 69,080	\$ 2,436
Domestic – state	1,383	134	12
Foreign	175,993	178,790	188,872
Total current	<u>153,701</u>	<u>248,004</u>	<u>191,320</u>
Deferred:			
Domestic – federal	(8,000)	(24,342)	253
Domestic – state	(2,202)	93	30
Foreign	17,731	62,105	(62,537)
Total deferred	<u>7,529</u>	<u>37,856</u>	<u>(62,254)</u>
Total income tax expense	<u>\$161,230</u>	<u>\$285,860</u>	<u>\$129,066</u>