2Q 2019 Earnings Call

17 May 2019

JOHN DEERE

Safe Harbor Statement & Disclosures

The earnings call and accompanying material include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance, acquisitions and divestitures of businesses, anticipated transaction costs, the integration of new businesses, anticipated benefits of acquisitions, and other factors that impact our businesses and customers. They also may include financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP). Words such as "forecast," "projection," "outlook," "prospects," "expected," "estimated," "will," "plan," "anticipate," "intend," "believe," or other similar words or phrases often identify forward-looking statements. Actual results may differ materially from those projected in these forward-looking statements based on a number of factors and uncertainties. Additional information concerning factors that could cause actual results to differ materially is contained in the company's most recent Form 8-K and periodic report filed with the U.S. Securities and Exchange Commission, and is incorporated by reference herein. Investors should refer to and consider the incorporated information on risks and uncertainties in addition to the information presented here. The company, except as required by law, undertakes no obligation to update or revise its forward-looking statements whether as a result of new developments or otherwise. The call and accompanying materials are not an offer to sell or a solicitation of offers to buy any of the company's securities.

Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures on an historical basis: adjusted net income and adjusted diluted EPS. Please refer to the supplemental information located at the end of this presentation for a reconciliation of these historical non-GAAP financial measures to the most directly comparable historical and forecasted GAAP financial measures and other important information.

2Q 2019 Overview

($ millions except where noted)	2Q 2019	2Q 2018	2Q 2019 vs. 2Q 2018
Net Sales & Revenues	$11,342	$10,720	↑ 6%
Net Sales (equipment operations)	$10,273	$9,747	↑ 5%
Net Income (attributable to Deere & Company)	$1,135	$1,208	↓ 6%
Adjusted Net Income (attributable to Deere & Company)	$1,135	$1,034*	↑ 10%
Diluted EPS ($ per share)	$3.52	$3.67	
Adjusted Diluted EPS ($ per share)	$3.52	$3.14*	

**Excludes tax reform related net deferred tax asset remeasurement and deemed earnings repatriation tax of ~ $174 million.*
Note: Wirtgen's results are incorporated with the Company's results using a 30-day lag period and are included in the construction and forestry segment.

2Q 2019 Overview
Equipment Operations

	2Q 2019 vs. 2Q 2018
Net Sales	↑ **5%**
Price realization	↑ 4 points
Currency translation	↓ 4 points

Worldwide Agriculture & Turf

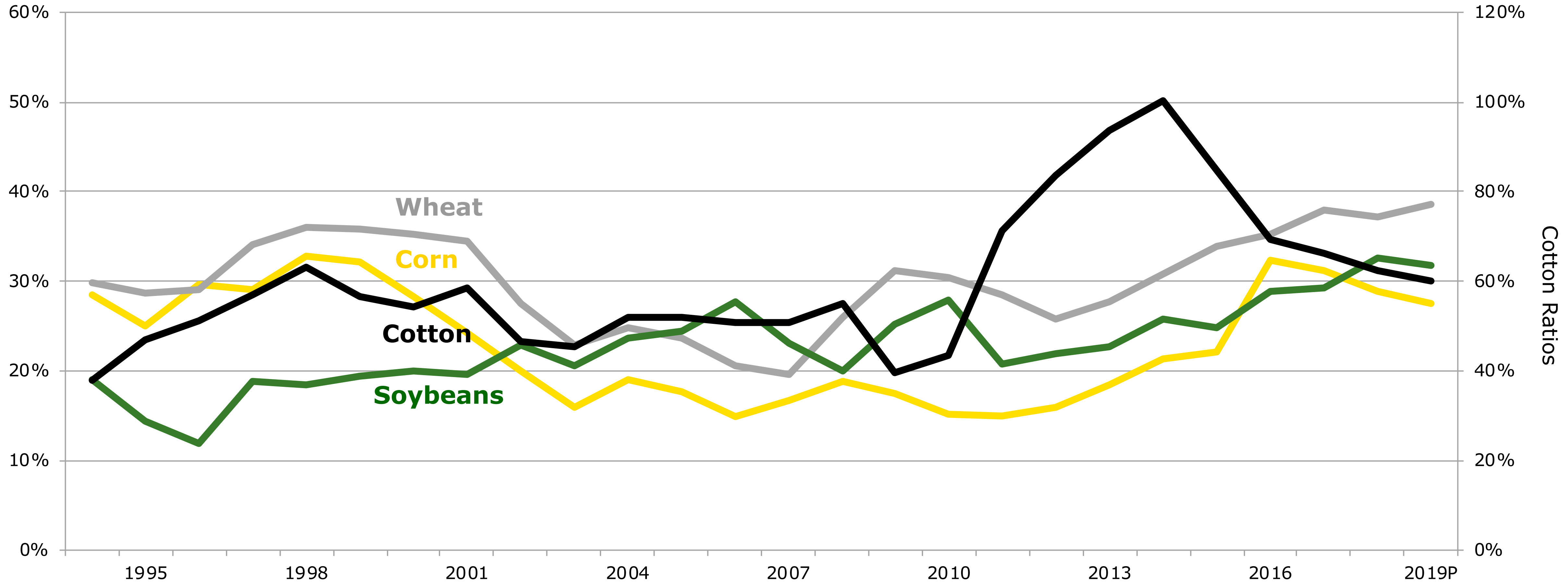
2Q 2019 Overview

($ millions)	2Q 2019	2Q 2019 vs. 2Q 2018	
Net Sales	**$7,282**	⬆	**3%**
Operating Profit*	**$1,019**	⬇	**4%**

*2Q 2019 operating profit impacted by:

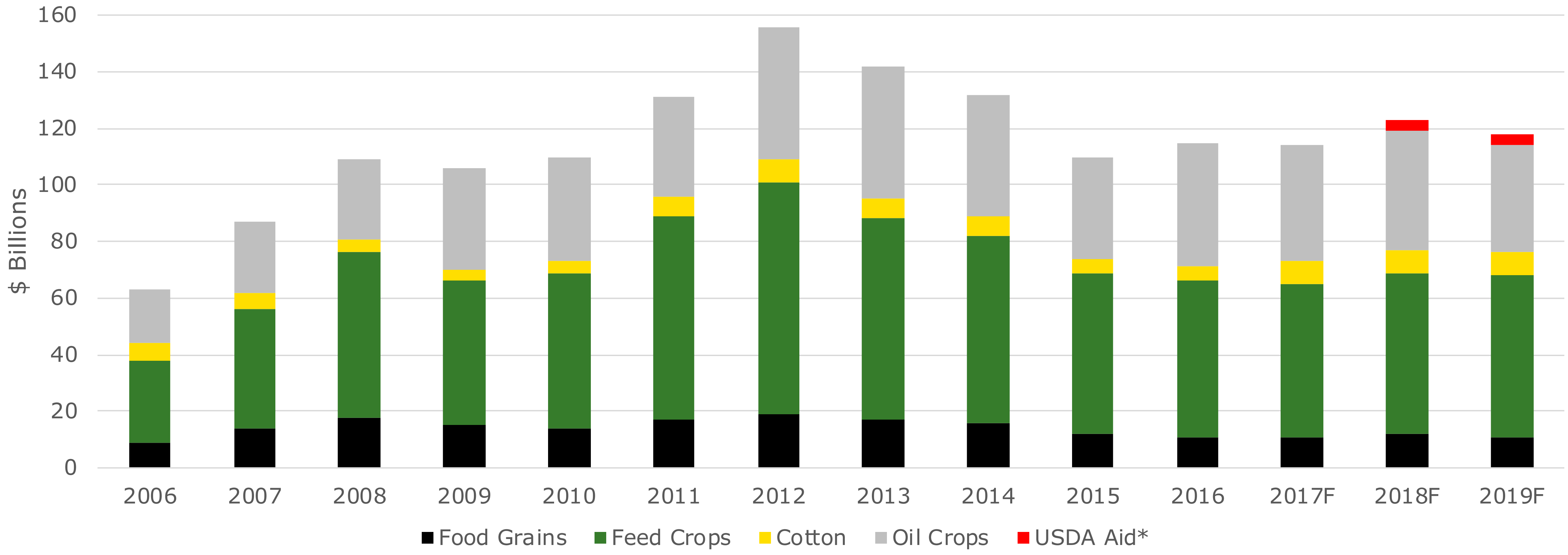
- – Production costs
- – Foreign currency exchange
- – Research & development costs
- + Price realization
- + Shipment volumes

Global Stocks-to-Use Ratios



Source: USDA, 10 May 2019

U.S. Principal Crop Cash Receipts



**Include both rounds of USDA Aid payment*
Note: USDA authorized a one-time $12B aid package to assist farmers from the trade dispute impact. $8B to be distributed via Market Facilitation Program (MFP).
Source: Deere forecast, May 2019

Agriculture & Turf
Industry Outlook

	Fiscal 2019 Forecast	Previous Forecast
U.S. and Canada Ag	**Flat to up 5%**	Flat to up 5%
EU 28 Ag	**~ Flat**	~ Flat
South America Ag (tractors and combines)	**Flat to up 5%**	Flat to up 5%
Asia Ag	**Flat to slightly down**	Flat to slightly down
U.S. and Canada Turf and Utility	**Flat to up 5%**	Flat to up 5%

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Worldwide Agriculture & Turf

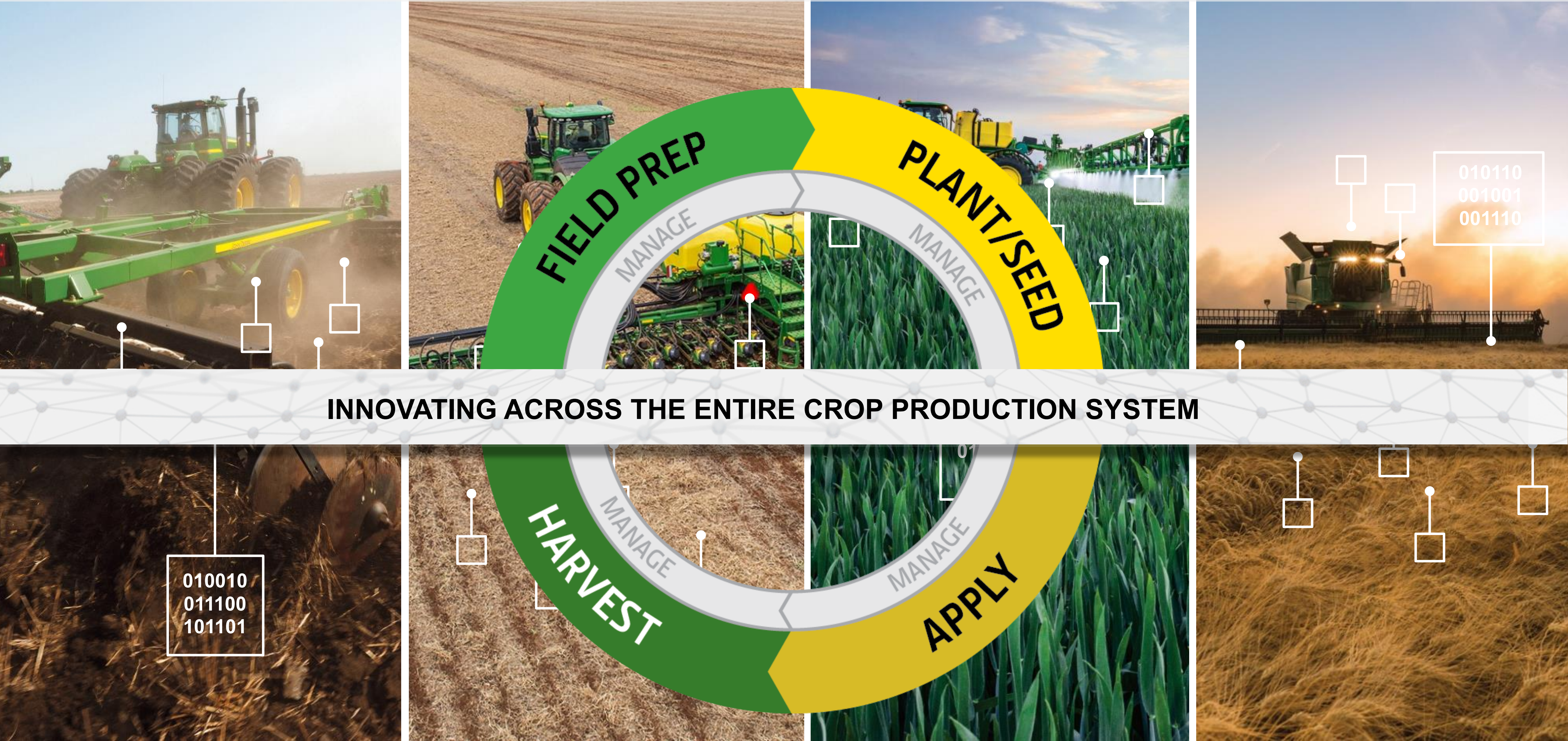
Deere & Company Outlook

	Fiscal 2019 Forecast	Previous Forecast
Net Sales	↑ **~ 2%**	↑ ~ 4%
Currency translation	↓ ~ 3%	↓ ~ 2%

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Cory Reed

President, Ag & Turf



Worldwide Construction & Forestry

2Q 2019 Overview

($ millions)	2Q 2019	2Q 2019 vs. 2Q 2018
Net Sales	**$2,991**	⬆ **11%**
Operating Profit*	**$347**	⬆ **34%**

*2Q 2019 operating profit impacted by:

- + Price realization
- + Shipment volumes
- + Wirtgen
- – Production costs
- – Product mix

Worldwide Construction & Forestry

U.S. Economic Indicators

	Fiscal 2019 Forecast	Previous Forecast
GDP Growth	↑	↑
Housing Starts (thousands)	↔	↔
Total Construction Investment	↔	↑
Government Construction Investment	↑	↑
Global Transportation Investment	↑	↑
Crude Oil Price	↑	↔

Source: IHS Markit, Calendar Year Estimates – April 2019

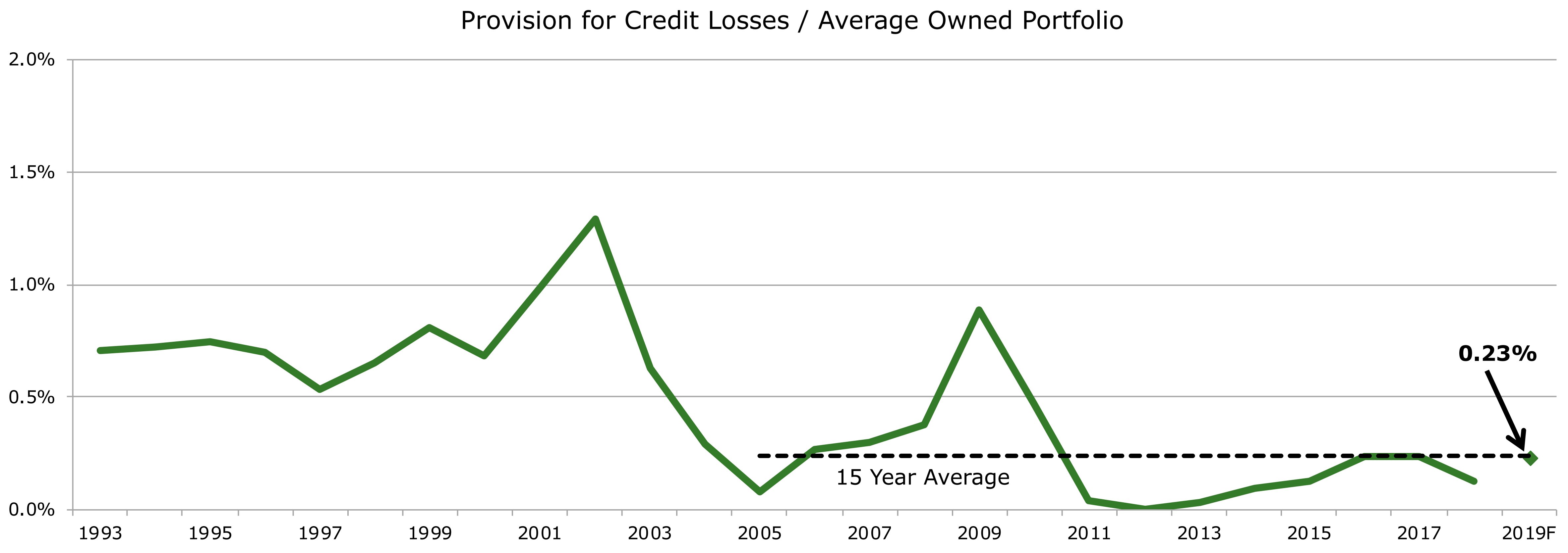
Worldwide Construction & Forestry

Deere & Company Outlook

	Fiscal 2019 Forecast*	Previous Forecast*
Net Sales	↑ **~ 11%**	↑ ~ 13%
Currency translation	↓ ~ 2 points	↓ ~ 2 points
Wirtgen	↑ ~ 4 points	↑ ~ 4 points

** Includes 12 months of Wirtgen sales, vs 10 months in fiscal 2018*
Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Worldwide Financial Services
Credit Loss History



Source: Deere & Company forecast as of 17 May 2019

Worldwide Financial Services

($ millions)	2Q 2019	Fiscal 2019 Forecast	Previous Forecast
Net Income (attributable to Deere & Company)	**$121**	**~$600**	~ $630

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Consolidated Trade Receivables & Inventory

($ millions)	2Q 2019*	Fiscal 2019 Forecast**	Previous Forecast**
Agriculture & Turf	↑ **$447**	↓ **~ $50**	↓ **~ $25**
Construction & Forestry	↑ **$833**	↑ **~ $300**	↓ **~ $175**
Total (as reported)	↑ **$1,280**	↑ **~ $250**	↓ **~ $200**
Total (constant exchange)	↑ **$1,813**	↑ **~ $375**	↓ **~ $175**

** Change at 28 April 2019 vs. 29 April 2018*
***Change at 3 November 2019 vs. 28 October 2018*
Note: Before the sale of receivables to John Deere Financial
Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Cost and Expenses

Equipment Operations

($ millions)	2Q 2019	Fiscal 2019 Forecast	Previous Forecast
COS (percent of Net Sales)	75%	~76%	~75%
Research and Development	↑ 10%	↑ ~ 6%	↑ ~ 5%
SA&G Expense	↓ 1%	↑ ~ 6%	↑ ~ 7%

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

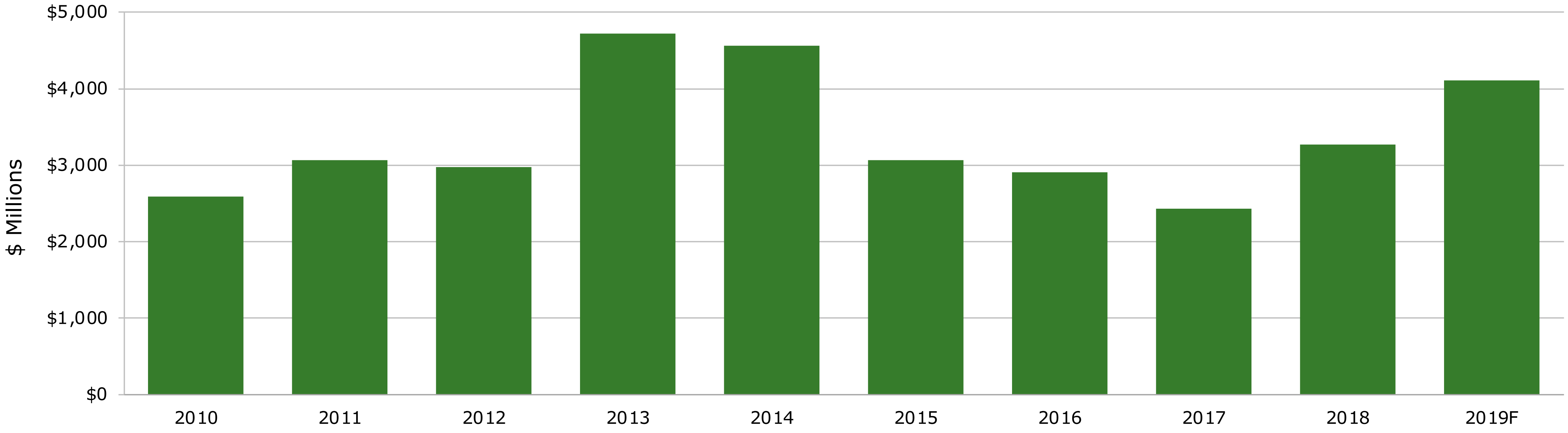
Income Taxes
Equipment Operations

	2Q 2019	Fiscal 2019 Forecast	Previous Forecast
Effective Tax Rate	**22%**	**24-26%**	24-26%

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Net Operating Cash Flows
Equipment Operations

Fiscal 2019 Forecast* ~ $4.1 billion



** Previous forecast ~$4.4 billion*
Note: 2010-2016 adjusted with the adoption of FASB ASU No. 2016-09 "Improvements to Employee Share-Based Payment Accounting"
Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

Deere & Company Outlook

Fiscal 2019 Forecast

($ billions except where noted)	Fiscal 2019 Forecast	Previous Forecast
Net Sales (equipment operations)	**~ 5%**	~ 7%
Price realization	**~ 3 points**	~ 3 points
Currency translation	**~ 3 points**	~ 2 points
Wirtgen	**~ 1 point**	~ 1 points
Net Income (attributable to Deere & Company)	**~ $3.3**	~ $3.6

Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

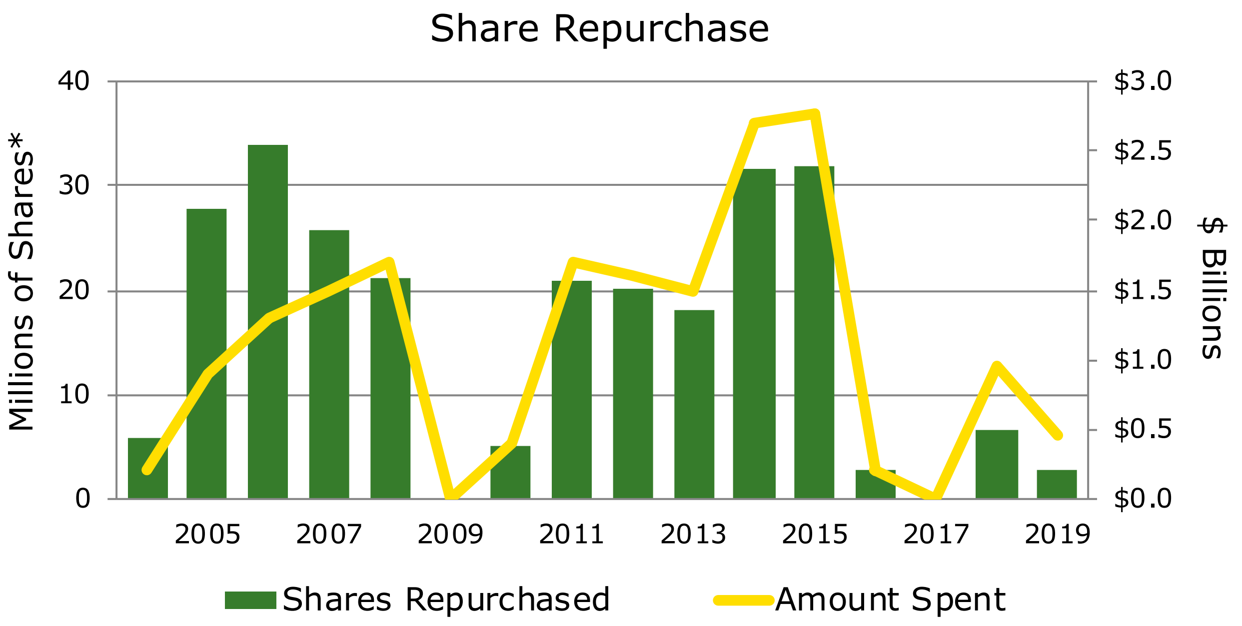
Appendix

Share Repurchase

As Part of Publicly Announced Plans

36% net share reduction since 2004

<u>2004–2Q 2019:</u>	
Cumulative cost of repurchases	$17.8 billion
Shares repurchased	254.0 million
<u>December 2013 authorization of $8 billion:</u>	
Amount remaining	$1.8 billion
28 April 2019 period ended basic shares	317.0 million
2Q 2019 average diluted shares	322.2 million



** All shares adjusted for two-for-one stock split effective 26 November 2007*

THE JOHN DEERE STRATEGY

OUR PURPOSE Committed to those linked to the land

- GLOBAL AGRICULTURAL EQUIPMENT SOLUTIONS PREEMINENCE
- A GLOBAL LEADER IN CONSTRUCTION EQUIPMENT SOLUTIONS
- OUTPACE INDUSTRY IN GROWTH
- 15% OPERATING MARGIN (AT MID-CYCLE)
- 2 ASSET TURNS (AT MID-CYCLE)

OUR ASPIRATIONS

Realizing sustainable SVA growth through innovation and disciplined expansion.

- DELIVER MEASURABLE CUSTOMER VALUE
- TECHNOLOGY AND ANALYTICS LEADERSHIP
- BEST-IN-CLASS INTEGRATED SOLUTIONS
- WORLD-CLASS DISTRIBUTION SYSTEM
- WIN IN AFTERMARKET

CRITICAL SUCCESS FACTORS

Further developing the capabilities essential to reaching our goals.

- EXCEPTIONAL OPERATING PERFORMANCE
- MANUFACTURING AND SUPPLY EXCELLENCE
- DISTINCTIVE PRODUCT QUALITY
- EXTRAORDINARY GLOBAL TALENT
- CIVIC AND ENVIRONMENTAL STEWARDSHIP

FOUNDATIONAL SUCCESS FACTORS

Investing in the core strengths that have guided our success.

- GLOBAL GROWTH BUSINESSES
- COMPLEMENTARY BUSINESSES
- SUPPORTING BUSINESSES

INTEGRATED ENTERPRISE

Leveraging the strengths and unique capabilities of three types of businesses through aligned, high-performance teamwork.

INTEGRITY | QUALITY | COMMITMENT | INNOVATION

CORE VALUES

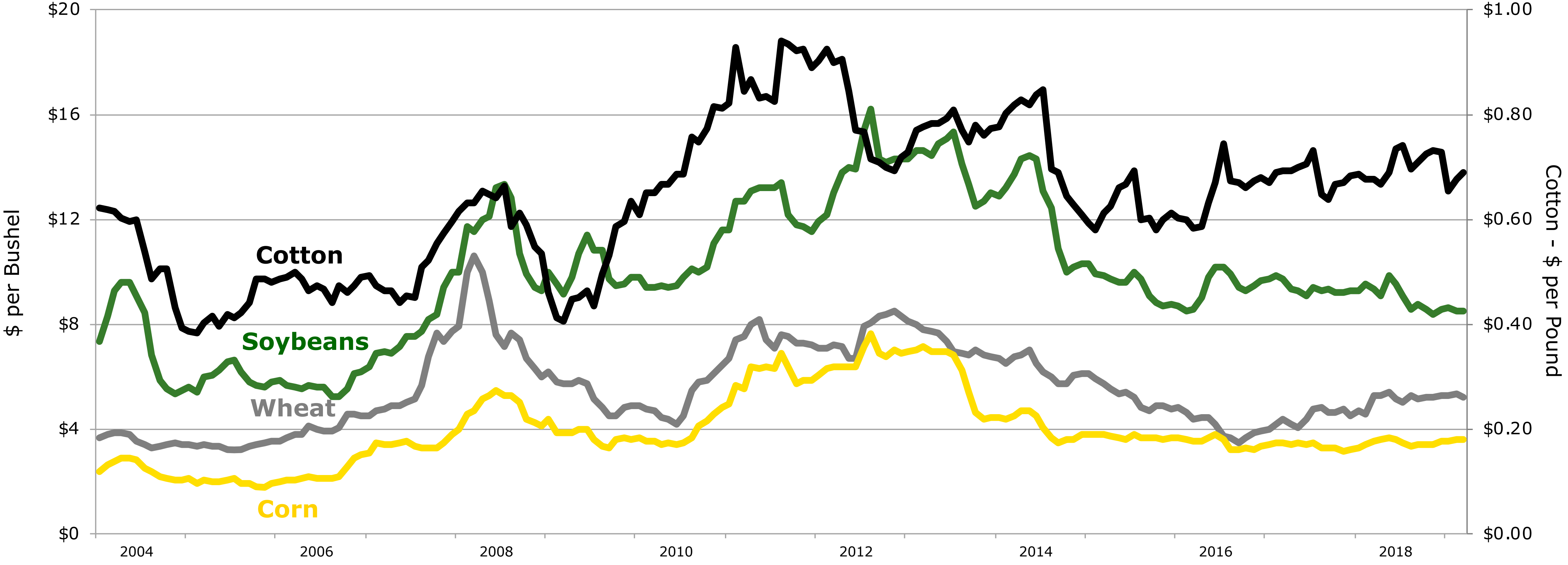
Unwavering adherence to the values that unite and differentiate us.

Other Information
Equipment Operations

($ millions)	Fiscal 2019 Forecast	Previous Forecast
Capital Expenditures	**~ $1,150**	~ $1,150
Depreciation & Amortization	**~ $1,025**	~ $1,025
Pension/OPEB Expense	⬇ **~ $125**	⬇ ~ $120
Pension/OPEB Contributions	**~ $200**	~ $200

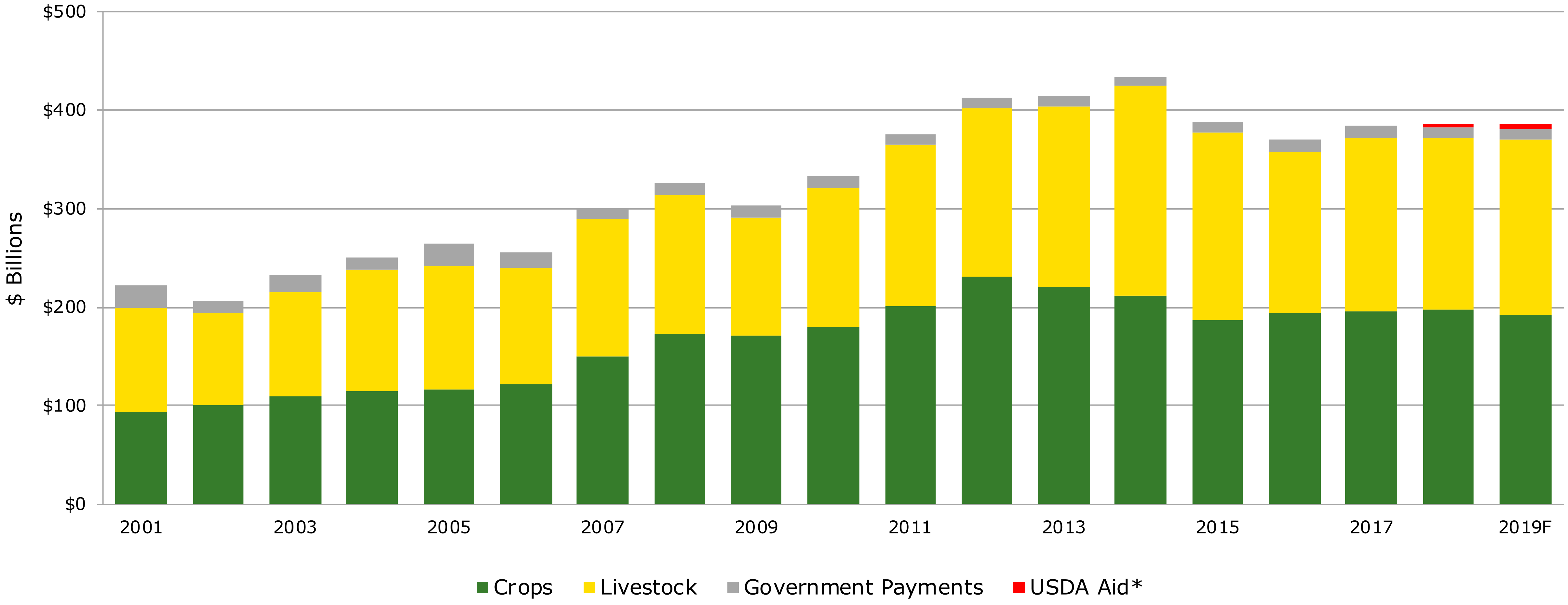
Source: Deere & Company forecast as of 17 May 2019 (previous forecast as of 15 February 2019)

U.S. Farm Commodity Prices



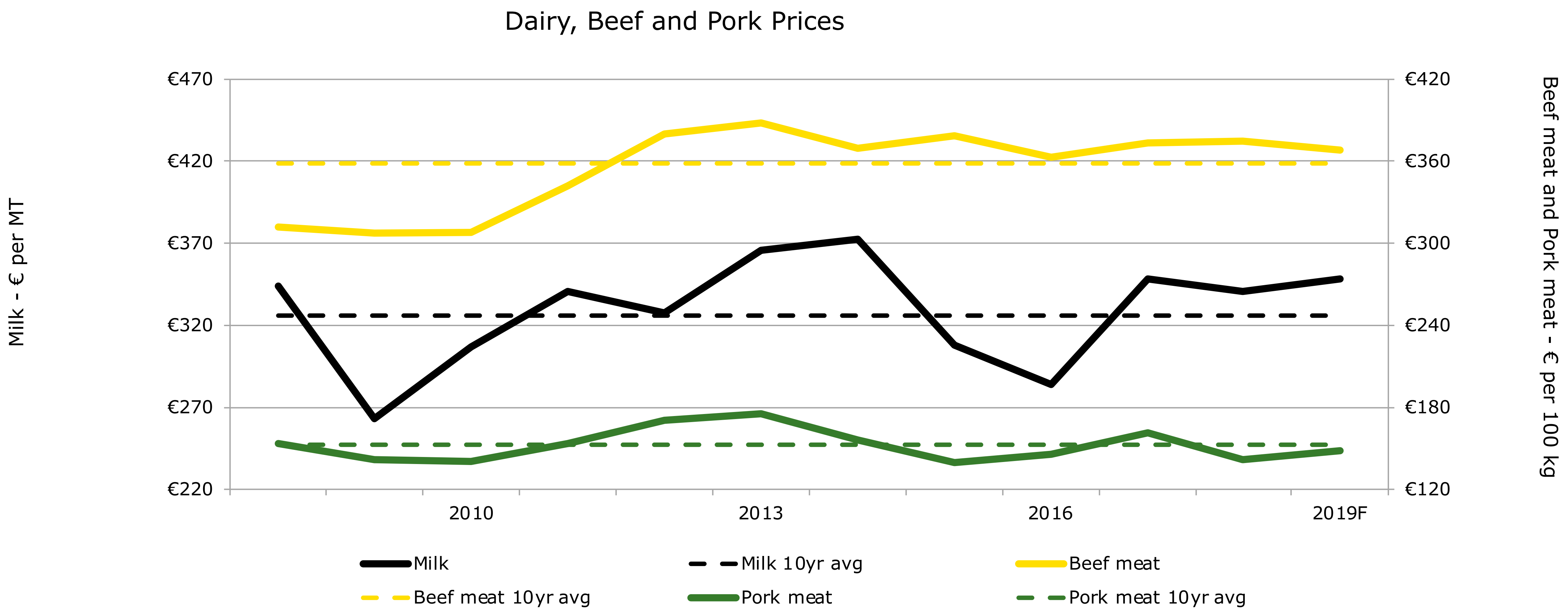
Source: USDA, 10 May 2019

U.S. Farm Cash Receipts



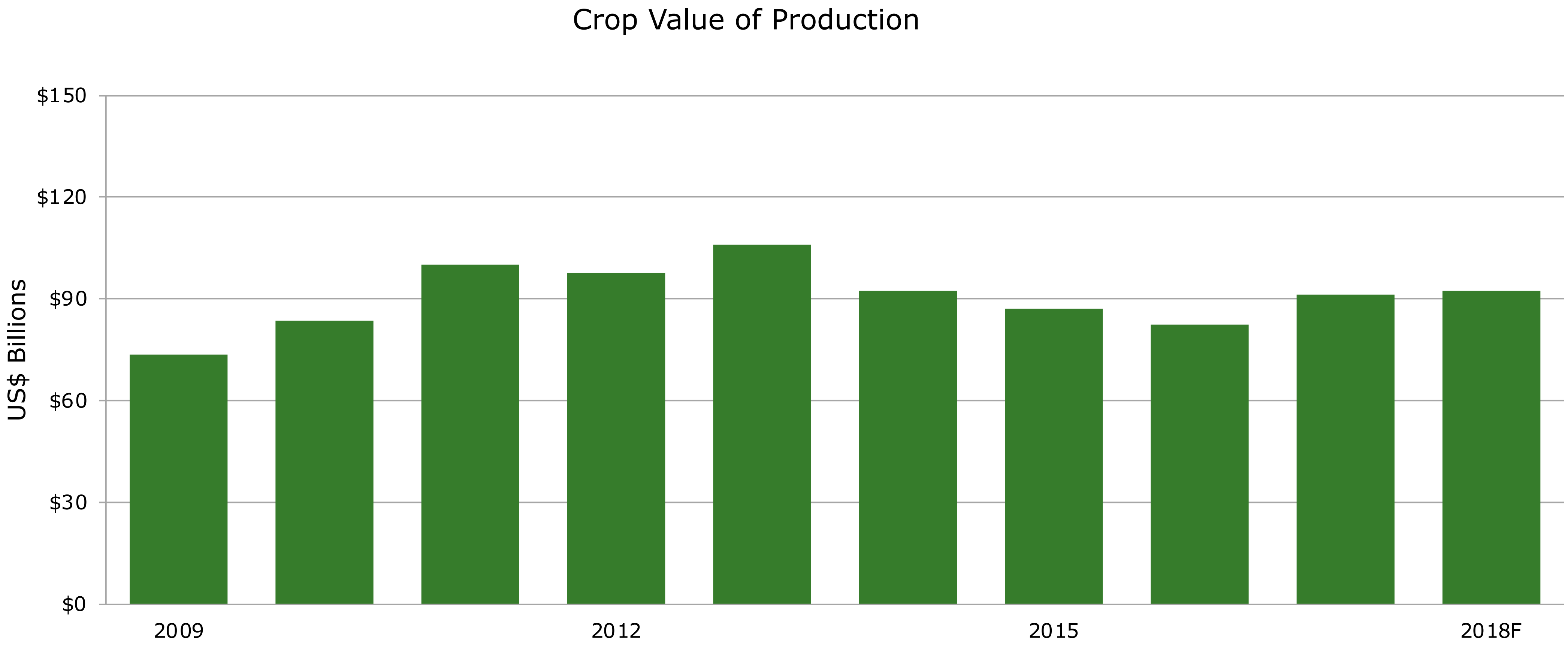
**USDA Aid includes only the ~$8B crop aid payment*
Note: USDA authorized a one-time $12B aid package to assist farmers from the trade dispute impact, $9.6B to be distributed via Market Facilitation Program (MFP).
Source: 2001–2017: USDA, 30 November 2018
2018F–2019F: Deere & Company forecast as of 17 May 2019

Economic Update
EU 28



Source: EU Com, LTO, January 2019
Deere & Company forecast as of 17 May 2019

Economic Update
Brazil



Includes key grains, ethanol, sugar
Source: IHS Global Insight, May 2019

April 2019 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↑ 13%	↑ More than the industry
2WD Tractors (40 < 100 PTO hp)	↓ 2%	↓ In line with the industry
2WD Tractors (100+ PTO hp)	↓ 2%	↓ More than the industry
4WD Tractors	↑ 2%	↑ More than the industry
Combines	↑ 11%	↑ Less than the industry

Deere Dealer Inventories*** U.S. and Canada Ag	2019	2018
2WD Tractors (100+ PTO hp)	44%	39%
Combines	23%	23%

** As reported by the Association of Equipment Manufacturers*
*** As reported to the Association of Equipment Manufacturers*
**** In units as a % of trailing 12 months retail sales, as reported to the Association of Equipment Manufacturers*

April 2019 Retail Sales (Rolling 3 Months)

Retail Sales EU 28 Ag		Deere*
Tractors	↑	Low double digits
Combines	↓	Single digit

Retail Sales U.S. and Canada		Deere*
Selected Turf & Utility Equipment	↑	Double digits
Construction & Forestry		
First-in-the-Dirt	↑	Low double digits
Settlements	↑	Single digit

** Based on internal sales reports*

Supplemental Statement of Consolidated Income Information

Reconciliation of GAAP to Non-GAAP Financial Measures

In addition to reporting financial results in conformity with accounting principles generally accepted in the United States (GAAP), the company also discusses non-GAAP measures that exclude adjustments related to U.S. tax reform legislation. Net income (loss) attributable to Deere & Company and diluted earnings per share measures that exclude this item are not in accordance with, nor is it a substitute for, GAAP measures. The company believes that discussion of results excluding this item provides a useful analysis of ongoing operating trends.

The table below provides a reconciliation of the non-GAAP financial measure with the most directly comparable GAAP financial measure for the three months and six months ended April 29, 2018. (Millions, except per-share amounts) (Unaudited)

	Three Months Ended April 29, 2018		Six Months Ended April 29, 2018	
	Net Income Attributable to Deere & Company	Diluted Earnings Per Share	Net Income Attributable to Deere & Company	Diluted Earnings Per Share
GAAP measure	$ 1,208.3	$ 3.67	$ 673.2	$ 2.05
Discrete tax reform expense (benefit)	(174.3)	(.53)	802.9	2.44
Non-GAAP measure	$ 1,034.0	$ 3.14	$ 1,476.1	$ 4.49

Deere & Company’s 3Q 2019 earnings call is scheduled for 9:00 a.m. central time on Friday, 16 August 2019

JOHN DEERE