



3Q 2021 Earnings Call

20 August 2021

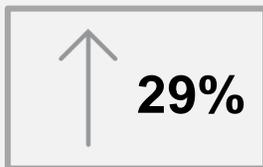
Safe Harbor Statement & Disclosures

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, including those related to the effects of the COVID-19 pandemic. 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.

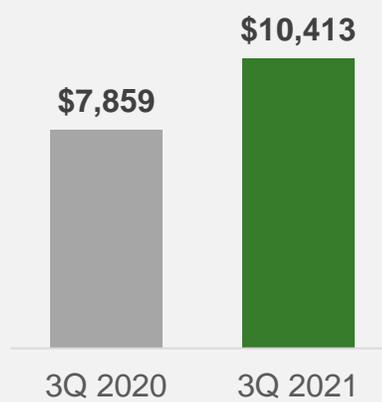
3Q 2021 Results

(\$ millions except where noted)

Net Sales & Revenues



Net Sales (Equipment Operations)



Net Income (attributable to Deere & Company)



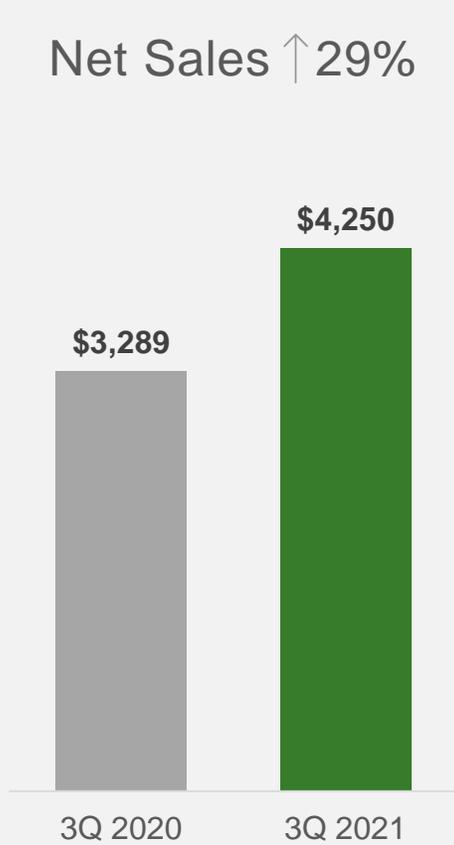
Diluted EPS (\$ per share)



Production and Precision Ag

3Q 2021 Results *\$ in millions*

Net Sales ↑ 29%



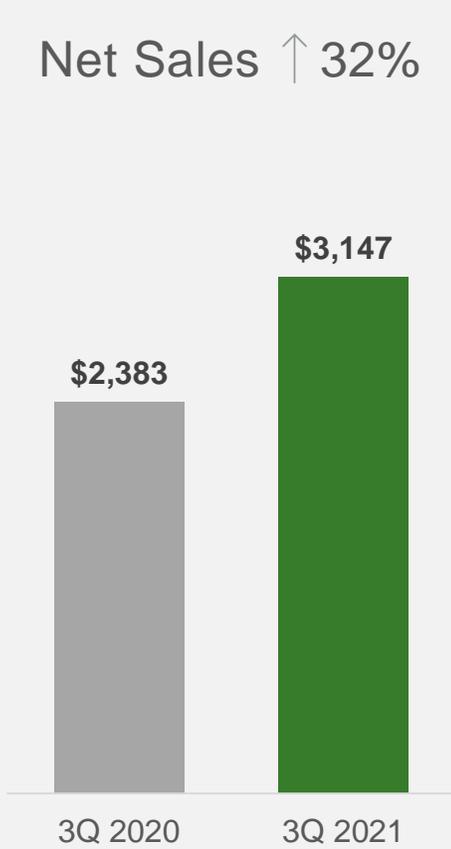
Operating Profit Comparison



Small Ag and Turf

3Q 2021 Results *\$ in millions*

Net Sales ↑ 32%



Operating Profit Comparison



Ag & Turf

Industry Outlook – FY 2021

U.S. & CANADA
LARGE AG



~25%



U.S. & CANADA
SMALL AG & TURF



~10%



EUROPE AG



10-15%



SOUTH AMERICA AG
(tractors and combines)



~20%



ASIA AG



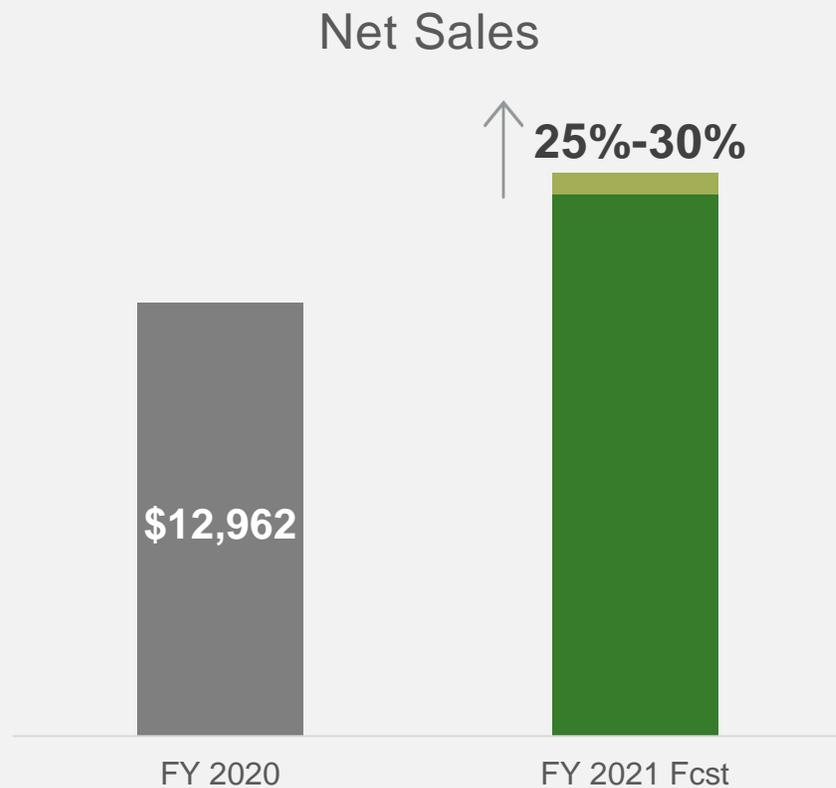
Significantly



Source: Deere & Company forecast as of 20 August 2021

Production and Precision Ag

Business Segment Outlook



Source: Deere & Company forecast as of 20 August 2021

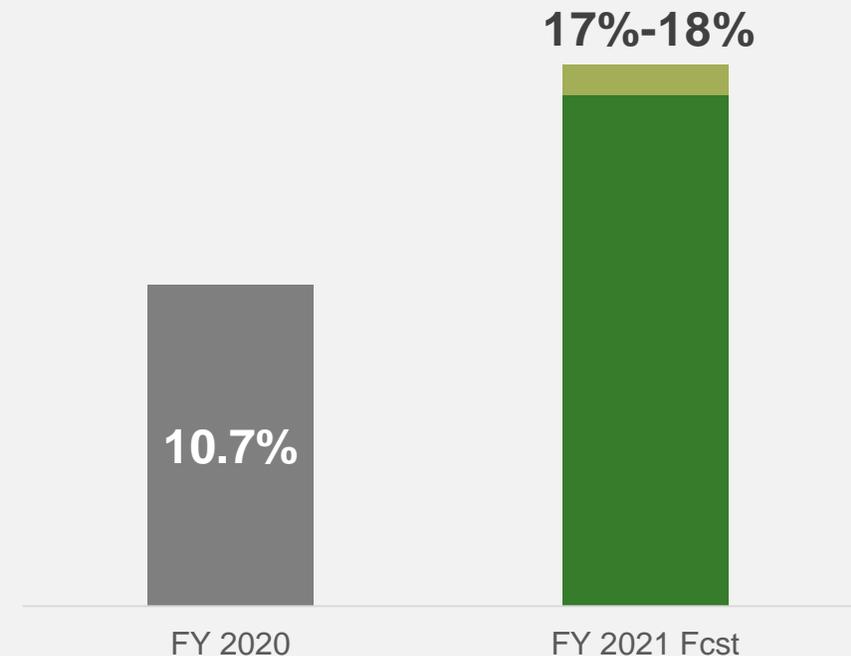
Small Ag and Turf

Business Segment Outlook

Net Sales



Operating Margin



Source: Deere & Company forecast as of 20 August 2021

Deere Acquires Bear Flag Robotics

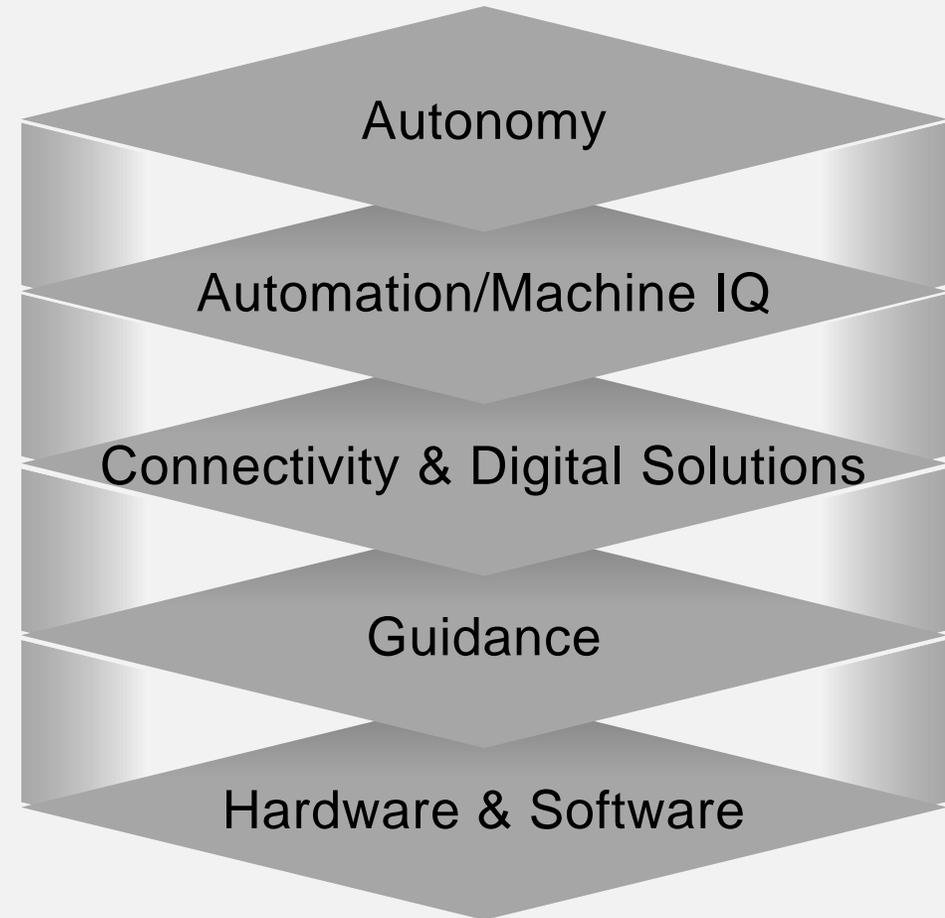
Bear Flag Robotics is a leader in autonomous solutions for tractors

- Accelerates Deere's autonomous technology into new use-cases and the installed base
- Complements Deere's existing technology initiatives in autonomy
- Addresses skilled labor shortage to execute time sensitive jobs that impact farm outcomes
- Advances pace of autonomous engaged acres and commercialization



Continued Investment in Deere Technology Stack

Full set of solutions, connected together and to our machines helping customers perform jobs better increasing their productivity, profitability and sustainability.



Construction and Forestry

3Q 2021 Results *\$ in millions*

Net Sales ↑ 38%

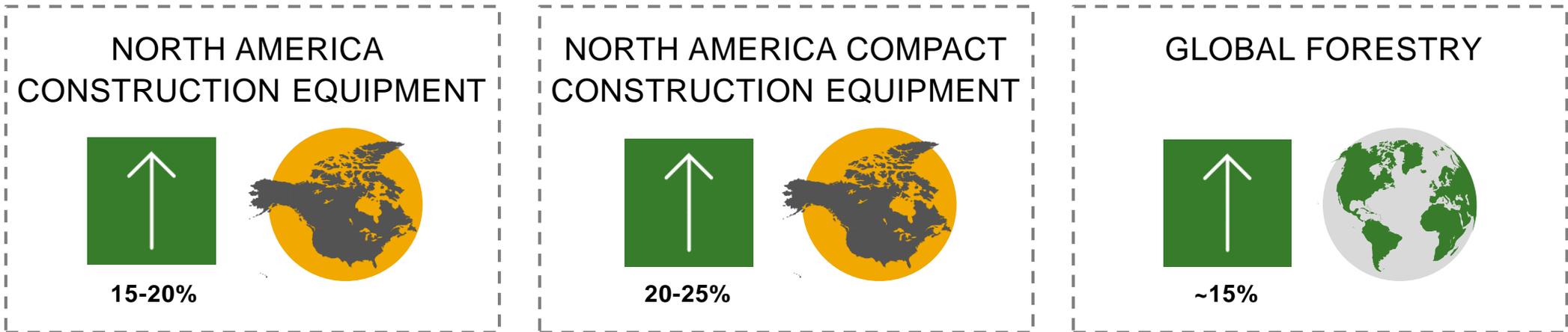


Operating Profit Comparison



Construction and Forestry

Industry Outlook – FY 2021

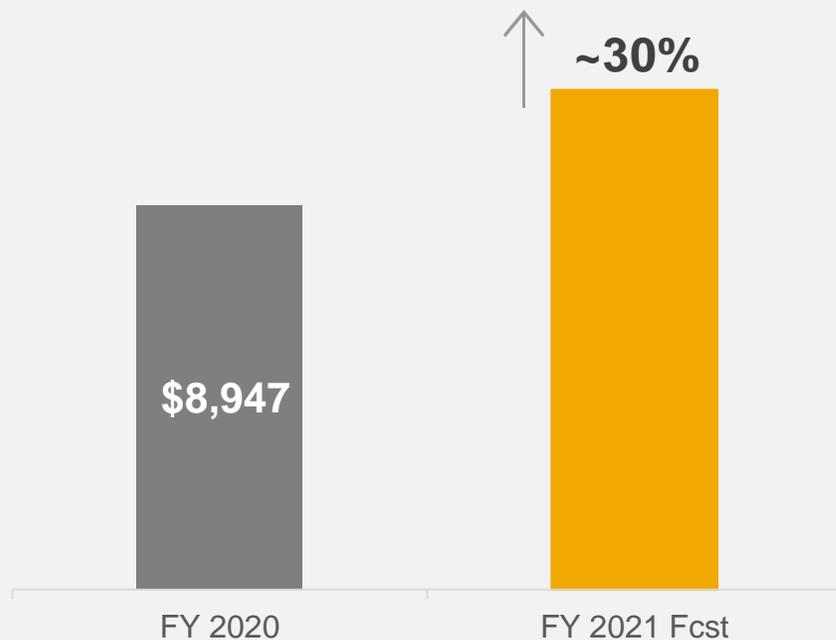


Source: Deere & Company forecast as of 20 August 2021

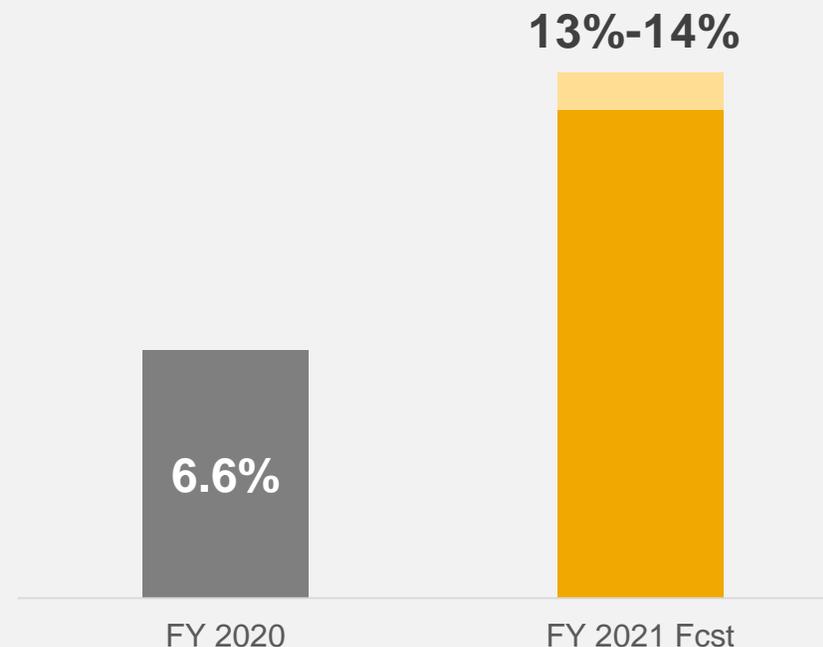
Construction and Forestry

Business Segment Outlook

Net Sales



Operating Margin



Source: Deere & Company forecast as of 20 August 2021

Construction and Forestry

Answering the fundamental need for smarter, safer and more sustainable construction so our customers can shape tomorrow's world.

- Margin Improvement
- Technology Differentiation
- Excavator Strategy



Transaction Overview

Transaction Description

- Deere to acquire Deere-Hitachi joint venture businesses
 - Deere will acquire three joint venture factories and workforce
 - Deere will acquire intellectual property license in perpetuity for continued manufacturing of current Deere-branded models
- Deere will enter long-term supply agreement with Hitachi to source and manufacture the current products at existing locations
- Hitachi Construction Machinery will assume distribution of Hitachi-branded excavators and mining in the Americas

Transaction Consideration

- \$275M transaction consideration for acquisition of factories and intellectual property
- Transaction consideration at closing will be net of cash and working capital

Expected Financial Impact

- Margin & EPS accretive in year one

Timing

- Expected close in FY22

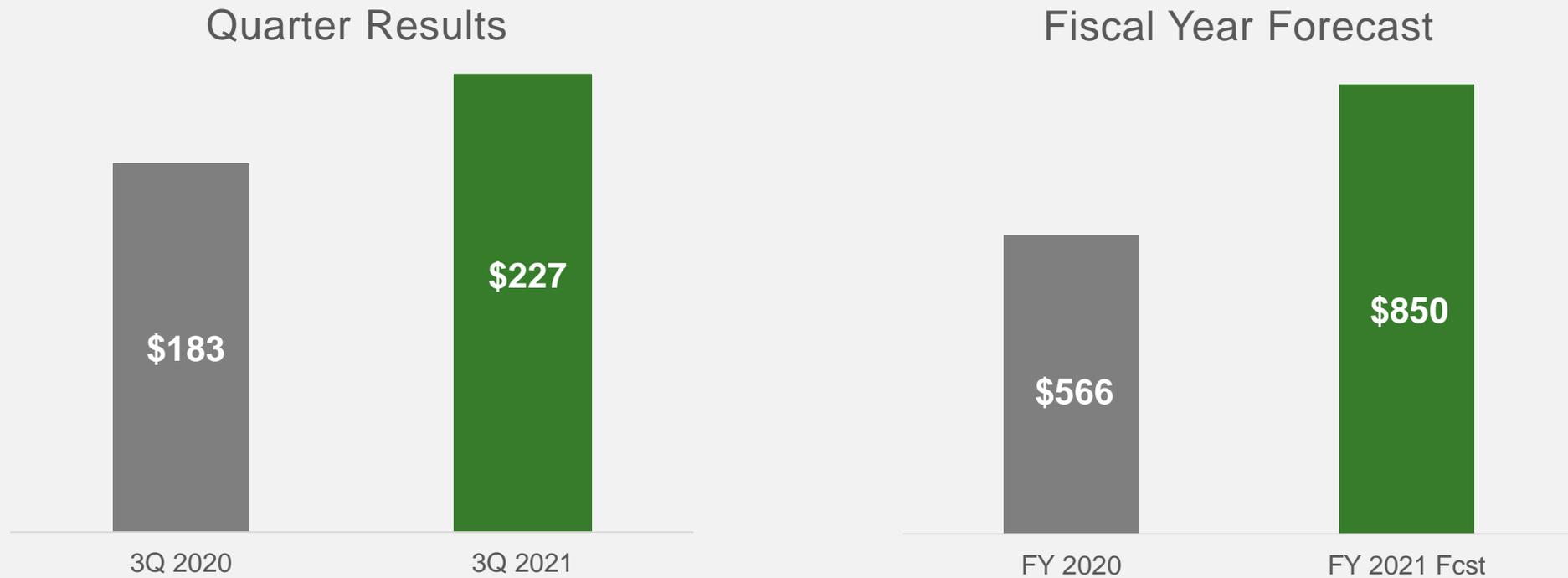
Strategic Rationale

- Enables ownership of tech stack integration on critical earthmoving machine form
- Enhances strategic position and financial profile
- Allows for managed transition with minimal disruption to customers, channel, and operations



Financial Services

Net Income - Results and Outlook



Source: Deere & Company forecast as of 20 August 2021

Deere & Company Outlook

FY 2021 FORECAST

Net Income
(attributable to Deere & Co.)

\$5.7-5.9B

Effective
Tax Rate*

22-24%

Net Operating
Cash Flow*

\$5.8-6.0B

**Equipment Operations
Source: Deere & Company forecast as of 20 August 2021*

Appendix



Other Financial Information

Equipment Operations

(\$ millions)	3Q 2021	FY 2021 Forecast
COS (percent of Net Sales)*	73%	~73%
SA&G*	↑ 14%	↑ ~1%
Research and Development*	↑ 6%	↓ ~4%
Capital Expenditures		~ \$900
Pension/OPEB Expense		↓ ~ \$145
Pension/OPEB Contributions		~ \$240

**As reported (including Employee Separation Expense)
Source: Deere & Company forecast as of 20 August 2021*

July 2021 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↓ 10%	↓ Less than the industry
2WD Tractors (40 < 100 PTO hp)	↑ 3%	↑ More than the industry
2WD Tractors (100+ PTO hp)	↑ 34%	↑ More than the industry
4WD Tractors	↑ 79%	↔ In line with the industry
Combines	↑ 23%	↔ In line with the industry

Deere Dealer Inventories*** U.S. and Canada Ag	2021	2020
2WD Tractors (100+ PTO hp)	21%	32%
Combines	23%	28%

* 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

July 2021 Retail Sales (Rolling 3 Months)

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

* Based on internal sales reports

Deere Use-of-Cash Priorities

CASH FROM OPERATIONS

COMMITTED
TO “A” RATING

Manage the balance sheet, including liquidity, to support a rating that provides access to low-cost and readily available short- and long-term funding mechanisms *(reflects the strategic nature of our financial services operation)*

FUND OPERATING
& GROWTH NEEDS

Fund value-creating investments in our businesses

COMMON STOCK
DIVIDEND

Consistently and moderately raise dividend targeting a 25%-35% payout ratio of mid-cycle earnings

SHARE
REPURCHASE

Consider share repurchase as a means to deploy excess cash to shareholders, once above requirements are met

Deere & Company's 4Q 2021 earnings call is scheduled for 9:00 a.m. central time on Wednesday, 24 November 2021.



JOHN DEERE