

1Q 2023 Earnings Call

17 February 2023



JOHN DEERE

Safe Harbor Statement and Disclosures

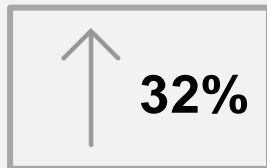
The earnings call and accompanying material include “forward-looking statements” within the meaning of the Safe Harbor Provisions of the U.S. Private Securities Litigation Reform Act of 1995 and concern the company’s plans and projections for the future, including estimates and assumptions with respect 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,” “guidance,” “projection,” “outlook,” “prospects,” “expected,” “estimated,” “will,” “plan,” “anticipate,” “intend,” “believe,” “likely,” “future,” “may,” 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 conflict between Russia and Ukraine.

Additional information concerning factors that could cause actual results to differ materially is contained in the company’s most recent annual report on Form 10-K and other filings 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.

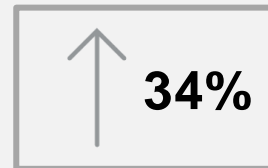
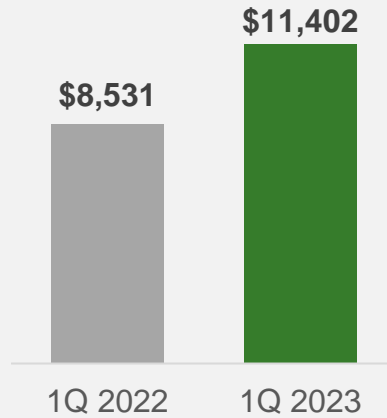
1Q 2023 Results

(\$ millions except where noted)

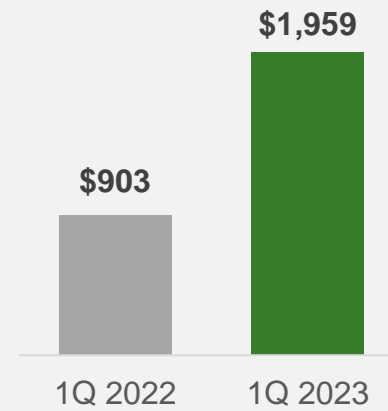
Net Sales and Revenues



Net Sales (Equipment Operations)



Net Income (attributable to Deere & Company)



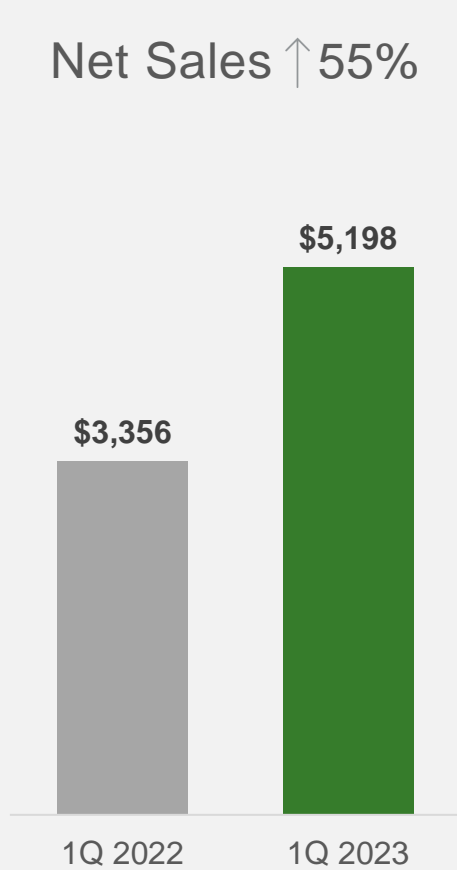
Diluted EPS (\$ per share)



Production and Precision Ag

1Q 2023 Results *\$ in millions*

Net Sales ↑ 55%



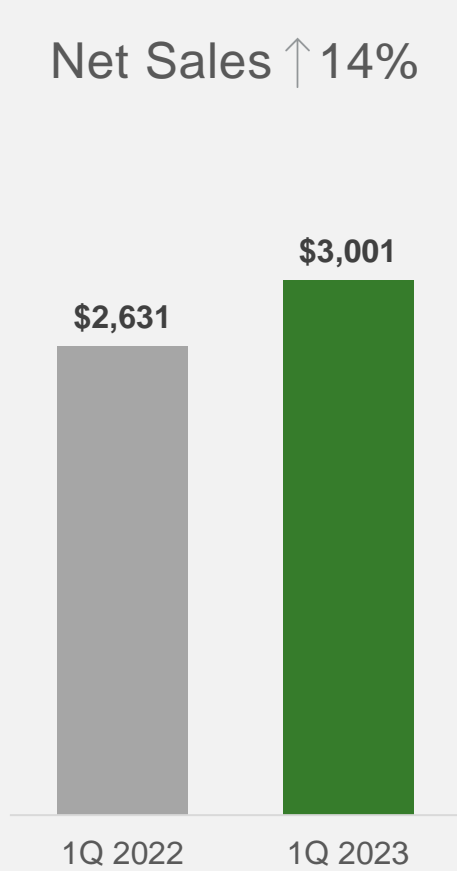
Operating Profit Comparison



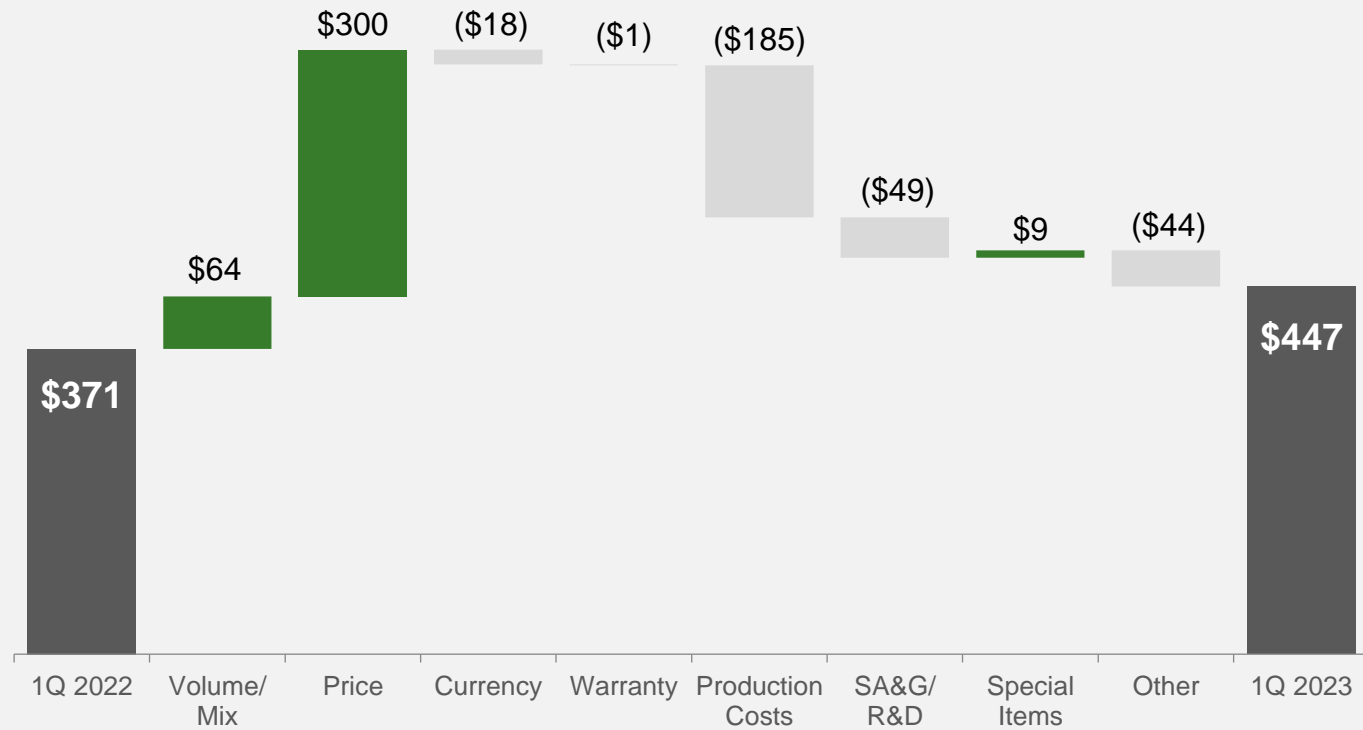
Small Ag and Turf

1Q 2023 Results *\$ in millions*

Net Sales ↑ 14%



Operating Profit Comparison



Ag and Turf

Industry Outlook (in units) – FY 2023

U.S. and CANADA
LARGE AG



5-10%



U.S. and CANADA
SMALL AG and TURF



Down ~5%



EUROPE AG



Flat to up 5%



SOUTH AMERICA AG
(tractors and combines)



Flat to up 5%



ASIA AG



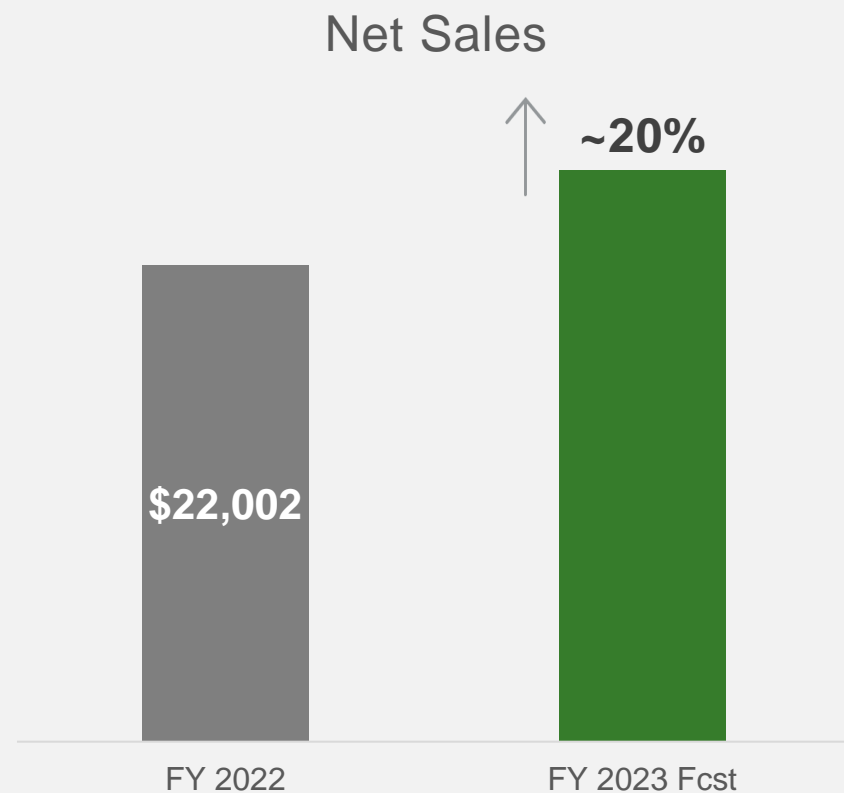
Down moderately



Source: Deere & Company forecast as of 17 February 2023

Production and Precision Ag

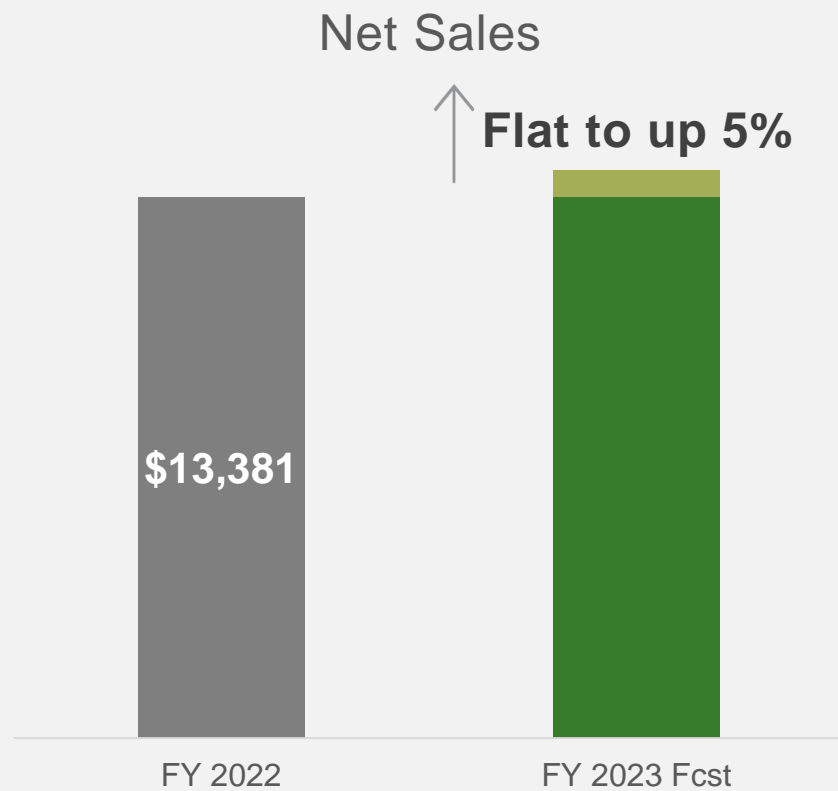
Business Segment Outlook



Source: Deere & Company forecast as of 17 February 2023

Small Ag and Turf

Business Segment Outlook

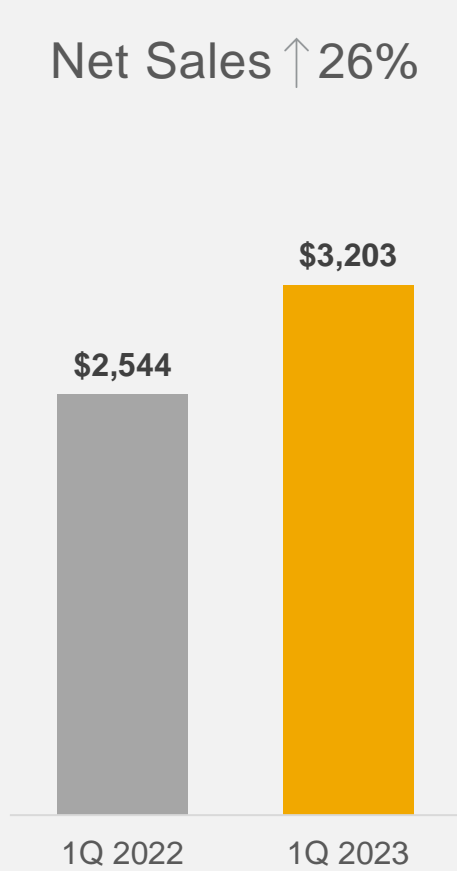


Source: Deere & Company forecast as of 17 February 2023

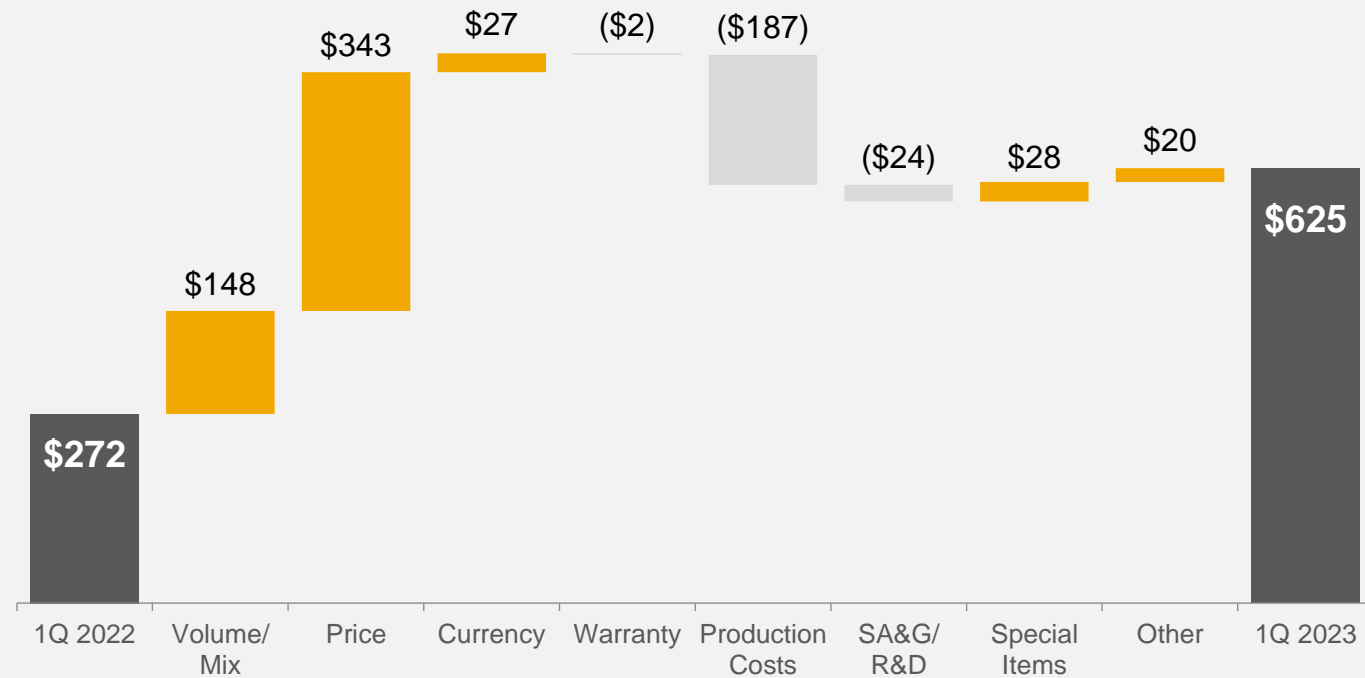
Construction and Forestry

1Q 2023 Results *\$ in millions*

Net Sales ↑ 26%





Operating Profit Comparison



Construction and Forestry



Industry Outlook (in units) – FY 2023

NORTH AMERICA
CONSTRUCTION EQUIPMENT




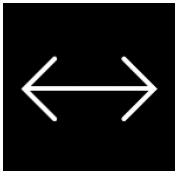
Flat to up 5%

NORTH AMERICA COMPACT
CONSTRUCTION EQUIPMENT




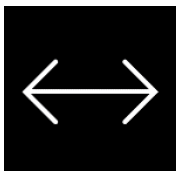
Flat to up 5%

GLOBAL FORESTRY



Flat

GLOBAL ROADBUILDING

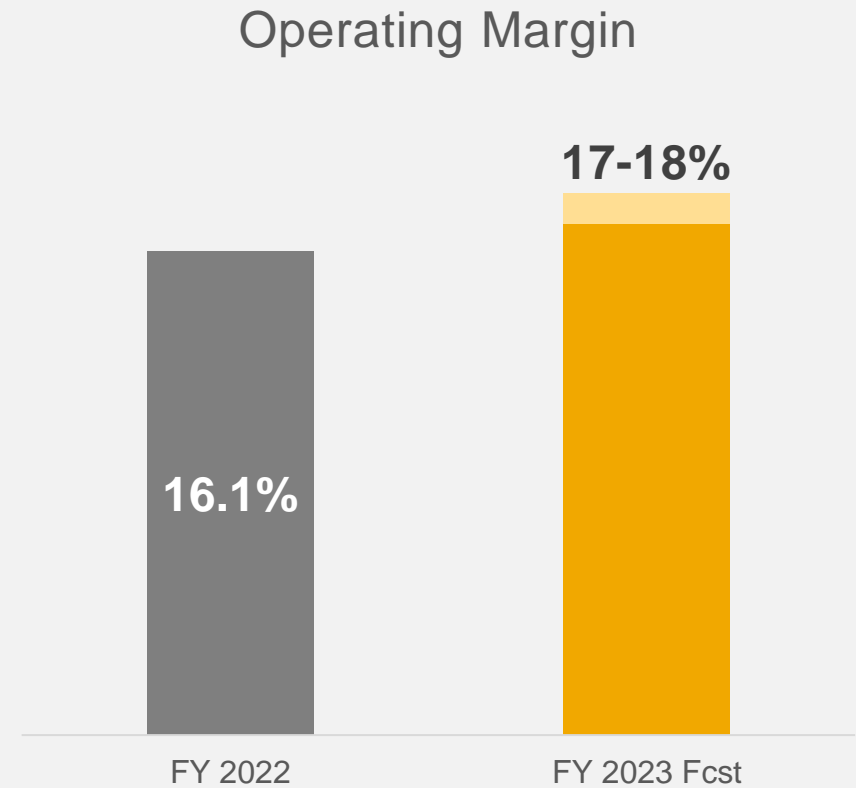
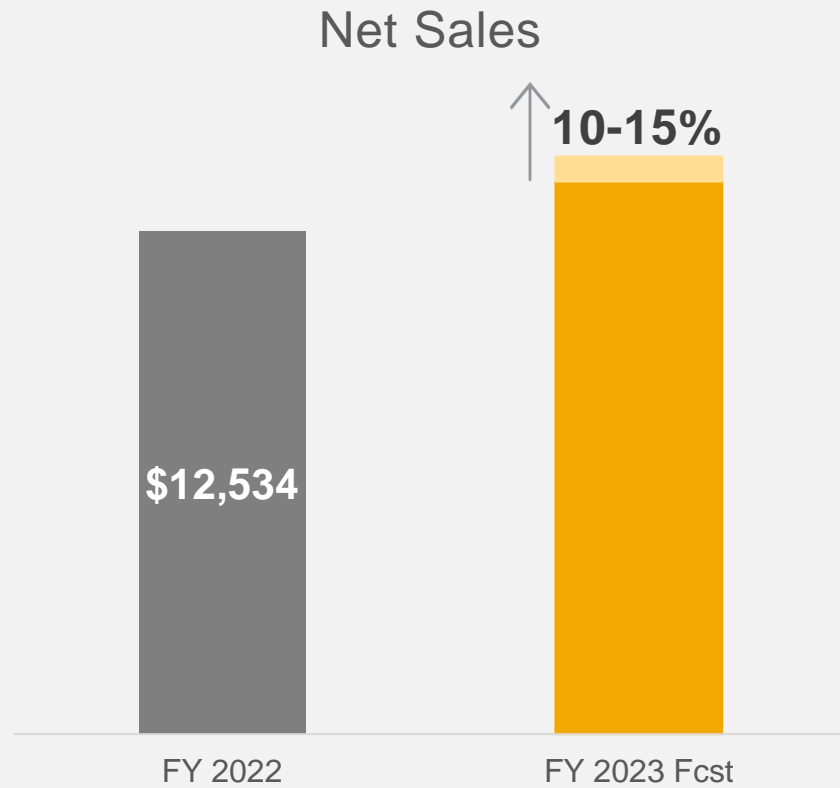


Flat

Source: Deere & Company forecast as of 17 February 2023

Construction and Forestry

Business Segment Outlook



Source: Deere & Company forecast as of 17 February 2023

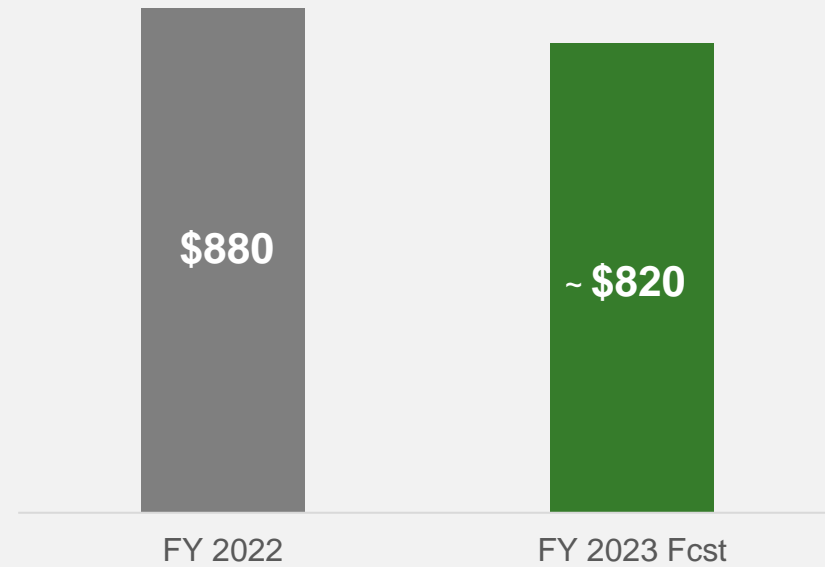
Financial Services

Net Income – Results and Outlook

Quarter Results



Fiscal Year Outlook



Source: Deere & Company forecast as of 17 February 2023

Deere & Company Outlook

FY 2023 FORECAST

Net Income

(attributable to Deere & Co.)

\$8.75-9.25B

Effective

Tax Rate*

23-25%

Net Operating

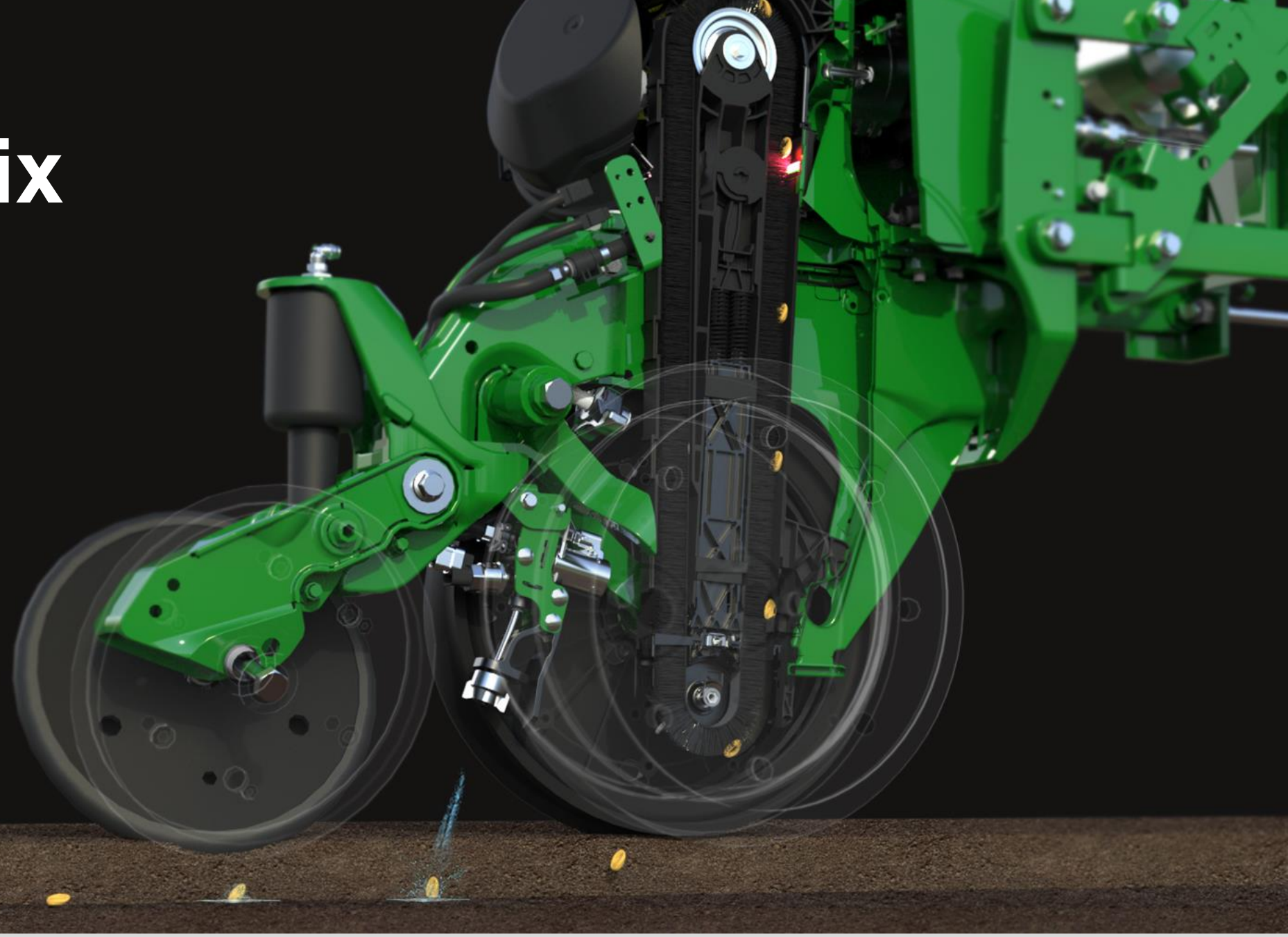
Cash Flow*

\$9.25-9.75B

**Equipment Operations*






Source: Deere & Company forecast as of 17 February 2023

Appendix



Other Financial Information

Equipment Operations

(\$ millions)	1Q 2023	FY 2023 Forecast
Cost of Sales (percent of Net Sales)	70%	~69%
Selling, Administrative and General Expenses	 19%	 ~16%
Research and Development Expenses	 23%	 ~14%
Capital Expenditures		~ \$1,400
Pension/OPEB Expenses		 ~ \$220
Pension/OPEB Contributions		~ \$200

Source: Deere & Company forecast as of 17 February 2023

January 2023 Retail Sales (Rolling 3 Months) and Dealer Inventories

Retail Sales U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↓ 25%	↓ More than the industry
2WD Tractors (40 < 100 PTO hp)	↓ 9%	↓ In line with the industry
2WD Tractors (100+ PTO hp)	↑ 4%	↑ More than the industry
4WD Tractors	↑ 26%	↑ More than the industry
Combines	↑ 37%	↑ More than the industry

Deere Dealer Inventories*** U.S. and Canada Ag	2023	2022
2WD Tractors (100+ PTO hp)	25%	15%
Combines	16%	7%

* 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

January 2023 Retail Sales (Rolling 3 Months)

Retail Sales Europe Ag	Deere*
Tractors	↓ Single digit
Combines	↑ Double digits
Retail Sales U.S. and Canada	Deere*
Selected Turf and Utility Equipment	↑ High single digit
Construction and 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

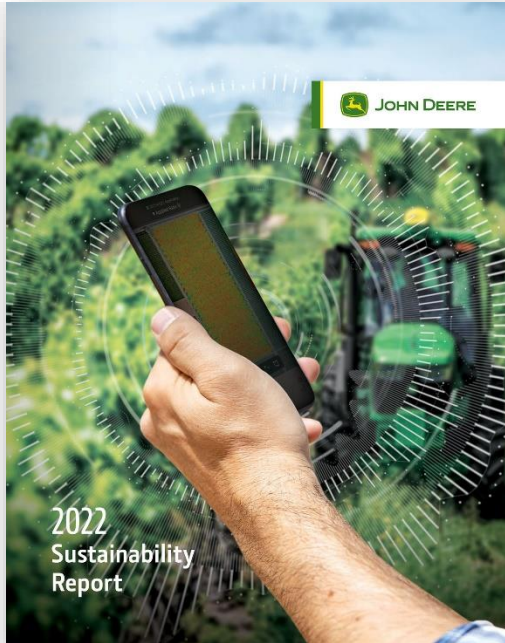
COMMON STOCK
DIVIDEND

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

Sustainability



We're running for a world where people and planet prosper.

View the 2022 Sustainability Report at:

<https://www.deere.com/en/our-company/sustainability/>

Deere & Company's 2Q 2023 earnings call is scheduled for 9:00 a.m. Central Time on Friday, 19 May 2023.



JOHN DEERE