

Investor Presentation

February 2020 – April 2020



Safe Harbor Statement & Disclosures

This presentation includes forward-looking comments subject to important risks and uncertainties. It may also contain financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP).

Refer to Deere's reports filed on Forms 8-K (current), 10-Q (quarterly), and 10-K (annual) for information on factors that could cause actual results to differ materially from information in this presentation and for information reconciling financial measures to GAAP. Past performance may not be representative of future results.

Guidance noted in the following slides was effective as of the company's most recent earnings release and earnings call (21 February 2020). Nothing in this presentation should be construed as reaffirming or disaffirming such guidance.

This presentation is not an offer to sell or a solicitation of offers to buy any of Deere's securities.

Table of Contents

	<u>Slide</u>
John Deere Strategy	4
Use-of-Cash	19
John Deere Financial Services	24
Agriculture Fundamentals	28
Construction & Forestry Fundamentals	44
Appendix	48

John Deere Strategy



THE JOHN DEERE STRATEGY

OUR PURPOSE Committed to those linked to the land



OUR ASPIRATIONS

Realizing sustainable SVA growth through innovation and disciplined expansion.



CRITICAL SUCCESS FACTORS

Further developing the capabilities essential to reaching our goals.



FOUNDATIONAL SUCCESS FACTORS

Investing in the core strengths that have guided our success.



INTEGRATED ENTERPRISE

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



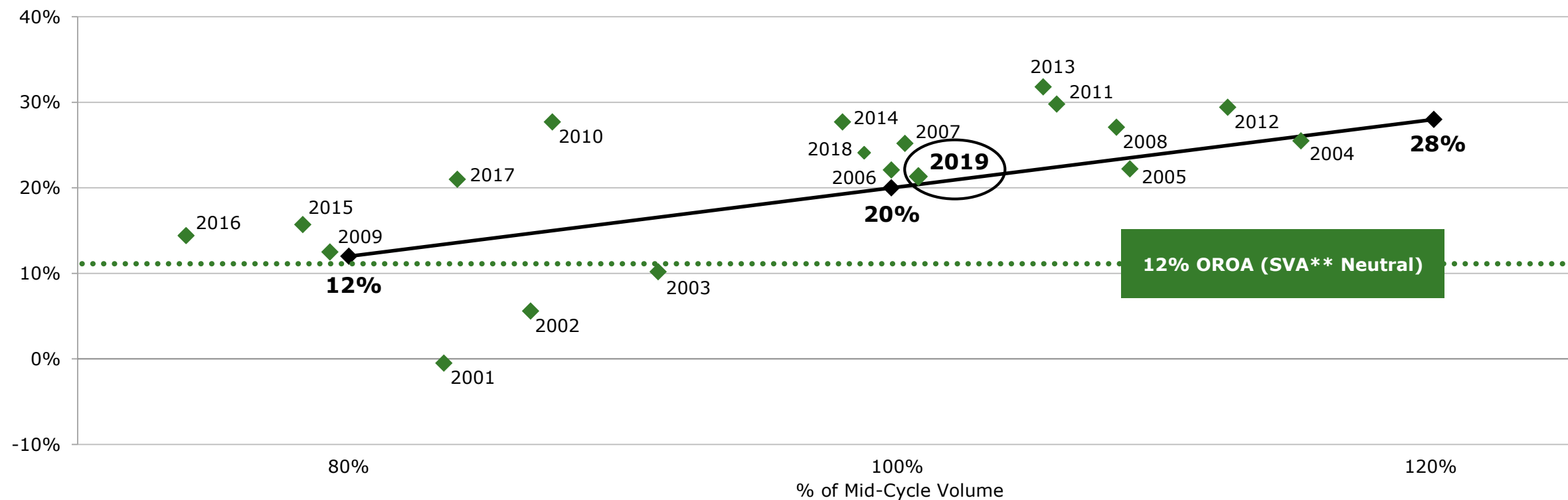
CORE VALUES

Unwavering adherence to the values that unite and differentiate us.

Exceptional Operating Performance - OROA

Equipment Operations

21.3% OROA* in 2019

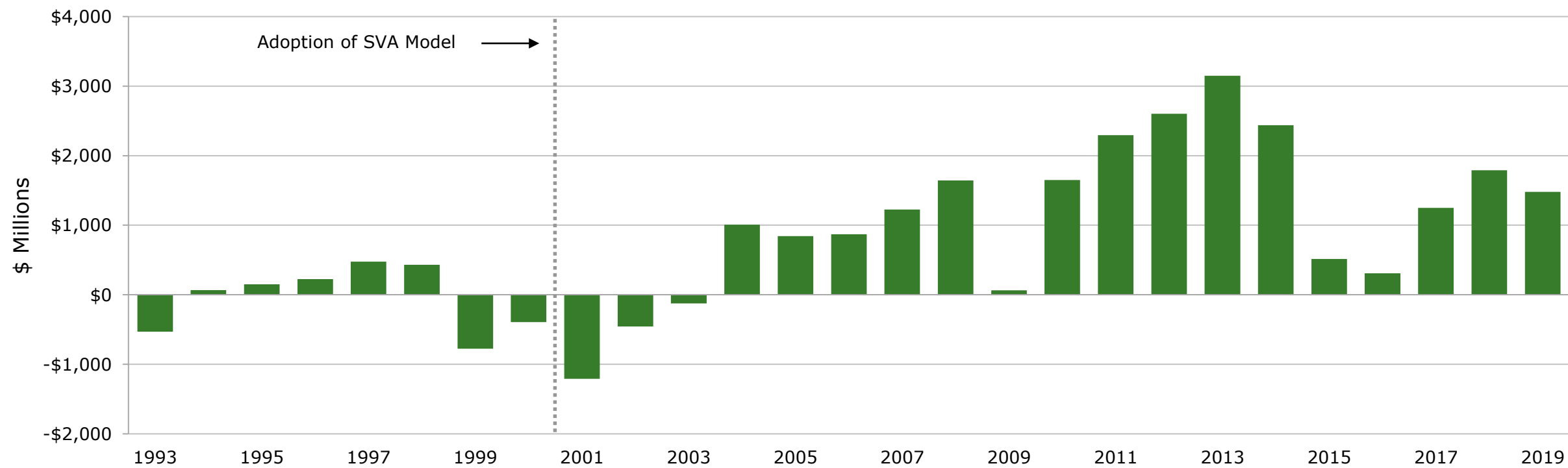


* Operating Return on Operating Assets
** Shareholder Value Added; for reconciliation to GAAP see "SVA* Reconciliation to GAAP" slide in Appendix

Exceptional Operating Performance – SVA

Equipment Operations

\$1.5 billion SVA* in 2019

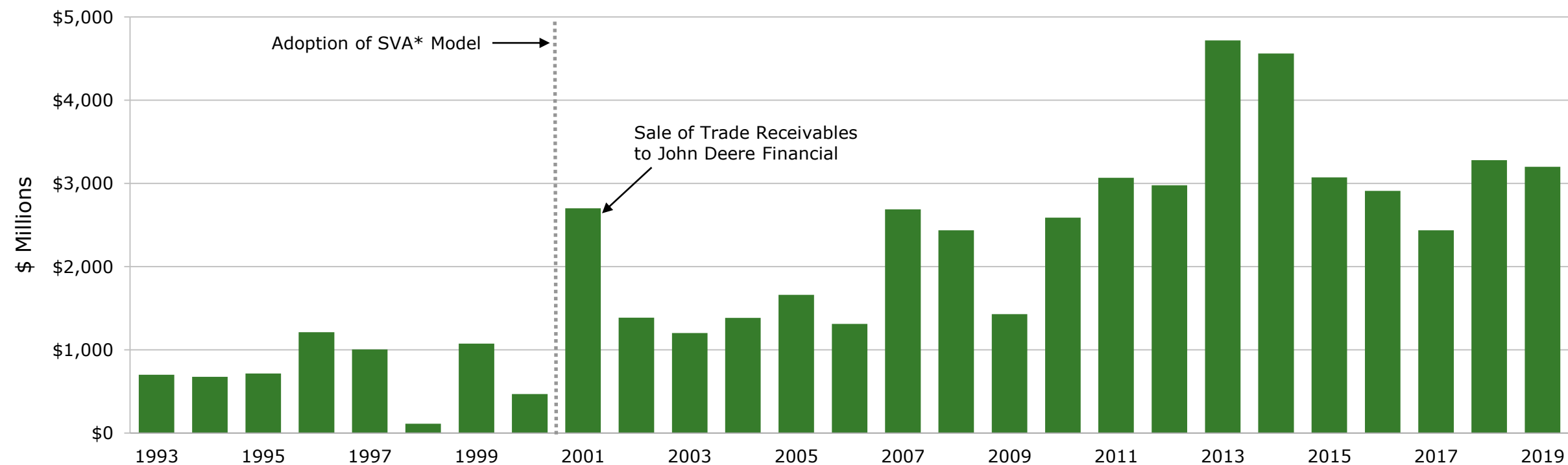


** Shareholder Value Added; for reconciliation to GAAP see "SVA* Reconciliation to GAAP" slide in Appendix*

Exceptional Operating Performance – Operating Cash Flow

Equipment Operations

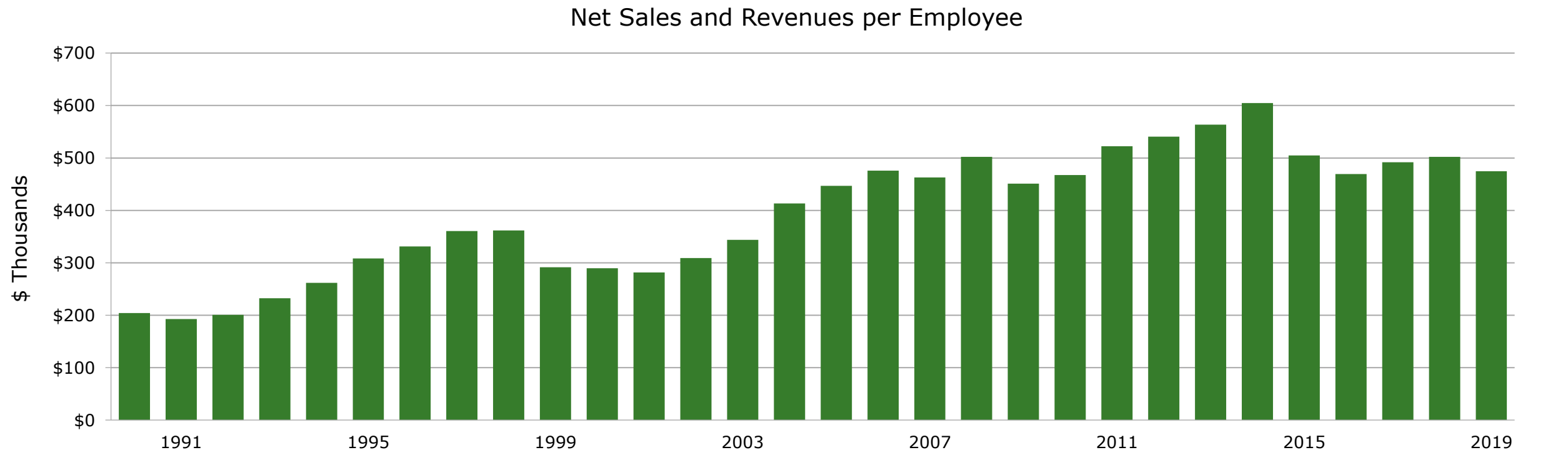
\$3.2 billion Net Cash Flow in 2019



** Shareholder Value Added*
Note: Over \$10.5 billion in Pension/OPEB contributions from 2001-2019

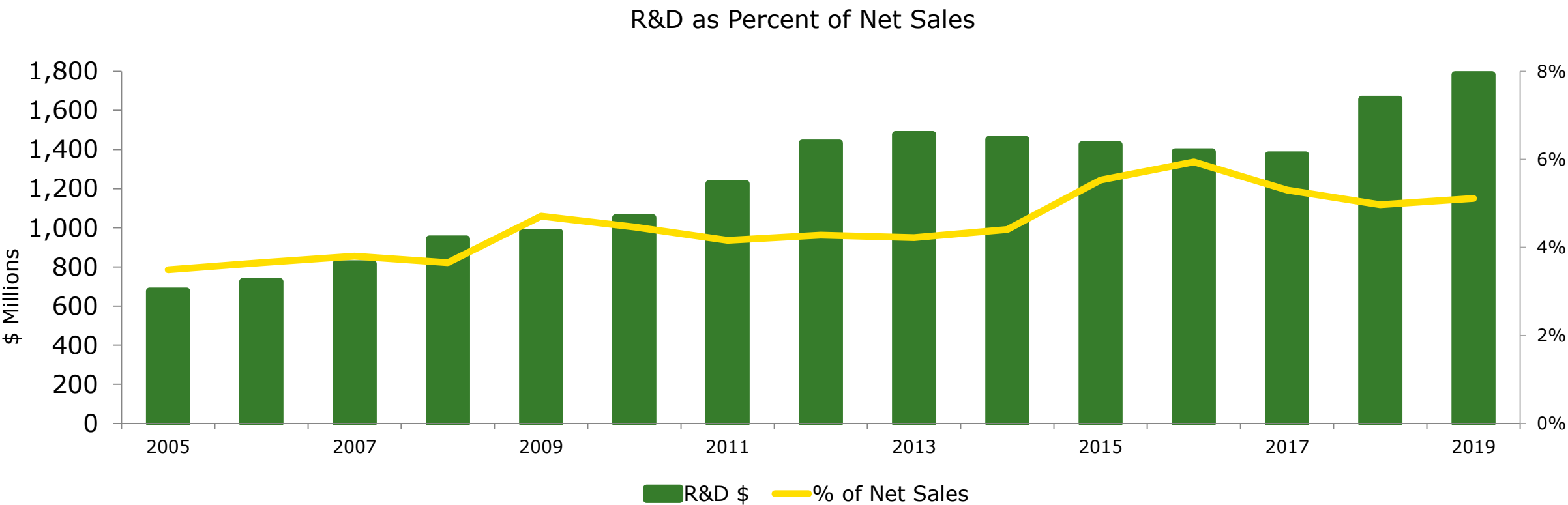
Productivity Improvement

~ 3% CAGR* over 30 years



* Compound Annual Growth Rate

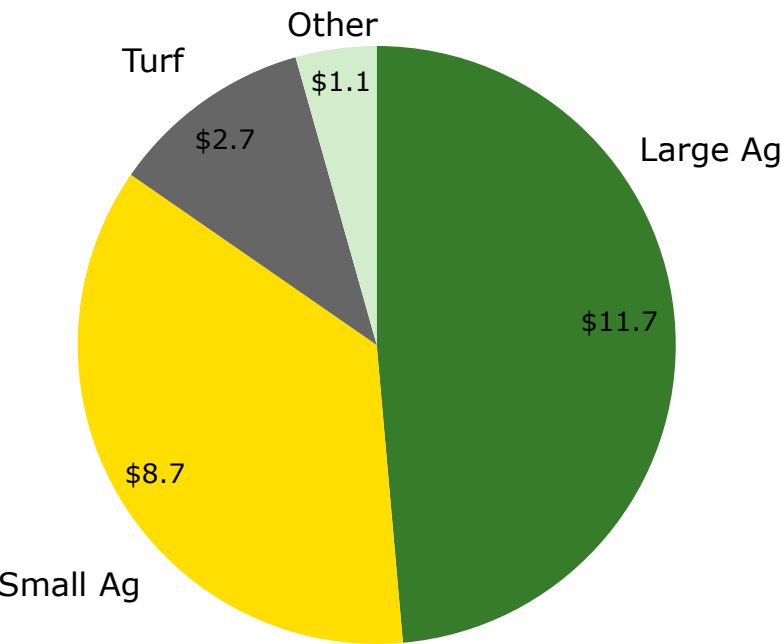
Investment in New Products and Technologies



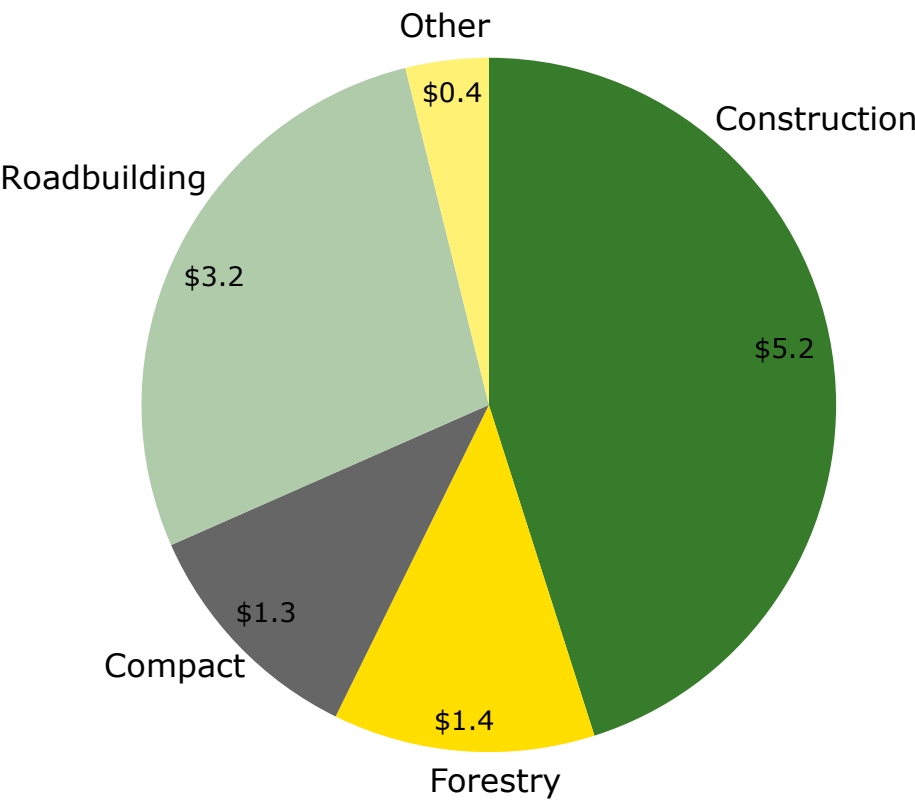
Net Sales by Product Category

Equipment Operations – Fiscal 2019

Agriculture & Turf
\$24.1 billion*



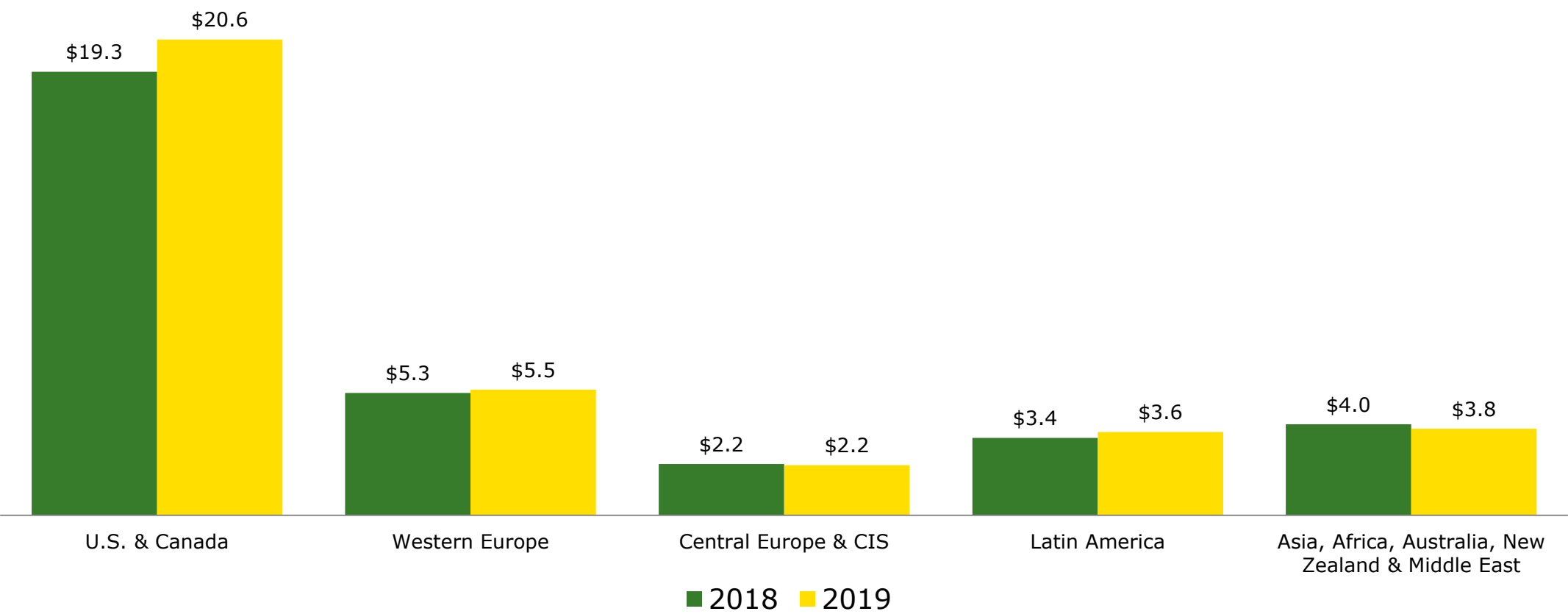
Construction & Forestry
\$11.5 billion*



**Includes Other Revenues*

Net Sales by Major Markets

Equipment Operations**



\$ Billions

- *U.S. & Canada not to scale with other markets
- **2018 includes 10 months of Wirtgen and Other Revenues

John Deere
Precision Ag
Profitable + Sustainable



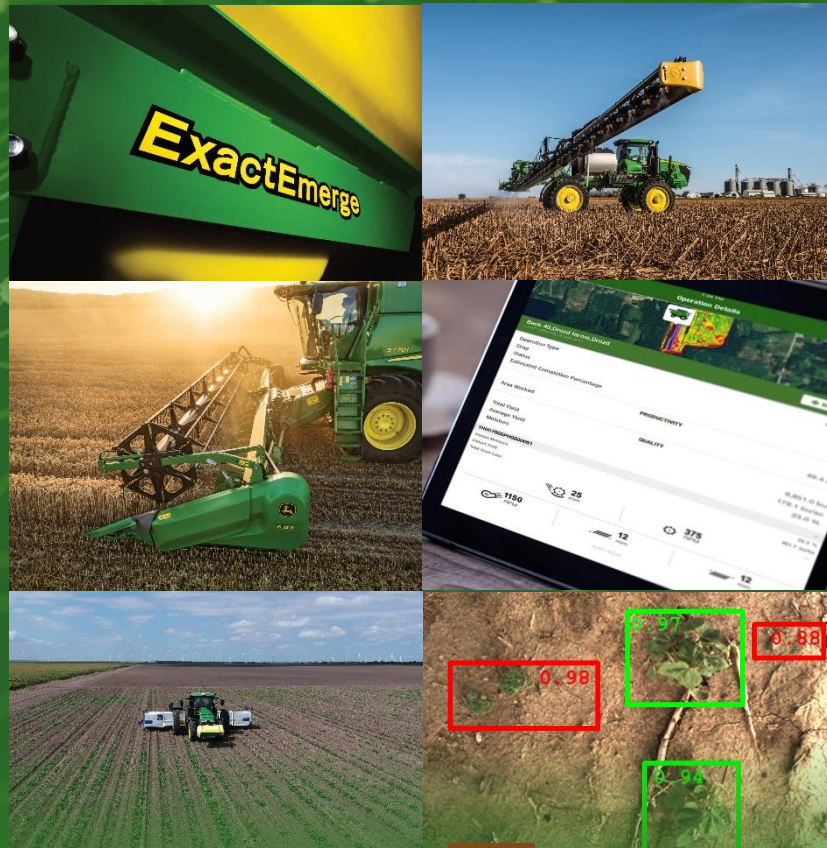
JOHN DEERE

Deere is the global leader in precision agriculture

Best Machines



Industry Leading Technology



World Class Dealer Channel



Traditional Agriculture



Bigger. Faster. Stronger.

Next Frontier of Agriculture



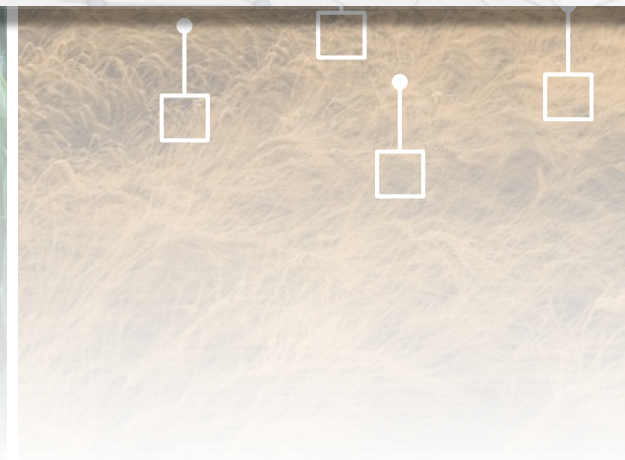
Automated. Easy to Use. More Precise.

**Best machines,
smarter over
time, better
together**

**Our Strategy: Help our customers become the
most profitable & sustainable growers**



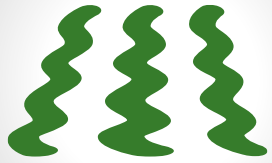
With our technology we make farming automated, easy to use and more precise across all operations



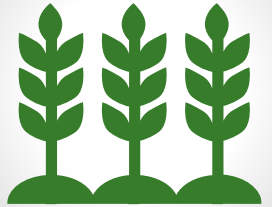
Migration from **Field** → **Plant**



Field



Zone



Row



Plant



Case Study: Combine Advisor™

Making Every Grain Count



Grain Quality Camera

Active Yield

Grain loss sensor

Gen4 Display

Ops Center Remote View & Adjust

Intelligent Combine Adjust

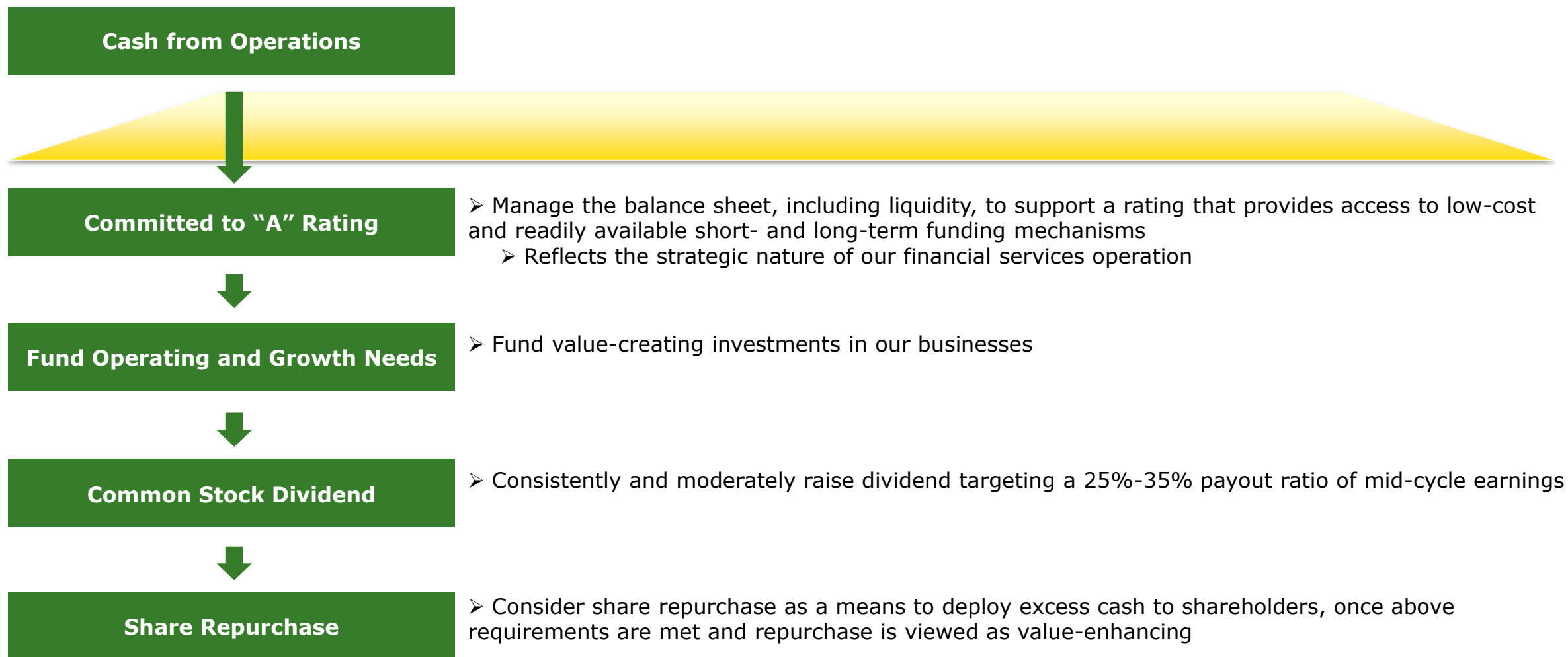
Customer Value: Automated machine settings, more consistent harvest quality, reduced need for skilled labor



Use-of-Cash



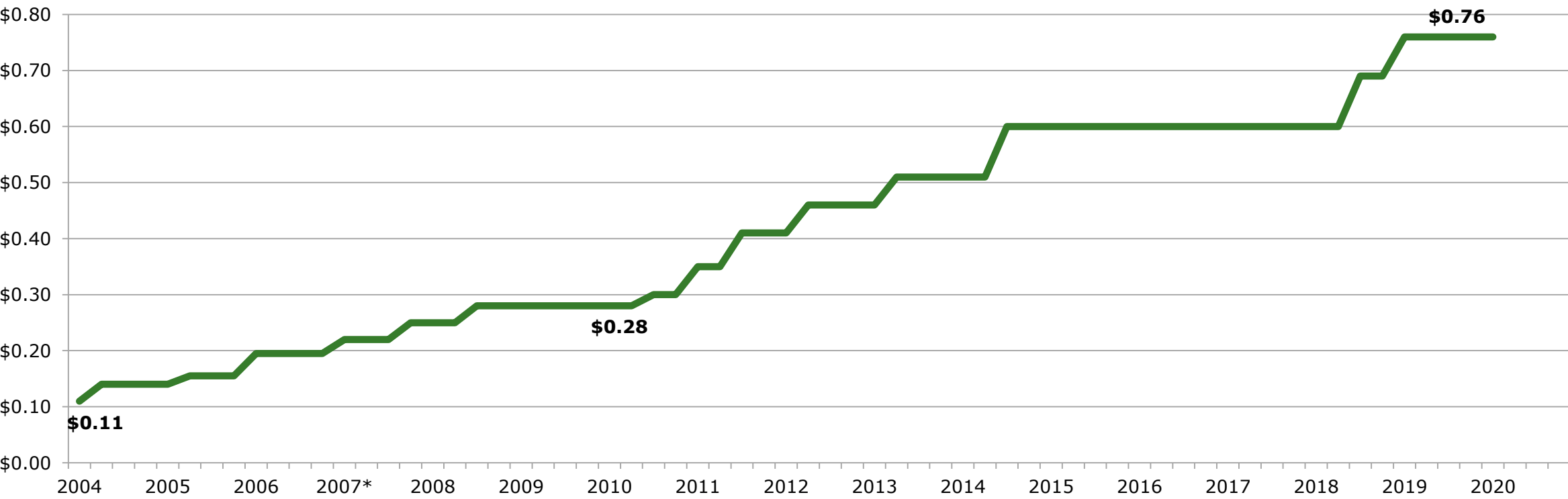
Deere Use-of-Cash Priorities



Deere Quarterly Dividends Declared

1Q 2004 – 1Q 2020

Dividend raised 171% since 2010



* Adjusted for 2 for 1 stock split on 26 November 2007

Share Repurchase

As Part of Publicly Announced Plans

1Q 2020:

Cost of repurchases	\$99.0 million
Shares repurchased	0.6 million

2004–1Q 2020:

Cumulative cost of repurchases	\$18.7 billion
Shares repurchased	260.0 million

December 2013 authorization of \$8 billion:

Amount remaining	\$1.0 billion
------------------	----------------------

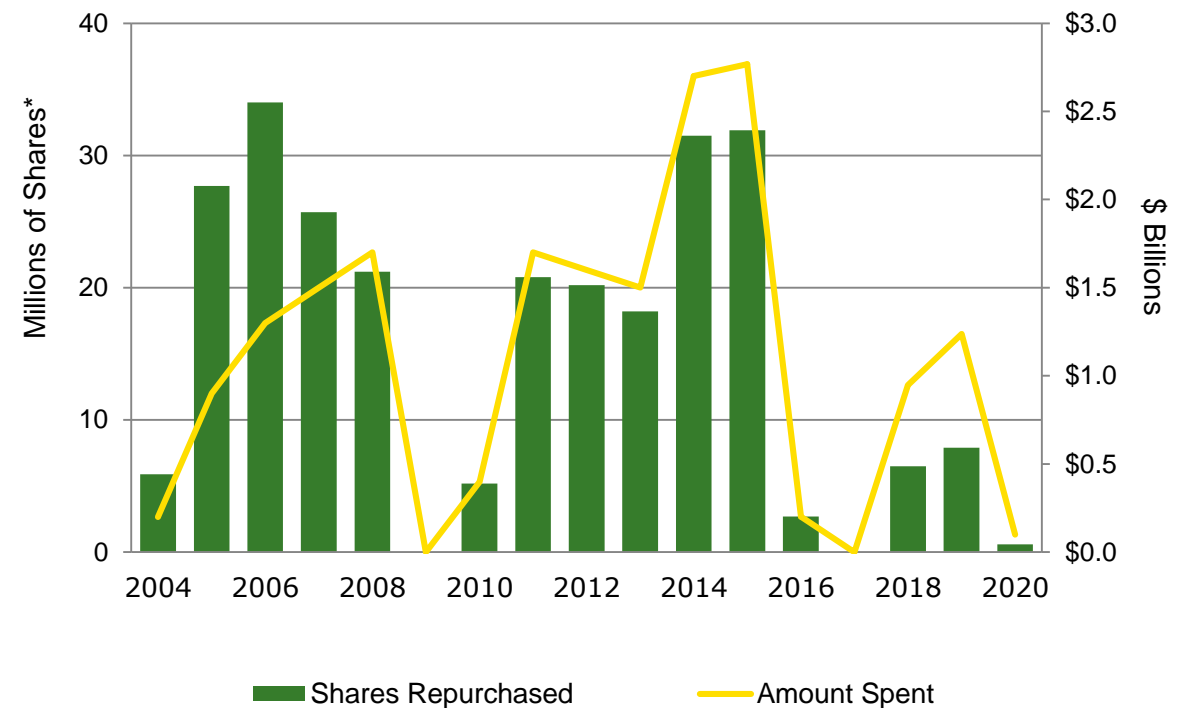
December 2019 authorization of \$8 billion:

Amount remaining	\$8.0 billion
------------------	----------------------

Shares outstanding:

2 February 2020 period ended basic shares	313.6 million
1Q 2020 average diluted shares	317.2 million

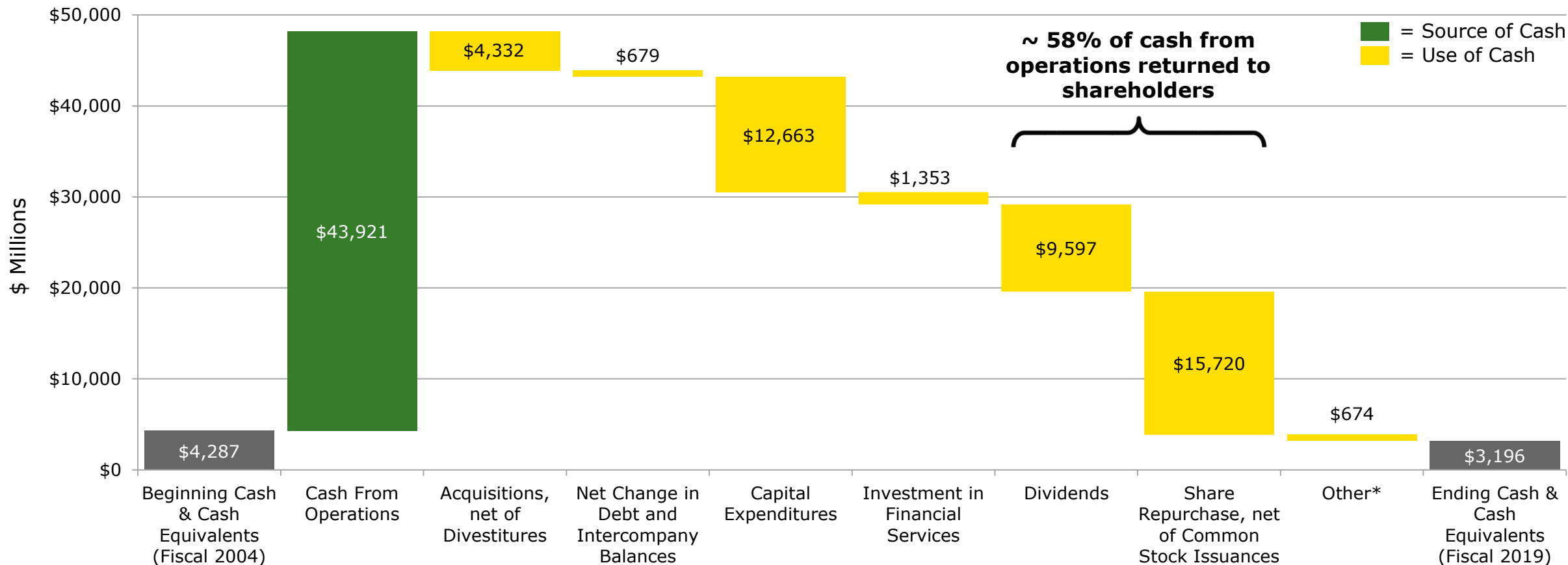
37% net share reduction since 2004



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

Sources and Uses of Cash Fiscal 2004-2019

Equipment Operations



* Other includes proceeds from maturities and sales of marketable securities and purchases of marketable securities and reconciliation for non-cash items including the effect of exchange rates on cash and cash equivalents

Note: "Cash from Operations" adjusted with the adoption of FASB ASU No. 2016-09 "Improvements to Employee Share-Based Payment Accounting"

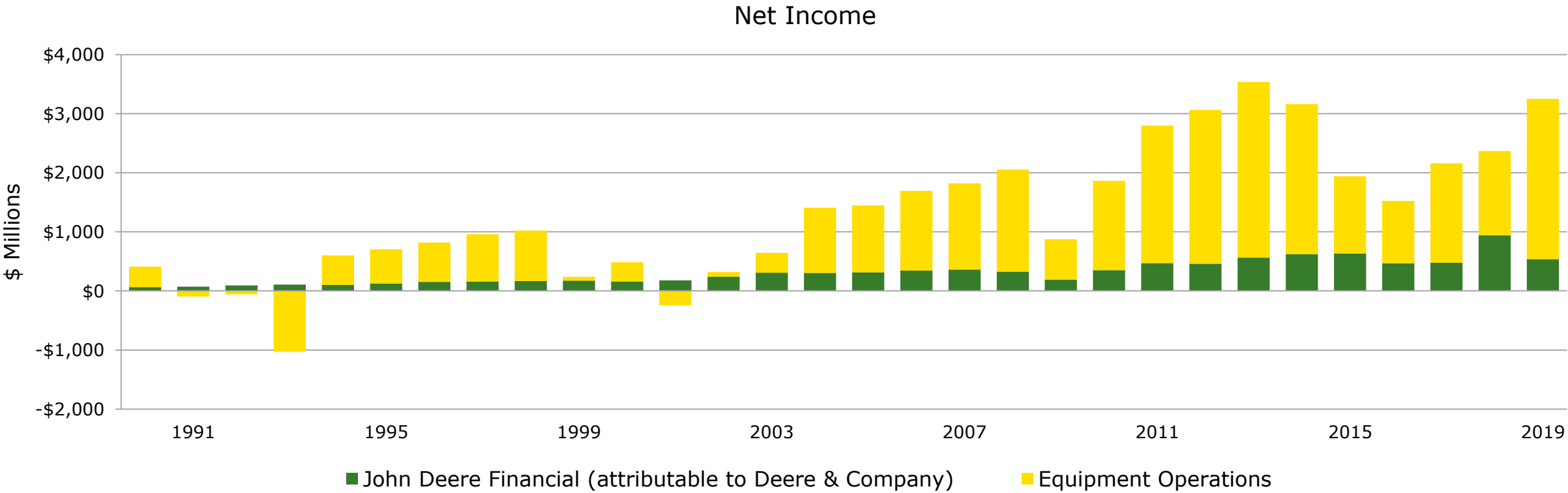
Source: Deere & Company SEC filings, Deere & Company forecast as of 27 November 2019

John Deere Financial Services



John Deere Financial Services

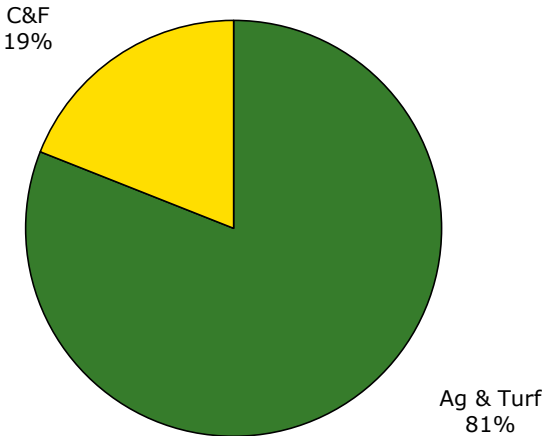
Consistent earnings throughout the cycle



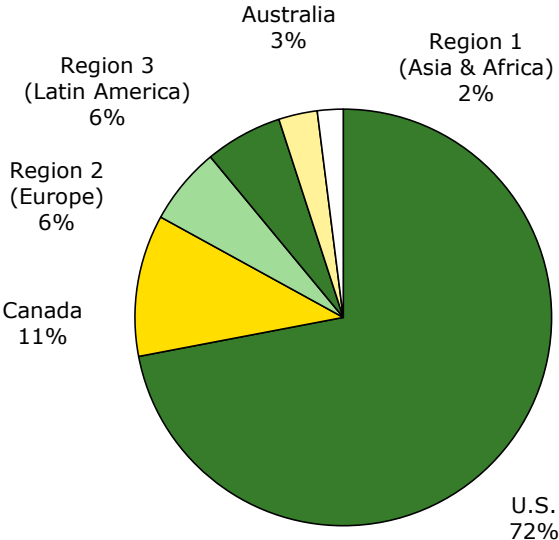
John Deere Financial Services

~\$47 billion Net Owned Portfolio as of 3 November 2019

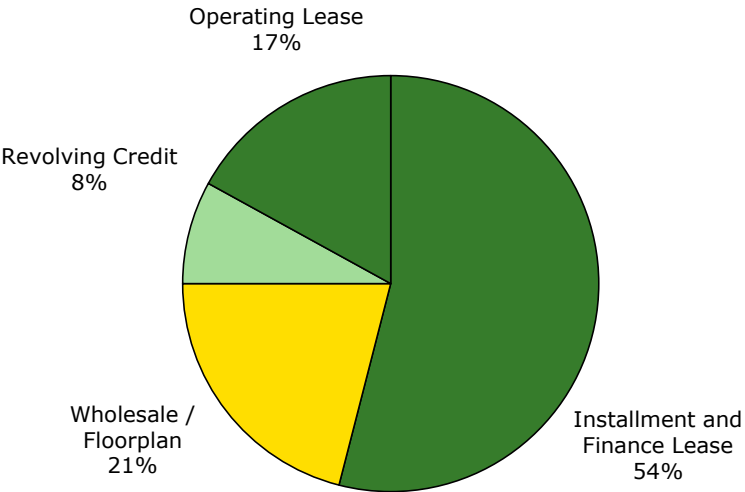
Portfolio Composition by Segment



Portfolio Composition by Geography



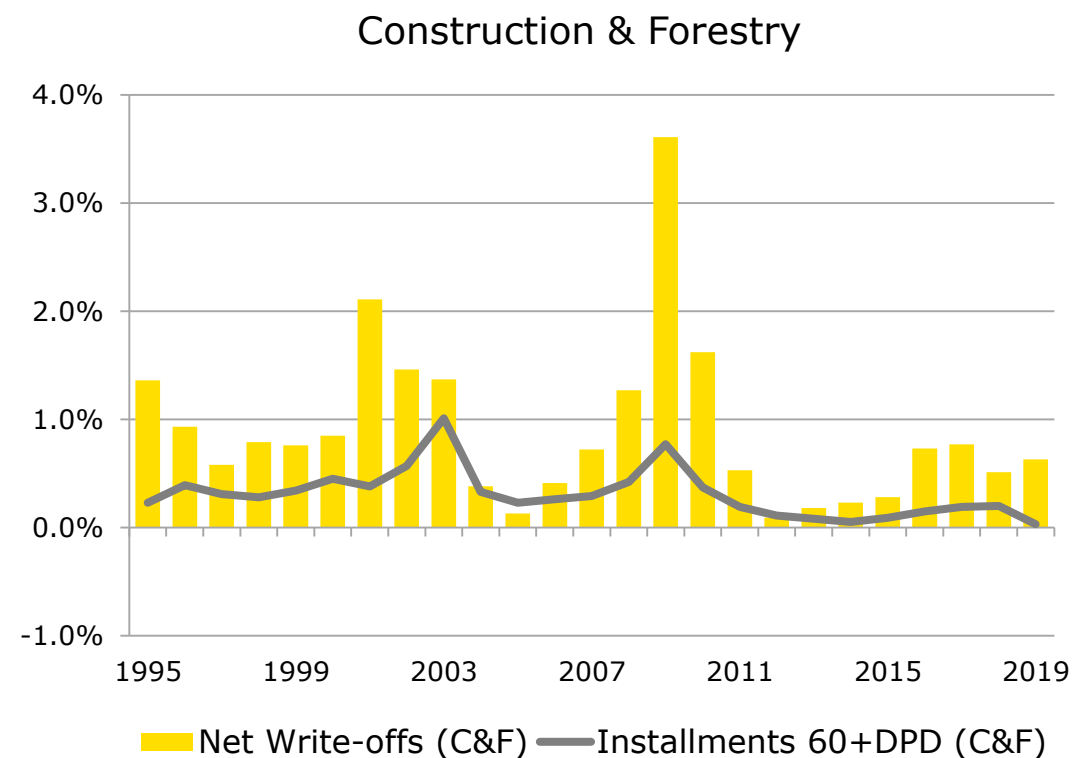
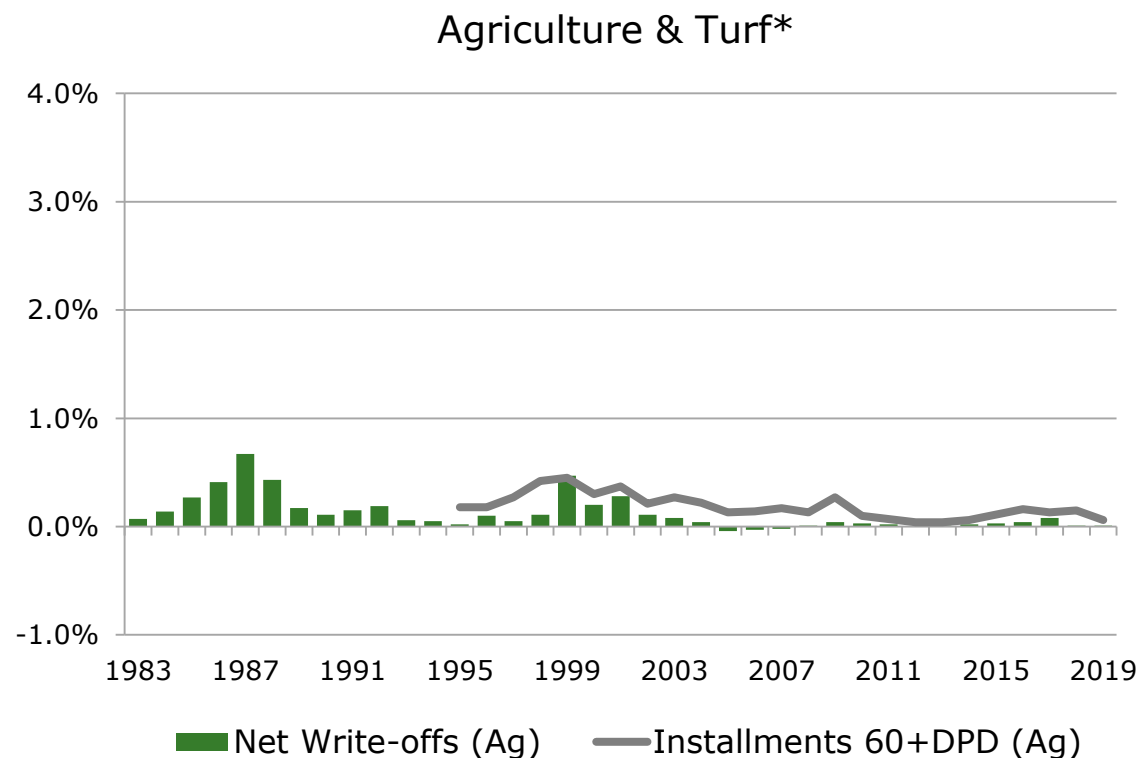
Portfolio Composition by Product



Note: Information above includes all Deere & Company lending activities worldwide.

John Deere Capital Corporation

Continued extremely low write-offs in Agriculture & Turf and Construction & Forestry

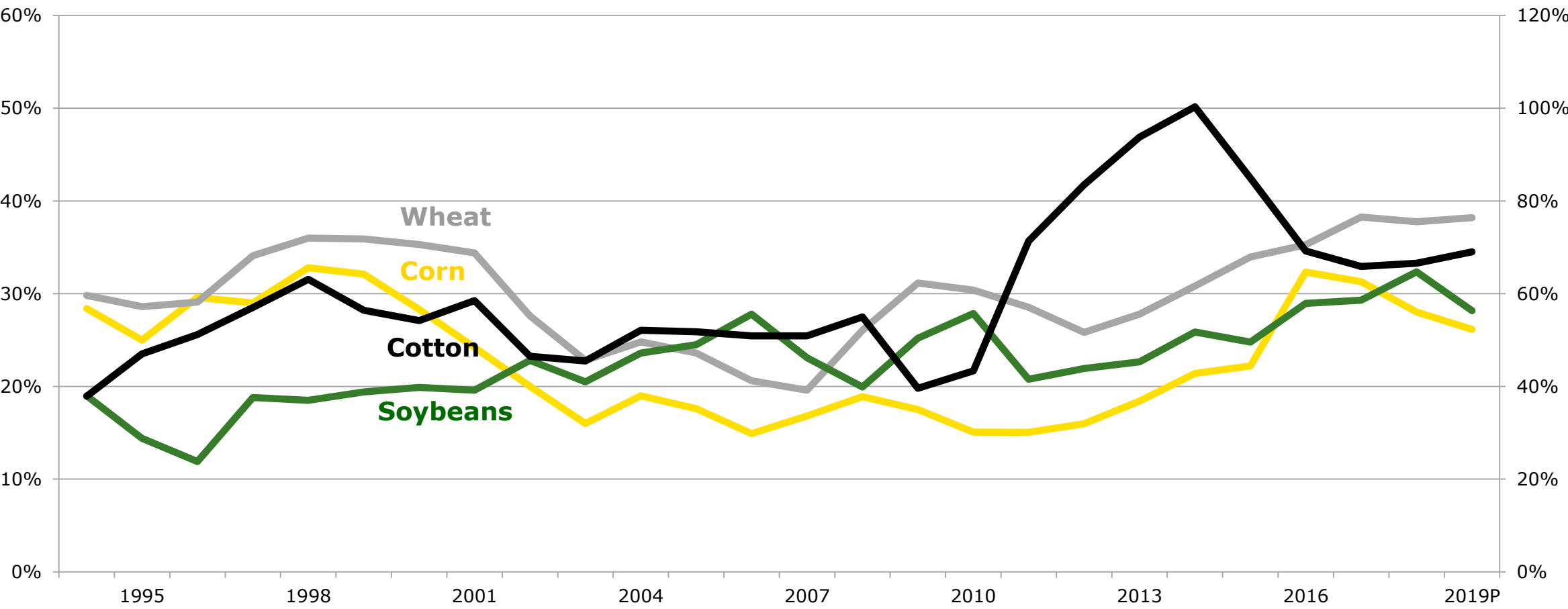


* 1983–1985 includes construction; 1986–1994 includes lawn & grounds care; 2009 forward includes ag & turf equipment; as % of owned losses after dealer reserve charges
Source: 1983–1994 internal reporting, 1995–2011 JDCC 10-K filings, 2012–2019 internal reporting

Agriculture Fundamentals

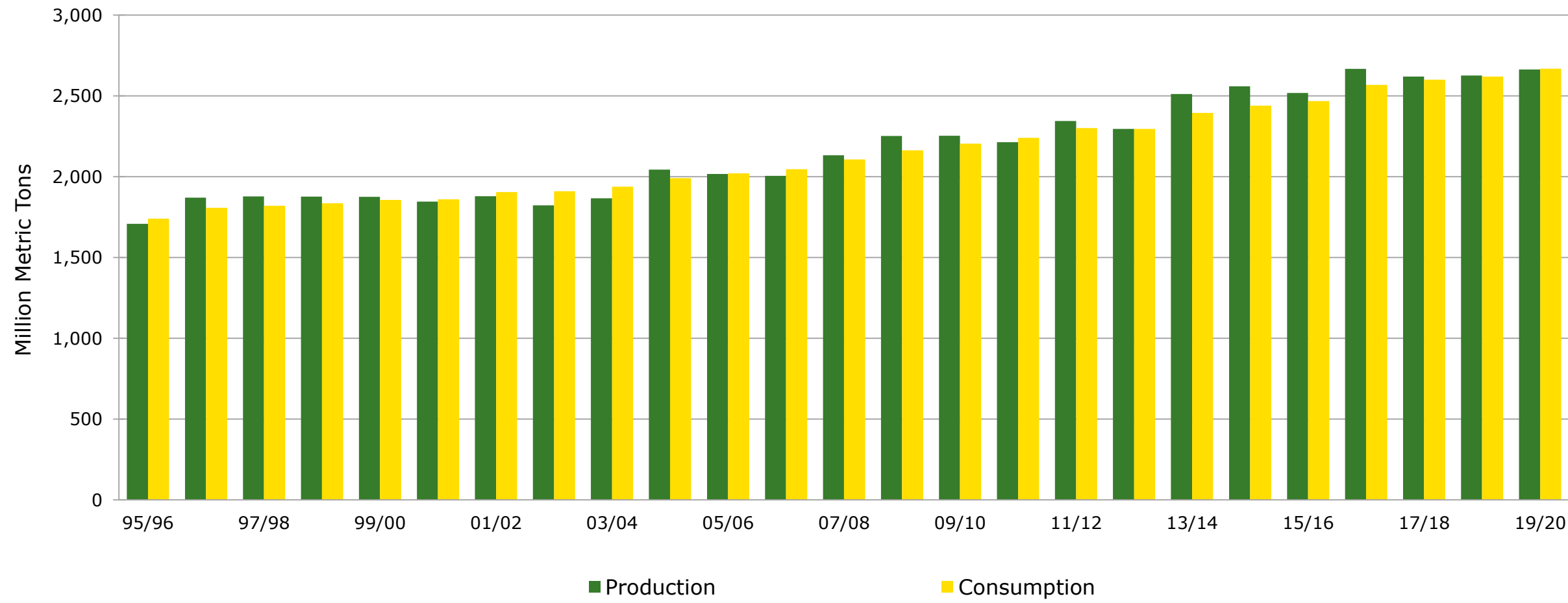


Global Stocks-to-Use Ratios



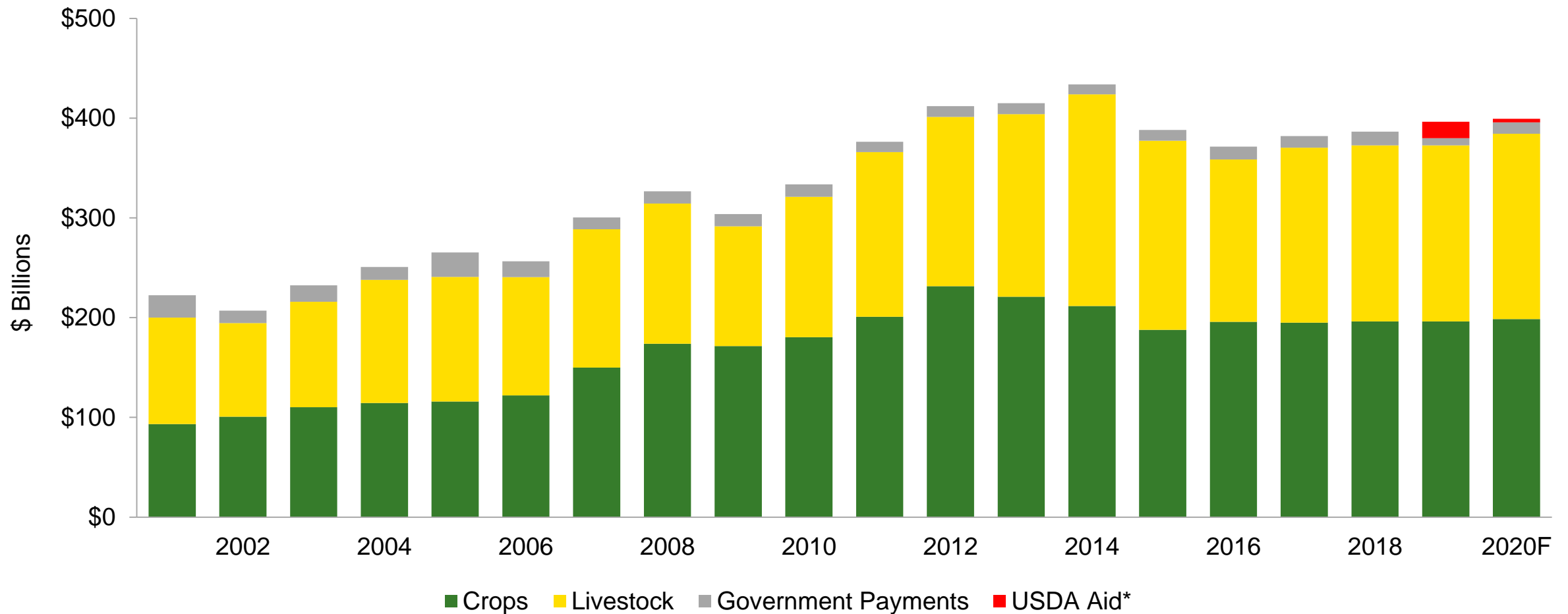
Source: USDA, 11 February 2020

Global Grain Supply and Demand



Source: USDA, 11 February 2020

U.S. Farm Cash Receipts



*USDA Aid includes partial MFP1 and two tranches of MFP2

Note: USDA announced a trade retaliation relief package \$16B in 2019. The \$16B package includes \$14.5B direct payment via Market Facilitation Program (MFP) which was distributed in three separate tranches; 1st tranche Aug 2019, 2nd tranche Nov 2019 and 3rd tranche Feb 2020.

Source: 2001–2018: USDA, 5 February 2020

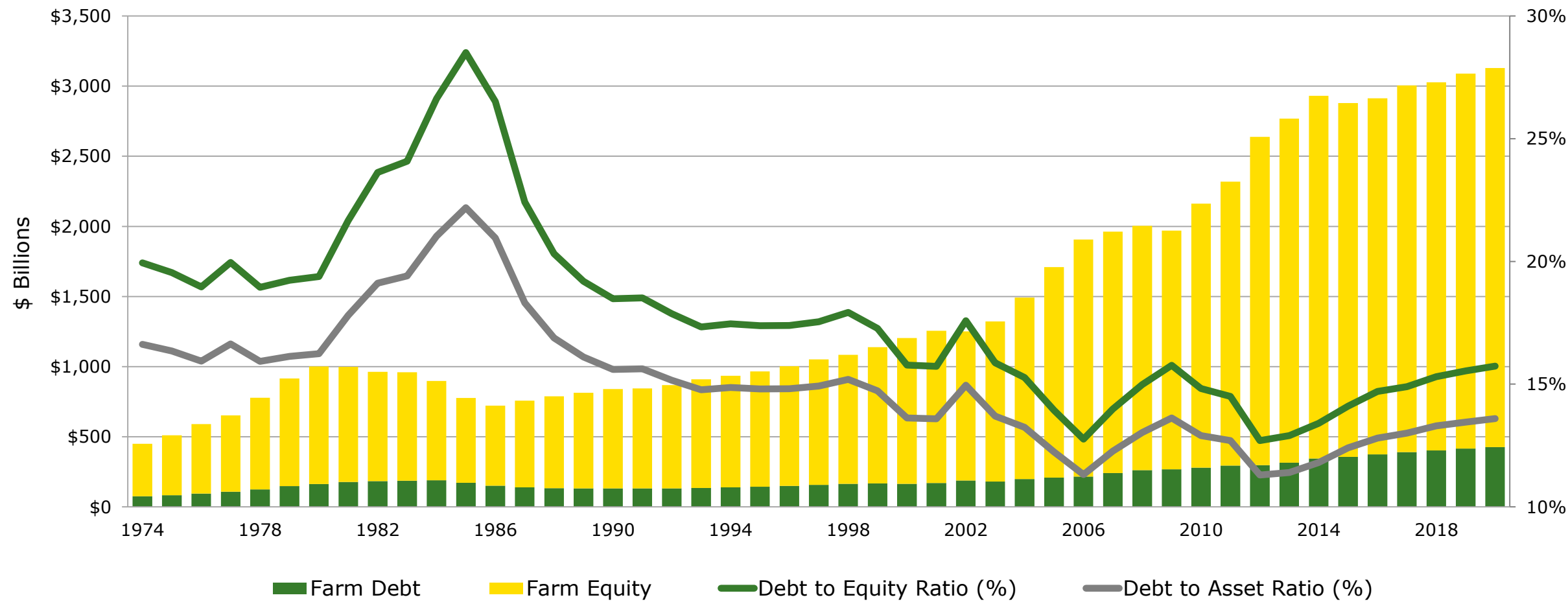
2019F–2020F: Deere & Company forecast as of 21 February 2020

U.S. Net Farm Cash Income

(\$ billions)	2018	2019 Forecast	2020 Forecast
Total Cash Receipts	\$386.4	\$398.0	\$399.4
Other Farm-Related Income	\$29.1	\$34.3	\$31.5
Gross Cash Income	\$415.5	\$432.2	\$430.9
Cash Expenses	(\$311.3)	(\$311.8)	(\$321.3)
Net Cash Income	\$104.2	\$120.4	\$109.6

Source: 2018: USDA, 5 February 2020
2019F–2020F: Deere & Company forecast as of 21 February 2020

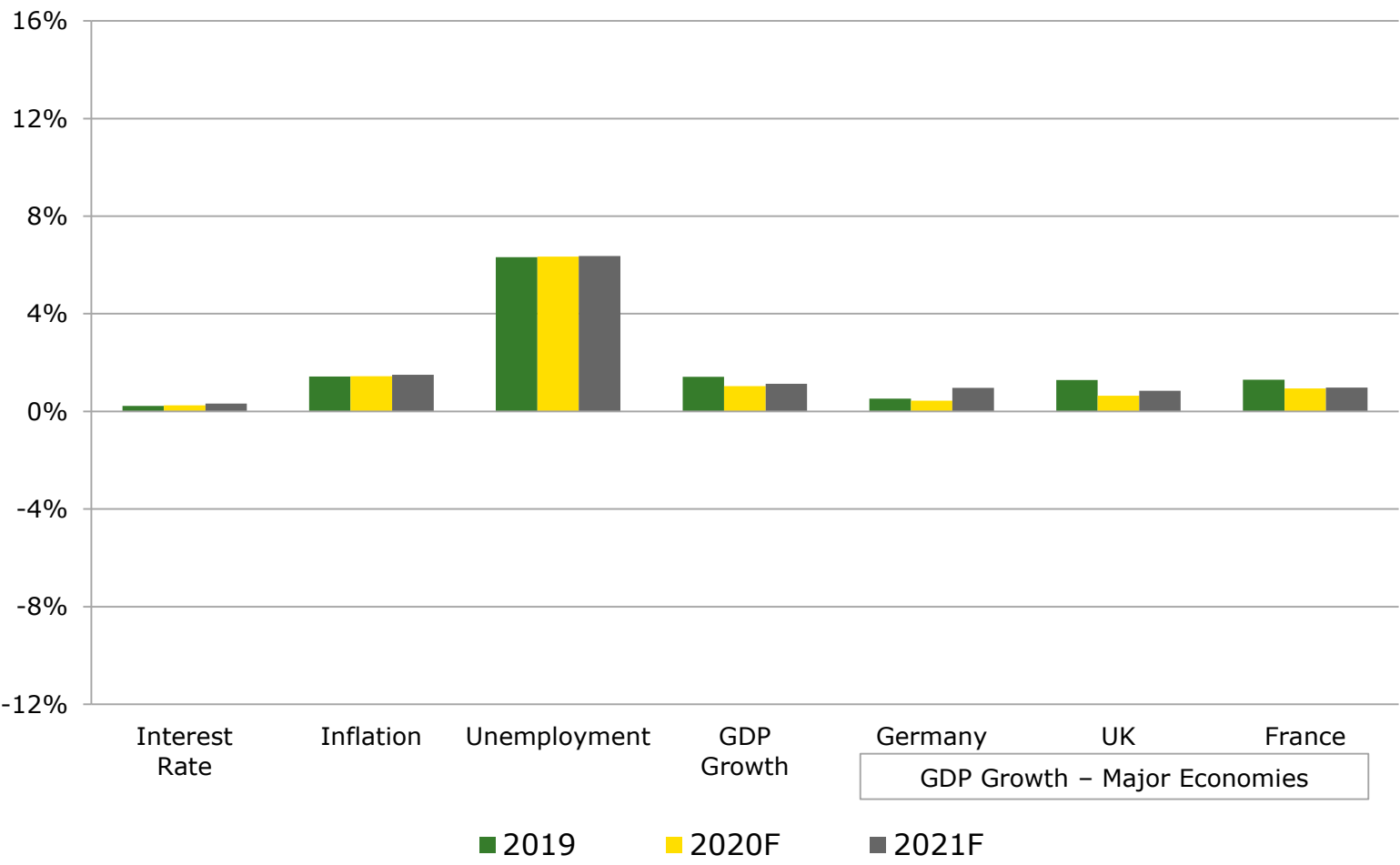
U.S. Farm Balance Sheet



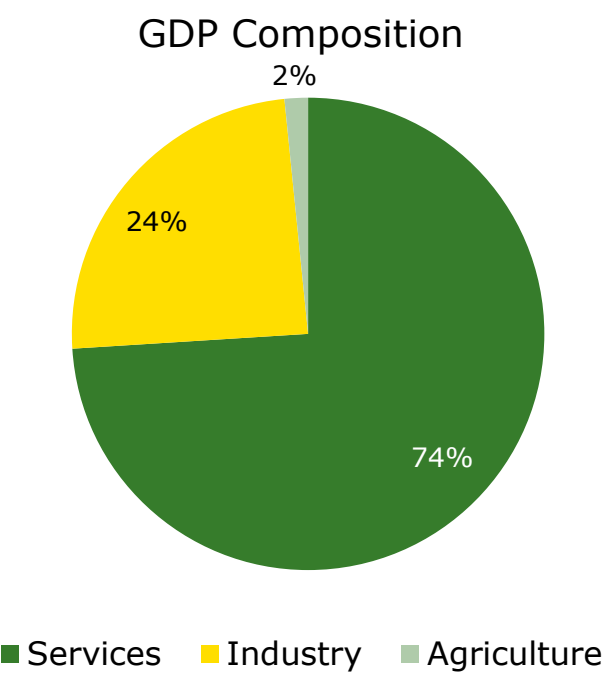
Source: 1975–2018: USDA, 5 February 2020
2019F–2020F: Deere & Company forecast as of 21 February 2020

EU 28

Macroeconomic Data



Source: IHS Markit January 2020



Source: The World Factbook, 2015 est.

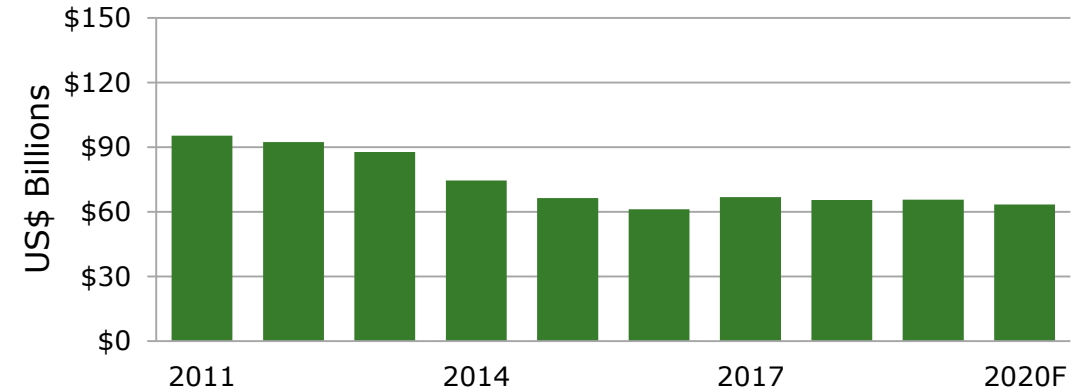
EU 28

Ag Economic Data

- Utilized agricultural area ~ 190 million hectares
- Arable land ~ 110 million hectares
- Growth potential for Western Ag equipment industry in Central & Eastern Europe
 - Ongoing farm & Ag land consolidation and yield improvements
- Average farm size ~ 16 hectares
 - Number of farms ~ 11 million

Source: FAO, Eurostat Agricultural Census 2013

Crop Value of Production



Includes wheat, barley, corn, sunflower seed, rapeseed, soybean, sugar beet, cotton, rice

Source: IHS Markit, February 2020

Share of the World Market

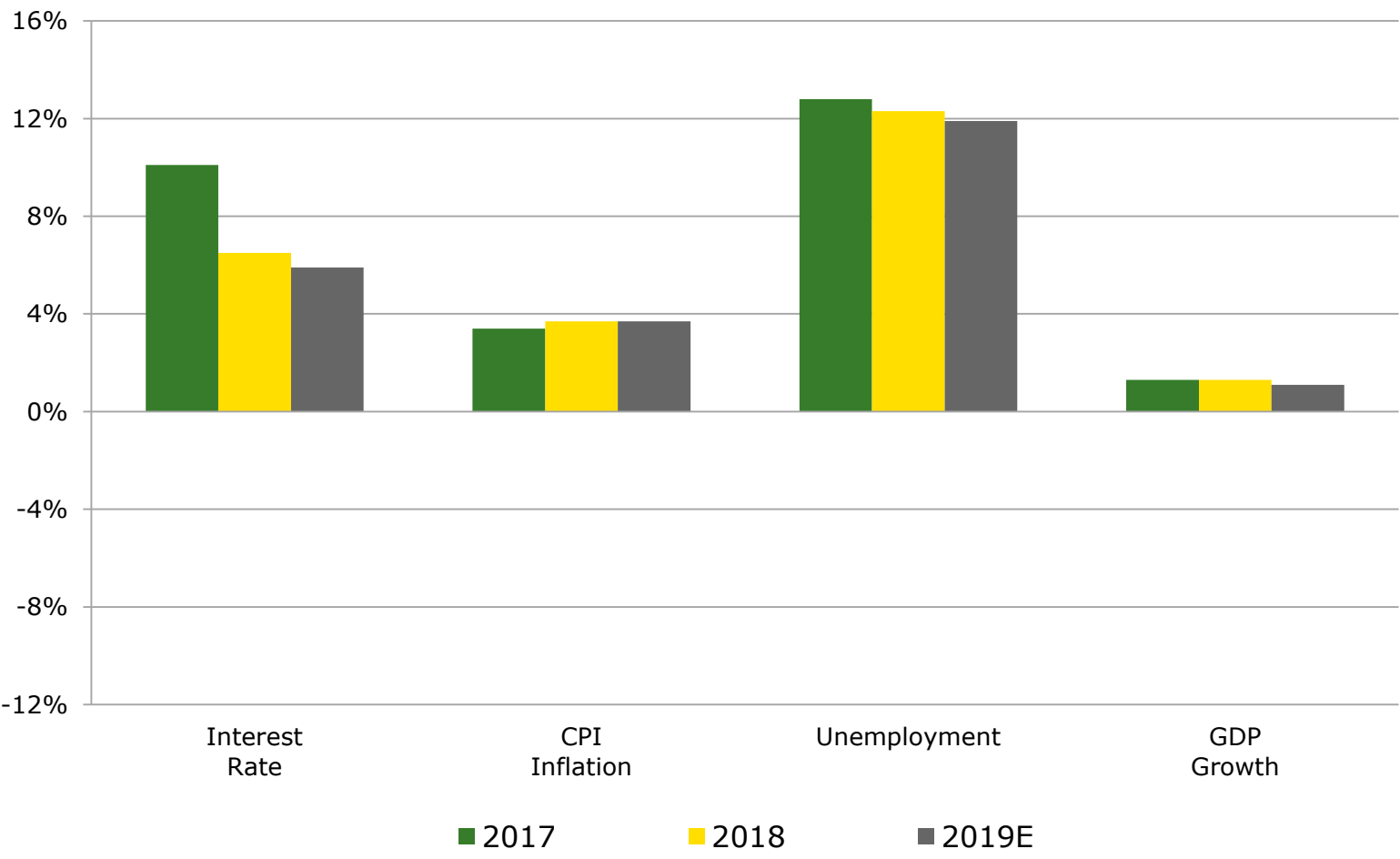
	Production	Exports
Total Grains	14%	9%
Wheat	20%	14%
Barley	41%	22%
Pork Meat	22%	35%
Cow Milk	31%	47%

Source: USDA, February 2020; average 2017-2019

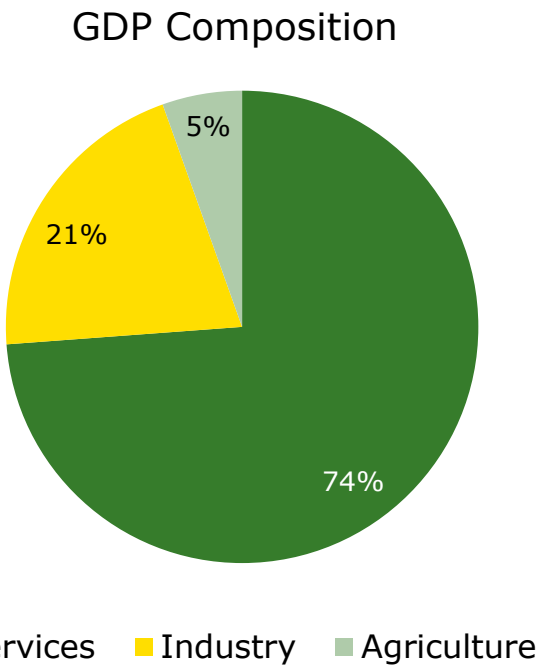
(Total Grains: excludes rice; Cow Milk: net exports of cheese)

Brazil

Macroeconomic Data



Source: IHS Global Insight, January 2020



Source: Brazilian Institute of Geography and Statistics (IBGE), 2017

Brazil

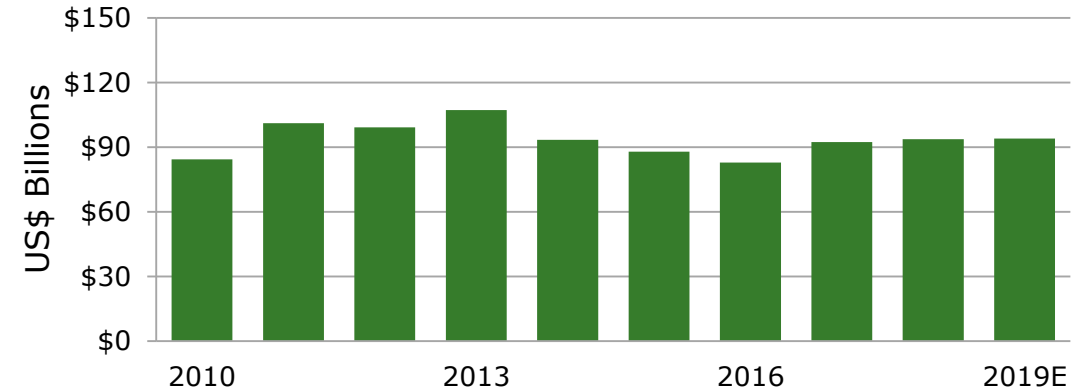
Ag Economic Data

- Agricultural area ~ 283 million hectares*
- Arable land & permanent crops ~ 87 million hectares
 - ~ 17 million hectares brought into production from 2002-2012 (~ half from pasture)
 - ~ 1 million hectares will be brought into production in next 10 years
- Average farm size ~ 70 hectares
 - Number of farms ~ 5 million

* Includes pasture, excludes double crop

Source: FAO, Conab, Brazilian Institute of Geography and Statistics (IBGE)

Crop Value of Production



Includes key grains, ethanol, sugar

Source: IHS Global Insight, February 2020

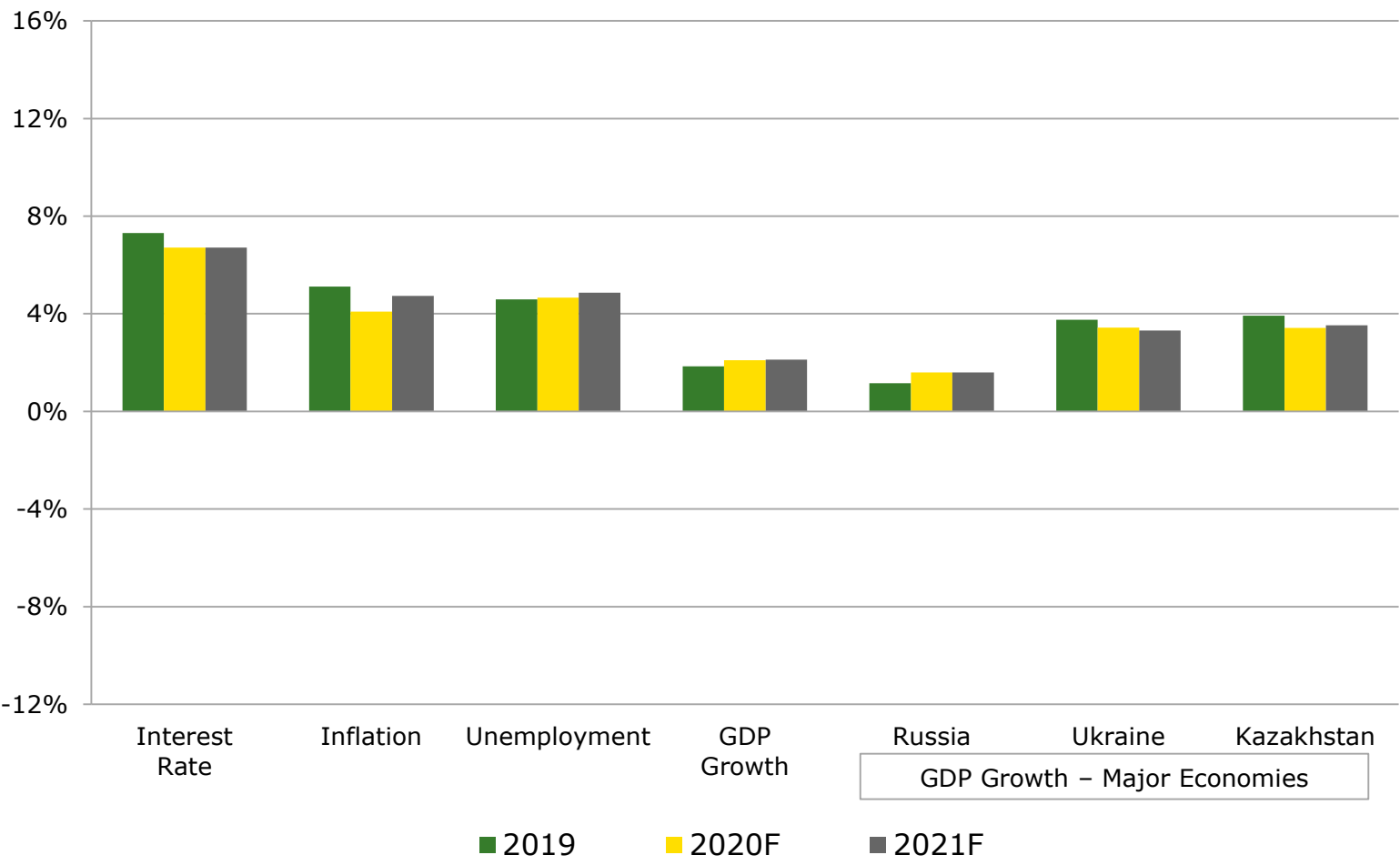
Share of the World Market

	Production	Exports
Soybean	34%	48%
Corn	8%	20%
Sugar	20%	43%
Beef	16%	20%
Chicken	14%	33%

Source: USDA, February 2020; average 16/17-18/19

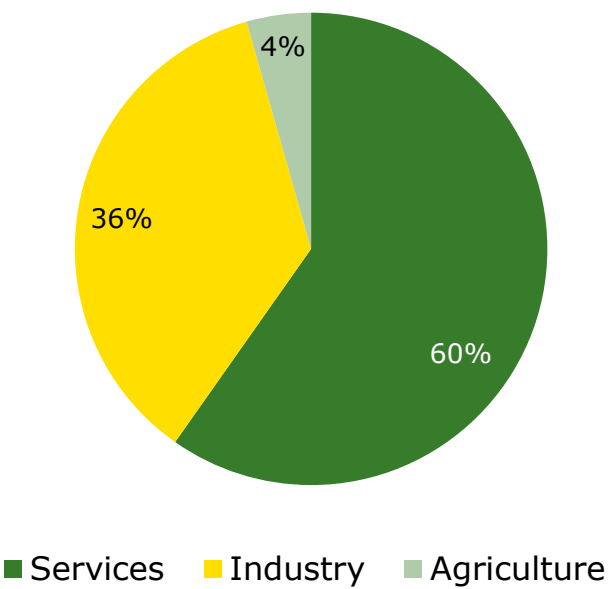
CIS

Macroeconomic Data



Source: IHS Markit January 2020

GDP Composition (Russia)

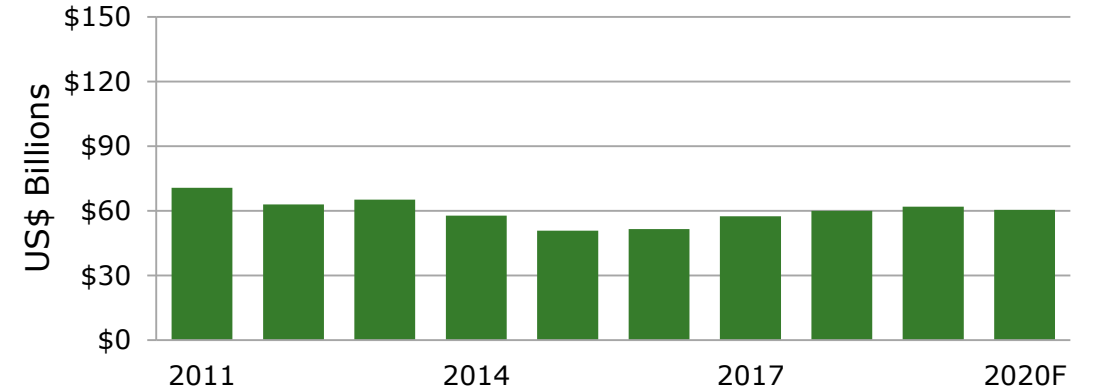


Source: The World Factbook, 2015 est.

- Utilized agricultural area ~ 560 million hectares
- Arable land ~ 195 million hectares
- Significant opportunities to improve yield rates in all major crops*
 - Land under cultivation (sown crops) expected to remain nearly flat over the next decade
 - “Western-style” equipment used on <25% of farm land
- Average farm size ~ 995 hectares
 - Number of farms ~ 0.5 million

* Deere & Company forecast as of 21 February 2020
 Source: FAO, CIS farm statistics 2006-2007 (Russia, Ukraine and Kazakhstan)

Crop Value of Production



Includes wheat, barley, corn, sunflower seed, rapeseed, soybean, sugar beet
 Source: IHS Markit, February 2020

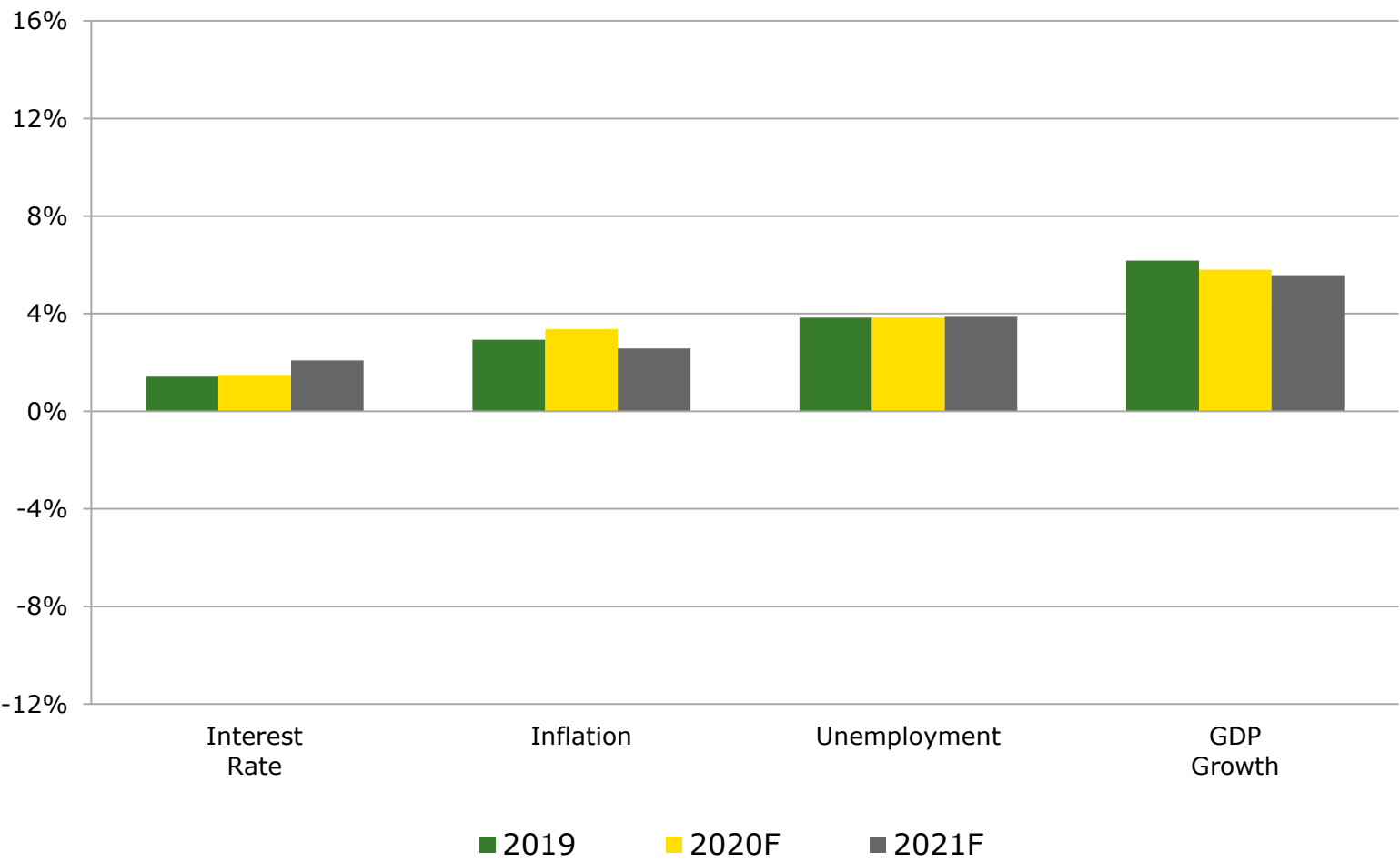
Share of the World Market

	Production	Exports
Total Grains	11%	28%
Wheat	18%	35%
Barley	24%	41%
Corn	5%	19%
Sunflower	57%	48%

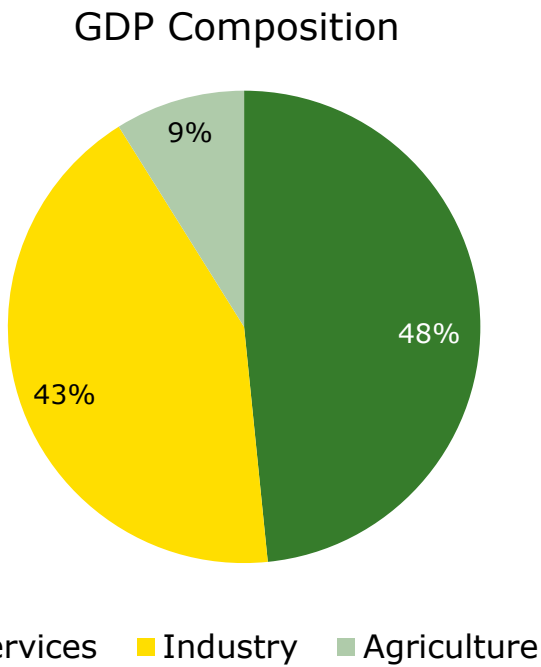
Source: USDA, February 2020; average 2017-2019
 (Total Grains: excludes rice)

China

Macroeconomic Data



Source: IHS Markit January 2020



Source: The World Factbook, 2015 est.

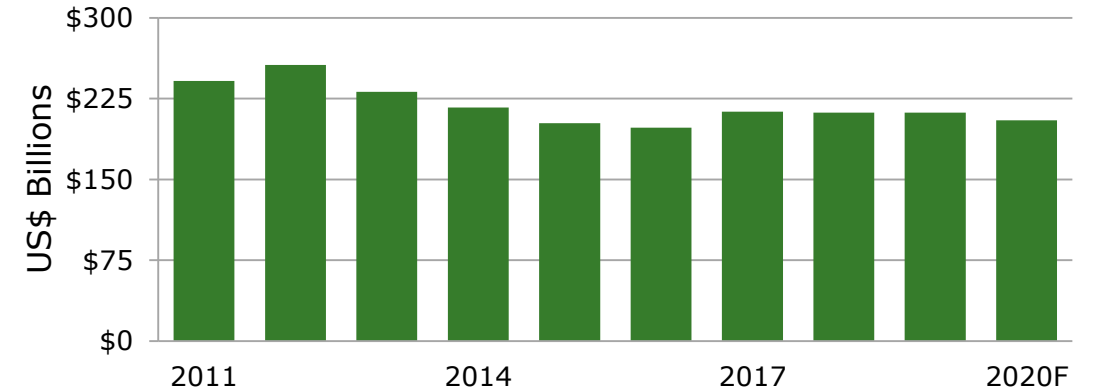
China

Ag Economic Data

- Utilized agricultural area ~ 515 million hectares
- Arable land & permanent crops ~ 122 million hectares
- Rural population % of total declined 15% from 2003-2014
- Average farm size ~ 0.47 hectares
 - Number of farms ~ 257.7 million in 2012

Source: FAO, IHS Global Insight, China National Bureau of Statistics

Crop Value of Production



Includes corn, wheat, rice, barley, sorghum, oilseeds, peanut, sugar, cotton
Source: IHS Markit, February 2020

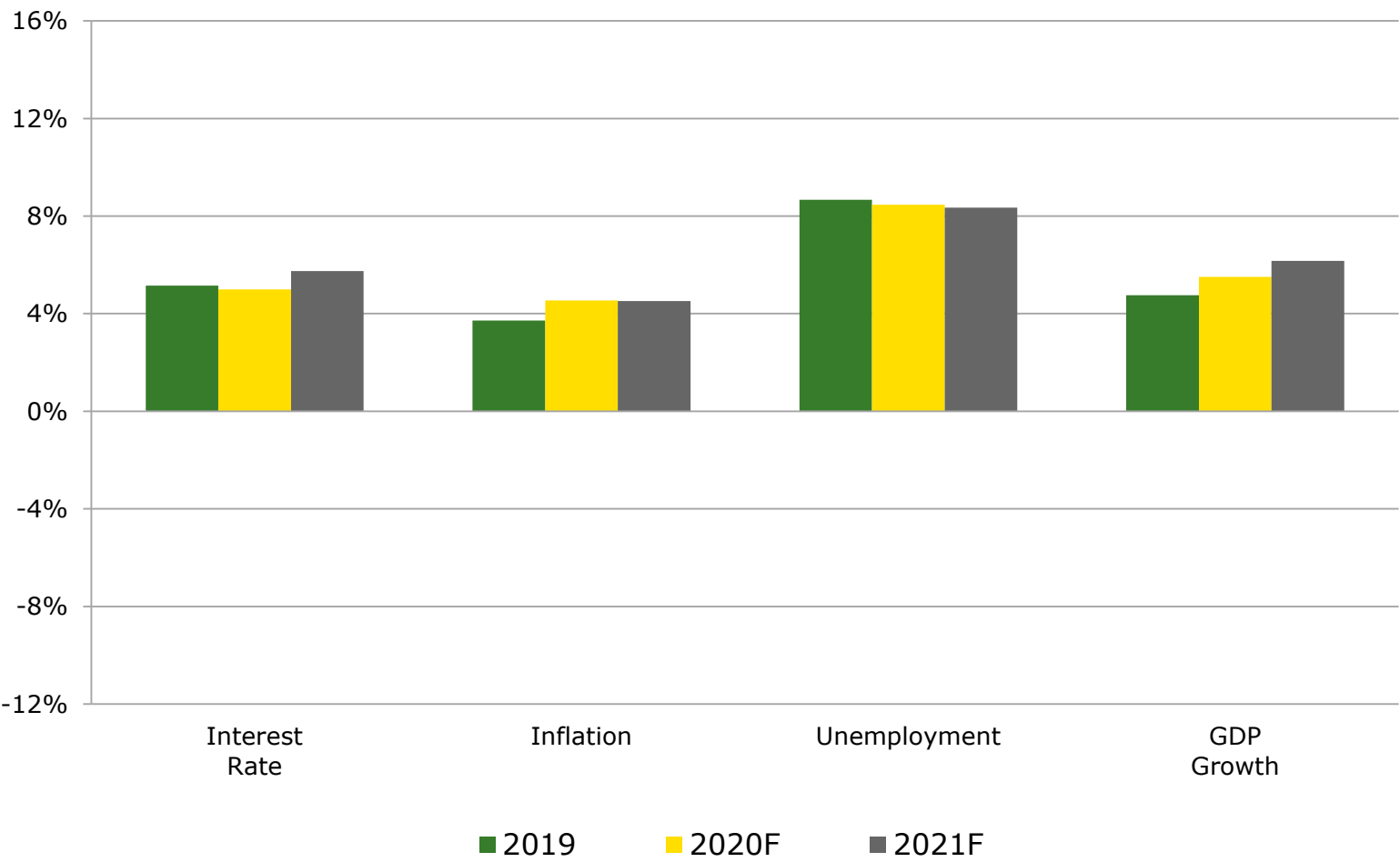
Share of the World Market

	Production	Exports
Total Grains	19%	0.8%
Wheat	18%	0.6%
Corn	23%	0.0%
Rice	30%	5%
Cotton	23%	0.4%

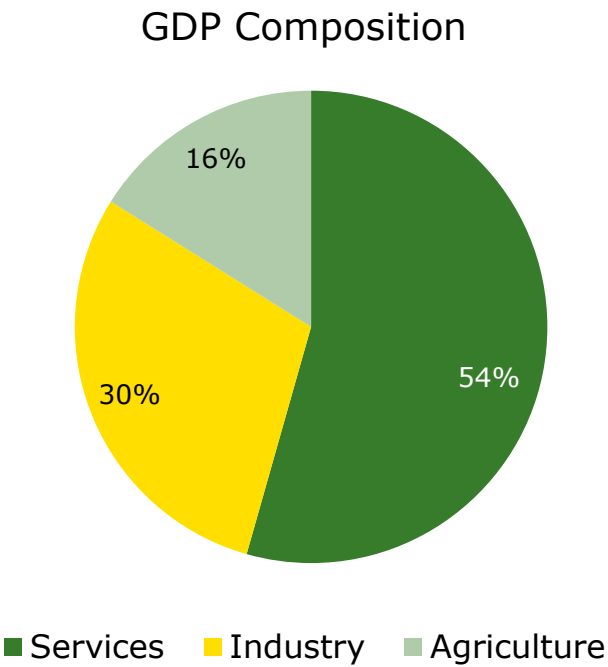
Source: IHS Markit, February 2020; average 2017-2019

India

Macroeconomic Data



Source: IHS Markit January 2020



Source: The World Factbook, 2015 est.

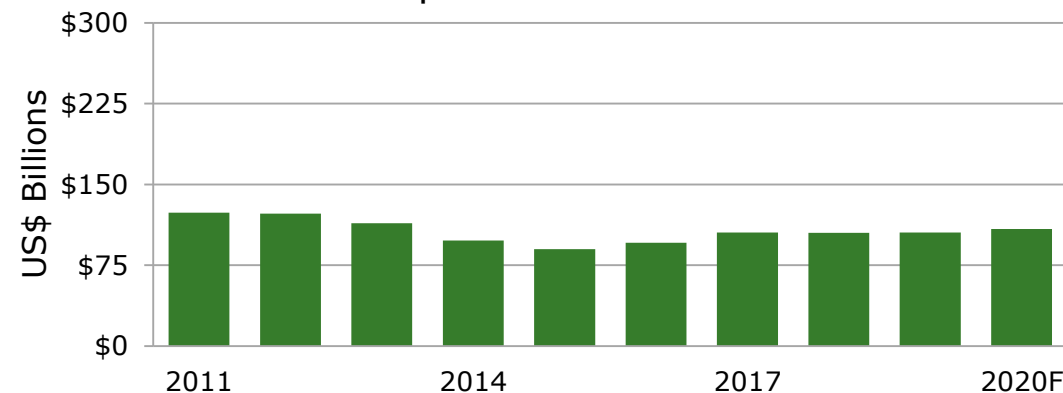
India

Ag Economic Data

- Utilized agricultural area ~ 180 million hectares
- Arable land ~ 157 million hectares
- Average farm size ~ 1.2 hectares
 - Number of farms ~ 129 million

Source: FAO, Tractor Manufacturers Association of India, Indian Ministry of Agriculture

Crop Value of Production



Includes corn, wheat, rice, barley, sorghum, oilseeds, peanut, sugar, cotton
Source: IHS Markit, February 2020

Share of the World Market

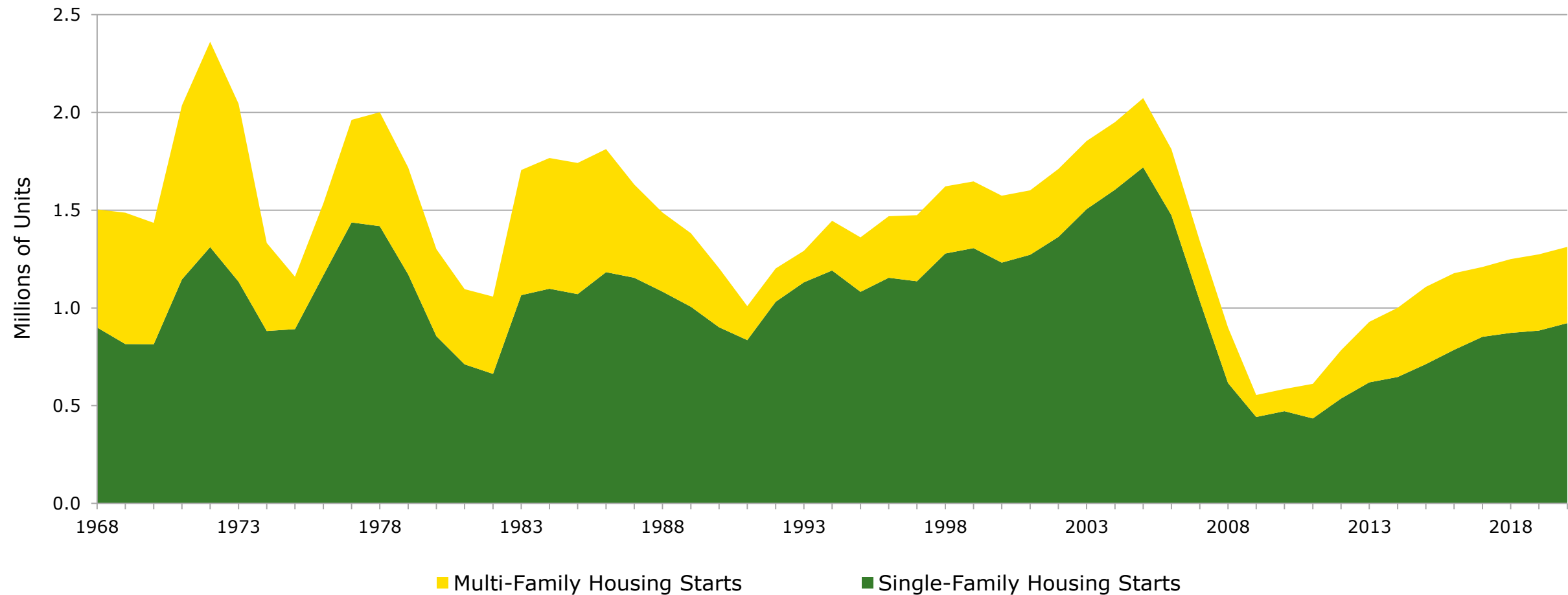
	Production	Exports
Total Grains	7%	3%
Wheat	13%	0.3%
Corn	3%	0.4%
Rice	26%	25%
Cotton	23%	10%

Source: IHS Markit, February 2020; average 2017-2019

Construction & Forestry Fundamentals

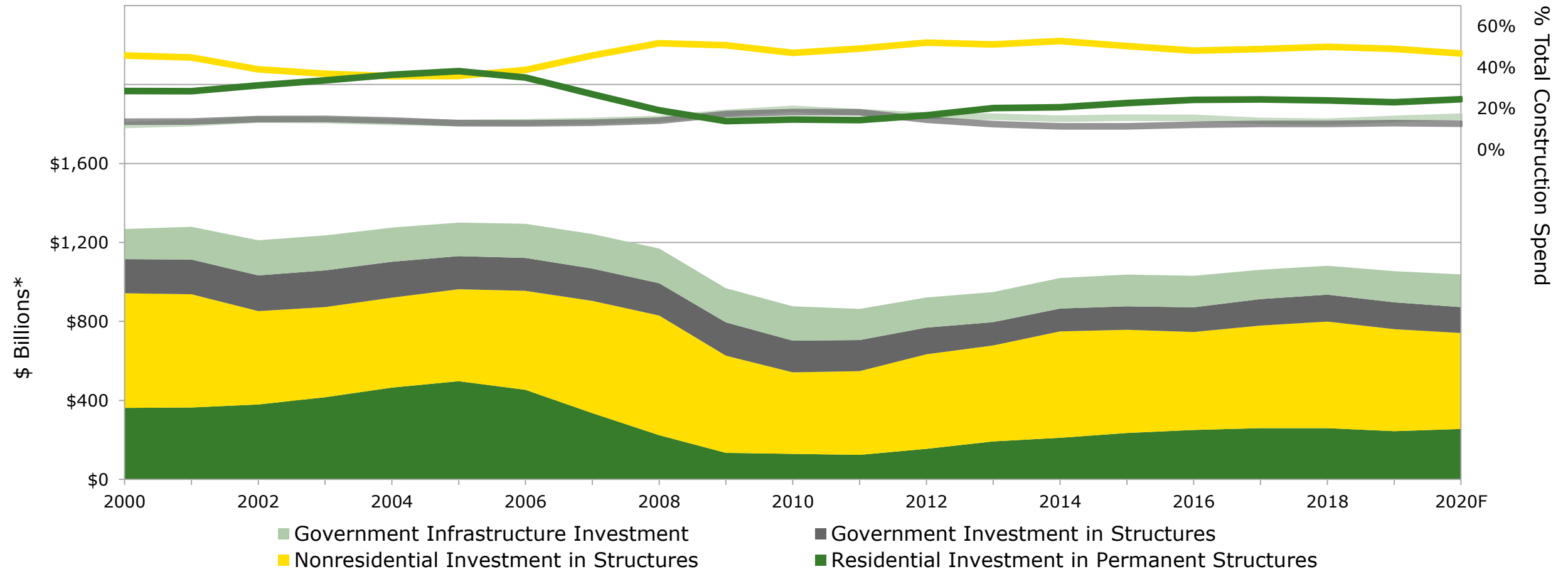


U.S. Housing Starts



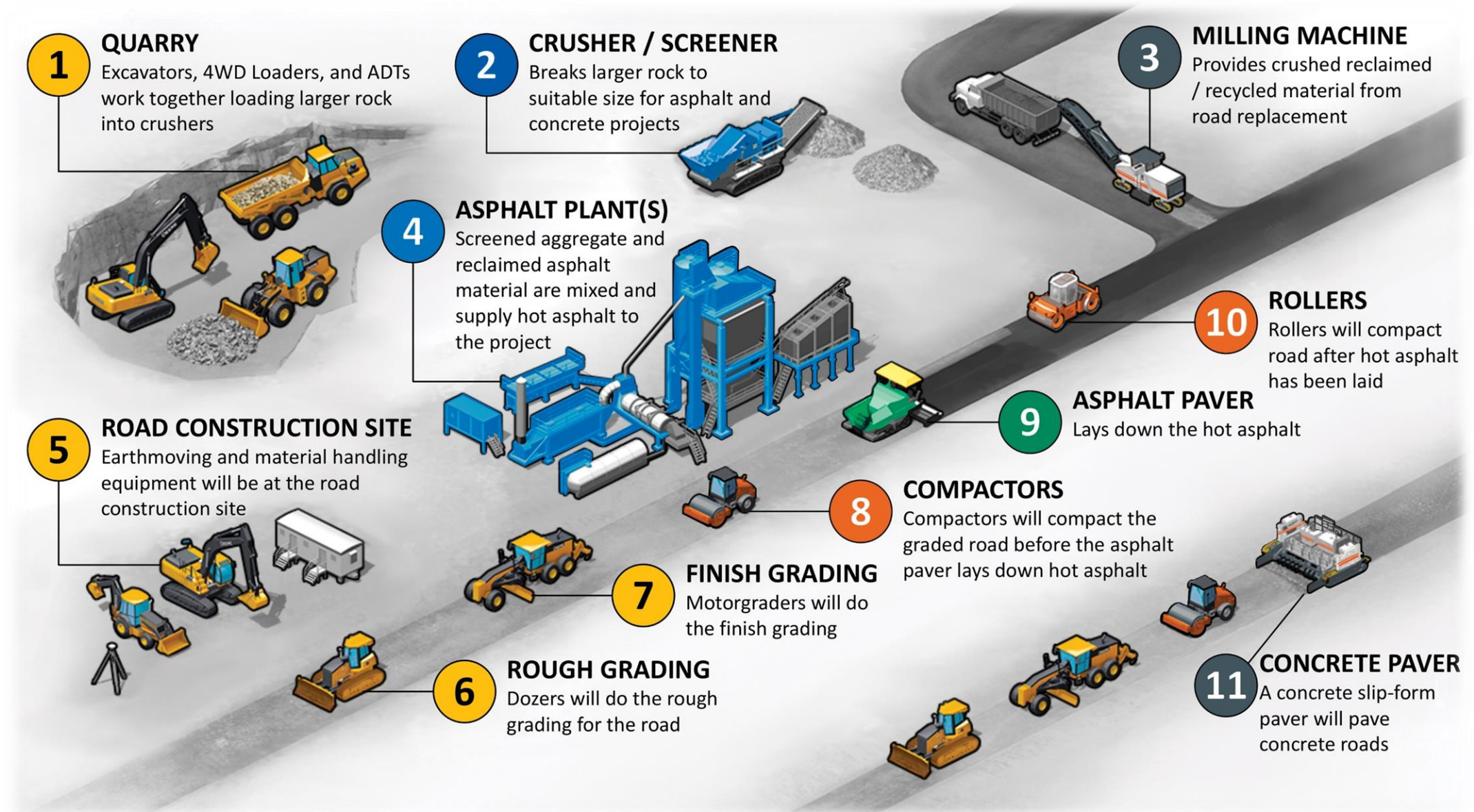
Source: 1969–2018: U.S. Census Bureau, January 2020
2019F–2020F: Deere & Company forecast as of 21 February 2020

U.S. Construction Spending



* 2009\$ base
Source: 2000–2018: U.S. Bureau of Economic Analysis, January 2020
2019F–2020F: Deere & Company forecast as of 21 February 2020

End to End Road Construction Portfolio



Appendix



SVA** Reconciliation to GAAP

Equipment Operations

(\$ millions except where noted)	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Net Sales	7,663	8,830	9,640	11,082	11,926	9,701	11,169	11,077	11,703	13,349	17,673	19,401	19,884
Average Identifiable Assets													
With Inventories at LIFO	5,551	6,187	6,502	6,682	7,672	7,724	8,069	8,743	6,229	5,965	6,482	7,248	7,546
With Inventories at Standard Cost	6,494	7,131	7,488	7,703	8,711	8,739	9,039	9,678	7,147	6,925	7,477	8,312	8,634
Operating Profit	847	1,006	1,125	1,402	1,476	272	693	(46)	401	708	1,905	1,842	1,905
Percent of Net Sales	11.1%	11.4%	11.7%	12.6%	12.4%	2.8%	6.2%	(0.4%)	3.4%	5.3%	10.8%	9.5%	9.6%
Operating Return on Assets													
With Inventories at LIFO	15.3%	16.3%	17.3%	21.0%	19.3%	3.5%	8.6%	(0.5%)	6.4%	11.9%	29.4%	25.4%	25.2%
With Inventories at Standard Cost	13.0%	14.1%	15.0%	18.2%	16.9%	3.1%	7.7%	(0.5%)	5.6%	10.2%	25.5%	22.2%	22.1%
SVA Cost of Assets	(780)	(856)	(898)	(924)	(1,045)	(1,049)	(1,085)	(1,162)	(858)	(831)	(897)	(998)	(1,036)
SVA	68	150	226	477	431	(776)	(392)	(1,208)	(457)	(123)	1,008	844	869

(\$ millions except where noted)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*	2019*
Net Sales	21,489	25,803	20,756	23,573	29,466	33,501	34,998	32,961	25,775	23,387	25,885	30,324	31,693
Average Identifiable Assets													
With Inventories at LIFO	8,092	9,652	9,647	9,196	11,516	13,594	14,569	14,113	12,491	11,816	12,150	13,566	14,460
With Inventories at Standard Cost	9,205	10,812	10,950	10,494	12,875	14,965	15,924	15,493	13,840	13,092	13,421	14,825	15,838
Operating Profit	2,318	2,927	1,365	2,909	3,839	4,397	5,058	4,297	2,177	1,880	2,821	3,568	3,378
Percent of Net Sales	10.8%	11.3%	6.6%	12.3%	13.0%	13.1%	14.5%	13.0%	8.4%	8.0%	10.9%	11.8%	10.7%
Operating Return on Assets													
With Inventories at LIFO	28.6%	30.3%	14.1%	31.6%	33.3%	32.3%	34.7%	30.4%	17.4%	15.9%	23.2%	26.3%	23.4%
With Inventories at Standard Cost	25.2%	27.1%	12.5%	27.7%	29.8%	29.4%	31.8%	27.7%	15.7%	14.4%	21.0%	24.1%	21.3%
SVA Cost of Assets	(1,094)	(1,284)	(1,301)	(1,259)	(1,545)	(1,795)	(1,911)	(1,860)	(1,661)	(1,570)	(1,611)	(1,778)	(1,900)
SVA	1,224	1,643	64	1,650	2,294	2,602	3,147	2,437	516	310	1,210	1,790	1,478

* Excluding Wirtgen

** Shareholder Value Added



JOHN DEERE